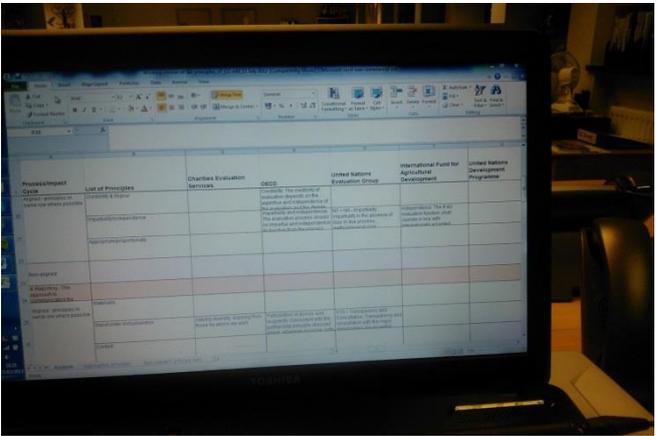
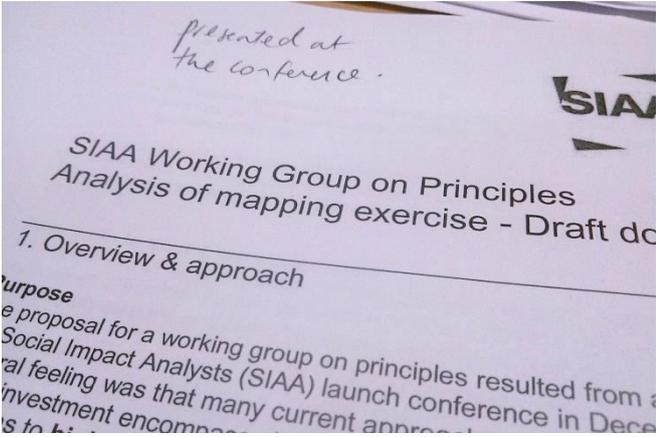
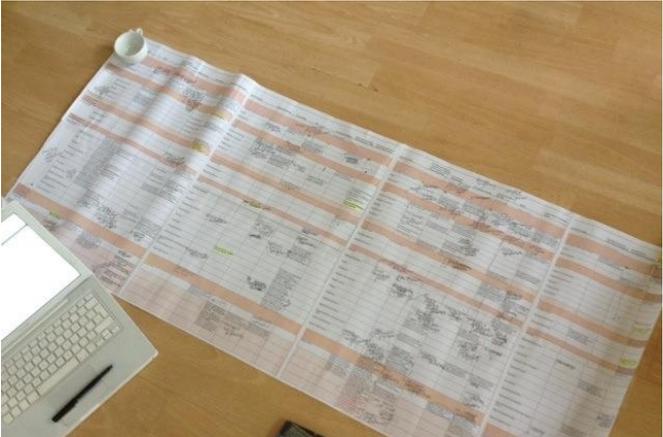


SIAA Thought Paper

How can organisations think about the practice of Social Impact Analysis?



Glossary of terms in paper

Accountability	The acknowledgment of responsibility for actions, including the obligation to be answerable for resulting consequences to those affected
Approach	A particular set of principles or guidelines around how to carry out a social impact analysis (e.g. GRI)
Attribution	The extent to which impacts are caused by an activity
Impact	A change resulting from an activity
Materiality	The process of deciding which impacts should be measured
Principles	The building blocks within approaches to measuring impact
Scope	Covers the purpose of the analysis, level of accountability and activity under analysis
Stakeholders	Groups of people (sometimes as organisations) that are affected by or effect an activity

The issue

There is growing recognition for the need for more consistency and standardisation in social impact analysis in order for information on social impact to be widely understood and better used in decision making, specifically decisions about allocating resources. At the same time there has been a concern that the wrong things will be standardised, leading to poor decisions and restricting innovation in what is a developing field.

