



**SOCIAL RETURN ON INVESTEMENT (SROI) MEASUREMET IN CHARITABLE  
ORGANISATIONS IN CAPE TOWN, SOUTH AFRICA**

by

**JACQUES MBAMBI MABIALA**

**Dissertation submitted in partial fulfilment of the requirements for the degree**

**Master of Technology: Business Administration**

**in the Faculty of Business and Management Sciences**

**at the Cape Peninsula University of Technology**

**Supervisor: Prof Retha de la Harpe**

**District Six/Cape Town  
January 2024**

**CPUT copyright information**

The dissertation may not be published either in part (in scholarly, scientific or technical journals), or as a whole (as a monograph), unless permission has been obtained from the University

## DECLARATION

I, Mbambi Mabiata, confirm that the content of this thesis contains my personal opinions and hard work; it does not necessarily reflect the opinions of the Cape Peninsula University of Technology. It is being submitted for the first time for academic examination qualification.

A handwritten signature in black ink, appearing to read 'Mbambi Mabiata', is centered on a light gray rectangular background.

Sign:

Date: 15/11/22

## **ACKNOWLEDGMENTS**

I am obligated to express my sincere gratitude and appreciation to Professor Retha de la Harpe for her dedication and commitment in guiding and advising me in all aspects for the accomplishment of this work.

I acknowledge gratitude to Sorria Nzuzi Mabila and Sam Junior Mabila, my beloved children, and my spouse, Claudine Lufuma Mabila, for their support, advice and encouragement during my study.

My sincere acknowledgements are also expressed to the five charitable organisations that made possible the accomplishment of the study by receiving the research team and responding to various requirements of them.

## ABSTRACT

There is a particular interest in social value measurement by private, public and social organisations. *Social value*, sometimes referred to as 'social return on investment', attempts to express in monetary terms the value of the services that charities produce. Many methodologies have been created to achieve this for use at all levels, for instance, government, social enterprises, for-profit businesses and not-for-profit organisations. However, there is no consistent framework applicable in all contexts. Almost all studies on the evaluation of social value created by organisations have been conducted in Western countries, with the tools used also created in Western countries. Therefore, it is not known how non-profit organisations in the City of Cape Town in particular, and South Africa in general, communicate with their sponsors in terms of social value work undertaken. It is unknown if any formal methods of reporting social value are employed in charitable organisations in Cape Town or in South Africa. This research, therefore, was qualitative. Data were collected by interviews and purposive sampling as the researcher selected five non-profit organisations with six senior managers (three directors, one deputy director, and two managers) for this study's investigation. Data analysis was done thematically: data was collected, recorded and transcribed in the text; codes were assigned to data transcripts; key concepts were identified in interviews; findings were identified and presented to answer each research question. Findings from interviews conducted with seven participating selected NPOs will be discussed as part of the project.

**Key Words:** Measuring social value, non-profit organisation, social value, social return on investment.

## GLOSSARY

| Abbreviation | Complete words/term                            |
|--------------|--|
| BACO         | Best available charitable option               |
| CASP         | Cape metro council street field worker project |
| CBA          | Cost-benefit analysis                          |
| NCH          | National council health                        |
| NFPO         | Not-for-profit organisation                    |
| NGO          | Non-government organisation                    |
| NPC          | New philanthropy capital                       |
| NPO          | Non-profit organisation                        |
| NPV          | Net present value                              |
| PVO          | Private voluntary organisation                 |
| SA           | South Africa                                   |
| SAA          | Social accounting and auditing                 |
| SAN          | Social auditing network                        |
| SE           | Social enterprise                              |
| SEBC         | Social enterprise scored card                  |
| SIA          | Social impact assessment                       |
| SI           | Social impact                                  |
| SIM          | Social impact measurement                      |
| SROI         | Social return on investment                    |
| VA           | Voluntary association                          |
| SV           | Social value                                   |
| SA           | South Africa                                   |
| UNCHS        | United Nations Centre for Human Settlements    |