A SIAA working group on principles was established in late 2011 and the group collectively participated in the [Principles of Social Impact Analysis Mapping Exercise](#). The aim of the mapping exercise was to highlight areas of convergence and common themes among existing approaches. It was found that most approaches to social impact analysis are built on and apply a set of principles and the mapping exercise considered both sets of principles as well as differences between principles.

A draft of the mapping analysis produce by the group was presented at SIAA's Annual Conference in Berlin in November 2012. Following on from a number of discussions at the conference this follow up paper proposes a basic framework for how to compare how different sets of principles relate. The aim of this framework is to provide organisations with a possible way of looking at how they can approach the practice of social impact analysis that is appropriate and useful for their organisation.

Key findings from the mapping exercise

Despite different wording used for individual principles, there is growing consistency around a common set of principles that underpin approaches to understanding the impact of an organisation's work.

Within this growing consistency sets of principles appear to fall into two main groups; those determined by their approach to accountability and those determined by the main purpose for understanding impact.

1. Principles relating to accountability

Organisations can take different approaches to accountability which have implications for their approach to analysing impact and therefore to the principles that they need to apply. There is a range, from less to more accountable.

- Being accountable for the impact of an organisations work in its pursuit of a set of objectives.
- Being accountable for the impact of an organisations work relating to a set of objectives.

If an organisation wants to be accountable for the impacts that arise from its activities it will need a processes to decide what the impacts are (that were caused by the activity) and which are sufficiently important to be managed. This requires:

- A principle of involving stakeholders in determining outcomes.
- A principle of materiality (e.g. GRI, Accountability).
- And as part of materiality a principle of valuation (e.g. financial accounting and SROI).
- A principle to assess attribution and causality.

Although reference to stakeholder engagement or consultation is common in many principle based approaches there is often a difference between involving stakeholders to help determine what the impacts are (positive and negative) and which are important, and engaging stakeholders to check whether objectives have been achieved.

Once an organisation moves beyond its objectives it will need to make judgements about who its stakeholders are, what they experience and whether these are material. This tends towards the need for a principle for independent review of these judgements.

The range of approaches to accountability for an organisation would include:

- Accountable for objectives.
- Accountable for positive outcomes experienced by primary stakeholder.
- Accountable for positive outcomes experienced by primary stakeholder that can be attributed to the activity.
- Accountable for positive and negative outcomes experienced by primary stakeholder.
- Accountable for positive and negative outcomes experienced by primary stakeholder that can be attributed to the activity.
- Accountable for positive and negative outcomes experienced by all stakeholders.
- Accountable for positive and negative outcomes experienced by all stakeholders that can be attributed to the activity.

2. Relating to purpose

There are many reasons why an organisation would want to understand its impact, but there are two main purposes.

- External reporting to those paying for activities. This has some bias towards influencing decisions of those paying.
- Internal reporting for those deciding which activities should take place, and how they should be designed and delivered. This has some bias towards influencing internal decisions.

The more that the purpose is to make choices between different options, the more the approach will need to express different impacts in a common language. For example there could be a choice between a training course and training placements which result in different impacts, or between two different ways of delivering very similar impacts for example providing a meals to wheels service or alternatively a wheels to meals service. Where decisions also need to be made about alternative levels of investment or expenditure for different services or delivery options, the more this common language is in monetary terms.

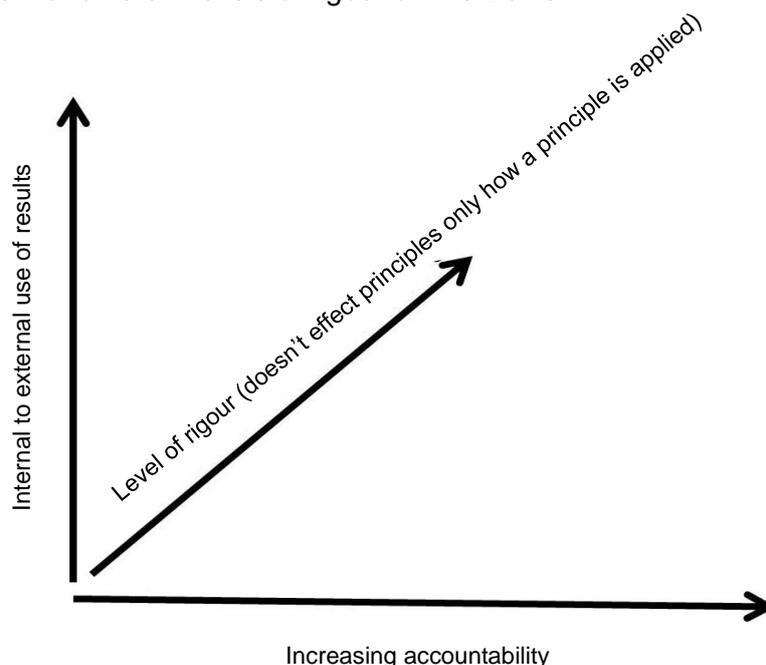
Rigour

Any principle can be applied with a different level of rigour which will depend on the audience and purpose and the resources available. The audience and purpose will determine the level of risk that the audience is willing to accept in making a decision, i.e. the risk that the information on social impact is wrong.

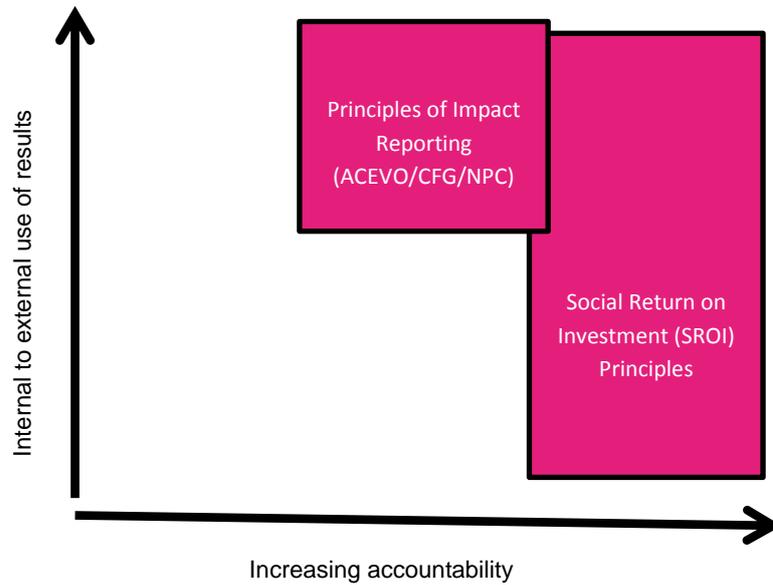
This is where it is more appropriate to think about tools. Different methods or tools are available in order to apply principles for different levels of risk – for example for assessing causality randomised control trial provides much lower risk that causality between activity and outcome is identified than a simple comparison group.

Mapping approaches

Principle based approaches could be located based on these two main differences, on the x and y axis below. There are different methods or tools that can be used to apply principles within an approach for different levels of rigour on the z axis.



Two examples from the approaches or principles sets reviewed in the mapping exercise are set out in the framework below.



Caveat

In the graph above we have not included all of the approaches and principles reviewed in the mapping exercise, as there is further discussion to be had around the position of the different principles. However we have included the two examples above to show how the framework would work in practice.

Feedback

This is an initial thought paper to stimulate discussion around the principles of social impact analysis. Please do comment on this paper via the SIAA website or get in touch via hello@siaassociation.org, [@SIAAssociation](https://twitter.com/SIAAssociation) on twitter or [SIAAssociation](https://www.facebook.com/SIAAssociation) on facebook.