## CLARIFICATION OF KEY CONCEPTS

| Words/concepts                | Definitions   |
|-------------------------------|---|
| Measuring social value/impact | This is the management of both the long-term social change and what occurs along the way to the change, from detail about the social issue, to details about the programmes run and the short and medium results of these programmes (Reeder & Colantonio, 2013)  |
| Non-profit organisation       | 'Non-governmental organisations are self-governing independent bodies, voluntary in nature, and tend to engage both their supporters and constituency on the basis of values or some shared interest or concern, and have a public benefit purpose (Modi & Mishra, 2010).   |
| Shelter of homeless           | It is a facility of protection and gives to people a place to go for shelter. A homeless shelter is a place for those with nowhere to sleep (Naidoo, 2010).   |
| Social enterprise             | Social enterprises focus on common good, where the reason for the commercial activity is often in the form of a high level of social innovation to achieve this social objective (Littlewood & Holt, 2018). The system reflects their mission using democratic or participatory principles focusing on social justice.    |
| Social return on investment   | Social return on investment is a framework for measuring and accounting for a much broader concept of value; it seeks to reduce inequality and environmental degradation and improve well-being by incorporating social, environmental and economic costs and benefits (Maldonado & Corbey, 2016; Nicholls et al., 2009). |
| Social impact                 | Rawhouser, Newbert and Cummings (2019) define social impact as beneficial outcomes resulting from pro-social behaviour that are enjoyed by the intended targets of that behaviour and/or by a broader community of individuals, organisations or environments.  |
| Social value                  | It compasses a broad concept of value, incorporating social, environmental and economic costs and benefits. It takes in account the direct effects of interventions and the wider effects on other spheres of the economy (Tomling, 2015). It is a benefit from an organisation, activity or programme.                   |

## TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b><i>LIST OF FIGURES</i></b> .....                             | <b>10</b> |
| <b><i>LIST OF TABLES</i></b> .....                              | <b>10</b> |
| <b><i>CHAPTER 1: RESEARCH ORIENTATION</i></b> .....             | <b>11</b> |
| <b>1.1 Introduction</b> .....                                   | <b>11</b> |
| <b>1.2 Background to the research</b> .....                     | <b>13</b> |
| <b>1.3 Research problem</b> .....                               | <b>14</b> |
| <b>1.4 Research objectives</b> .....                            | <b>15</b> |
| <b>1.5 Research questions</b> .....                             | <b>15</b> |
| <b>1.6 Research aim</b> .....                                   | <b>16</b> |
| <b>1.7 Overview of research design and methodology</b> .....    | <b>16</b> |
| 1.7.1 Research design .....                                     | 16        |
| 1.7.2 Research methodology .....                                | 17        |
| <b>1.8 Research philosophy</b> .....                            | <b>17</b> |
| <b>1.9 Research approach</b> .....                              | <b>18</b> |
| <b>1.10 Research strategy</b> .....                             | <b>18</b> |
| 1.10.1 Thematic analysis .....                                  | 18        |
| 1.10.2 Significance of the study .....                          | 18        |
| 1.10.3 Delineation of the study.....                            | 19        |
| <b>1.11 Ethical considerations</b> .....                        | <b>19</b> |
| <b>1.12 Chapter summary</b> .....                               | <b>19</b> |
| <b><i>CHAPTER 2: LITERATURE REVIEW</i></b> .....                | <b>21</b> |
| <b>2.1 INTRODUCTION</b> .....                                   | <b>21</b> |
| <b>2.2 Social organisation sector</b> .....                     | <b>22</b> |
| <b>2.3 Non-profit organisation</b> .....                        | <b>22</b> |
| 2.3.1 The concept of non-profit organisation .....              | 22        |
| 2.3.2 The South African non-profit organisation.....            | 23        |
| 2.3.3 History of a non-profit organisation in South Africa..... | 23        |
| 2.3.4 Role of non-profit organisations in South Africa .....    | 25        |
| 2.3.5 Criticism against NPOs .....                              | 27        |
| 2.3.6 NPOs challenges.....                                      | 28        |
| <b>2.4 Social enterprises</b> .....                             | <b>28</b> |
| 2.4.1 Social enterprise models.....                             | 29        |
| 2.4.2 Social enterprise model consideration .....               | 32        |
| 2.4.3 Social enterprise in South Africa.....                    | 33        |
| 2.4.4 South African context .....                               | 36        |
| 2.4.5 Typologies of social entrepreneurial models.....          | 36        |
| 2.4.6 The social mission across models in South Africa .....    | 40        |

|   |                  |
|---|------------------|
| <b>2.5 Social entrepreneurship .....</b>                      | <b>41</b>        |
| <b>2.6 SOCIAL VALUE .....</b>                                 | <b>42</b>        |
| <b>2.7 Social value measurement.....</b>                      | <b>44</b>        |
| 2.7.1 Measurement social process.....                         | 48               |
| 2.7.2 Methods of measuring social value .....                 | 49               |
| <b>2.8 Proposed conceptual framework.....</b>                 | <b>53</b>        |
| <b>2.9 Chapter summary .....</b>                              | <b>54</b>        |
| <b><i>CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY.....</i></b> | <b><i>56</i></b> |
| <b>3.1 Introduction .....</b>                                 | <b>56</b>        |
| <b>3.2 Research design.....</b>                               | <b>57</b>        |
| 3.2.1 Explorative research.....                               | 57               |
| 3.2.2 Explanative research .....                              | 58               |
| 3.2.3 Descriptive research.....                               | 58               |
| <b>3.3 Research approach.....</b>                             | <b>59</b>        |
| <b>3.4 Research philosophy .....</b>                          | <b>59</b>        |
| 3.4.1 Ontology .....  | 59               |
| 3.4.2 Epistemology .....                                      | 60               |
| 3.4.3 Interpretative paradigm .....                           | 60               |
| <b>3.5 Research methodology .....</b>                         | <b>61</b>        |
| 3.5.1 Quantitative research methods.....                      | 61               |
| 3.5.2 Qualitative research methods.....                       | 62               |
| 3.5.3 Case study .....  | 63               |
| <b>3.6 Data collection.....</b>                               | <b>64</b>        |
| 3.6.1 Interviews .....  | 65               |
| 3.6.2 Literature study.....                                   | 66               |
| 3.6.3 Research population.....                                | 66               |
| 3.6.4 Sampling.....   | 67               |
| 3.6.5 Sample size .....                                       | 68               |
| 3.6.6 Sample unit and unit of analysis .....                  | 68               |
| <b>3.7 Field research.....</b>                                | <b>68</b>        |
| <b>3.8 Data analysis .....</b>                                | <b>69</b>        |
| <b>3.9 Interpretation.....</b>                                | <b>69</b>        |
| <b>3.10 Ethical issues considered.....</b>                    | <b>70</b>        |
| <b>3.11 Chapter summary .....</b>                             | <b>70</b>        |
| <b><i>CHAPTER 4: DATA ANALYSIS AND FINDINGS .....</i></b>     | <b><i>72</i></b> |
| <b>4.1 Introduction .....</b>                                 | <b>72</b>        |
| <b>4.2 Context.....</b>                                       | <b>72</b>        |
| <b>4.3 Ethical considerations .....</b>                       | <b>73</b>        |



|   |                  |
|---|------------------|
| <b>4.4 Coding process of data .....</b>   | <b>73</b>        |
| <b>4.5 Descriptive presentation of finding .....</b>  | <b>74</b>        |
| <b>4.6 Analysis data .....</b>  | <b>75</b>        |
| <b>4.7 Analysis process .....</b>   | <b>76</b>        |
| 4.7.1 IQ1: Nature of participating organisation .....   | 77               |
| 4.7.2 IQ2: Social value assessment.....   | 78               |
| 4.7.3 IQ3: Social value assessment uses .....   | 79               |
| 4.7.4 IQ4: Social value assessment views .....  | 80               |
| 4.7.5 IQ5: Social value assessment preferences.....   | 81               |
| 4.7.6 IQ6: Social value assessment methods.....   | 82               |
| 4.7.7 IQ7: Social value assessment preferences to the South African context .....                                       | 83               |
| <b>4.8 Summary of findings .....</b>  | <b>85</b>        |
| <b>4.9 Chapter summary.....</b>   | <b>86</b>        |
| <b><i>CHAPTER 5: DISCUSSION OF FINDINGS.....</i></b>  | <b><i>87</i></b> |
| <b>5.1 Introduction .....</b>   | <b>87</b>        |
| <b>5.2 Summary of key findings .....</b>  | <b>87</b>        |
| 5.2.1 Diversity of NPOs and nature.....   | 87               |
| 5.2.2 Social value assessment .....   | 88               |
| 5.2.3 Social value assessment uses.....   | 90               |
| 5.2.4 Social value views of sponsors and stakeholders.....  | 91               |
| 5.2.5 Social value assessment preference .....  | 92               |
| 5.2.6 Assessment methods .....  | 93               |
| 5.2.7 Social value assessment for the South African context .....   | 94               |
| <b>5.3 Chapter conclusion .....</b>   | <b>95</b>        |
| <b><i>CHAPTER 6: CONCLUSION, RECOMMENDATION, CONTRIBUTION&amp; FUTURE STUDY.....</i></b>                                | <b><i>96</i></b> |
| <b>6.1 Introduction .....</b>   | <b>96</b>        |
| <b>6.2 Setting of the study.....</b>  | <b>96</b>        |
| <b>6.3 Research questions revisited .....</b>   | <b>97</b>        |
| 6.3.1 Sub-question 1.1: What is the nature of the business of Cape Town NPOs? .....                                     | 97               |
| 6.3.2 Sub-question 1.2: What measures are used to assess the social value of NPOs? ...                                  | 98               |
| 6.3.3 Sub-question 2.1: How do the NPOs experience the uses of the social value assessment?.....                        | 99               |
| 6.3.4 Sub-question 2.2: How do the stakeholders of the NPOs experience the use of social value assessment methods?..... | 99               |
| 6.3.5 Research question 1: How do Cape Town NPOs measure their perceived social Value? 100                              |                  |
| 6.3.6 Research question 2: How do the relevant stakeholders of NPO view social value assessment methods?.....           | 101              |
| <b>6.4 Reflection on research .....</b>   | <b>101</b>       |
| <b>6.5 Contribution of the study.....</b>   | <b>102</b>       |

|            |                               |            |
|------------|-------------------------------|------------|
| 6.5.1      | Knowledge contribution.....   | 102        |
| 6.5.2      | Methodology contribution..... | 103        |
| <b>6.6</b> | <b>Further research .....</b> | <b>103</b> |

***APPENDICES 120***

**LIST OF FIGURES**

|           |   |    |
|-----------|---|----|
| Figure 1: | Proposed conceptual framework.....                        | 53 |
| Figure 2: | Example of the coding for interview question 1 .....      | 76 |
| Figure 3: | Example of the coding for the reporting key concept ..... | 76 |
| Figure 4: | Example of the coding for the remaining key concepts..... | 77 |

**LIST OF TABLES**

|           |  |    |
|-----------|--|----|
| Table 1:  | Research questions, sub-questions and methodology .....        | 16 |
| Table 2:  | Examples of services provided by non-profit organisations..... | 26 |
| Table 3:  | Criticism .....  | 27 |
| Table 4:  | Organisational forms .....                                     | 35 |
| Table 5:  | Legal structures for not-for-profit models .....               | 37 |
| Table 6:  | Legal structures of for-profit organisations .....             | 38 |
| Table 7:  | Research and sub research questions .....                      | 72 |
| Table 8:  | Participants' codes.....                                       | 74 |
| Table 9:  | Interview questions linked to the key concepts.....            | 75 |
| Table 10: | Summary of the findings.....                                   | 85 |

## **CHAPTER 1: RESEARCH ORIENTATION**

### **1.1 Introduction**

The measurement and reporting benefits on social value created by profit and non-profit organisations for funders, beneficiaries, staff and partners have been demonstrated in studies around the world (Meldrum, 2011). This study will conduct a systematic literature review to determine the status of a sustainable balanced scorecard (SBSC) as a measure of organisational performance,

Most non-profit organisations reference the dollars raised, membership increases, the number of visitors, people served, and overhead costs as the criteria for tracking of their performance. However, these factors do not measure the real impact related to the NPO in achieving its goals. Often what is determined is a simple measurement of outputs rather than relating the activity to the value it offers and impact made (Meldrum, 2011). Miro et al. (2022) present a framework considering the main determinants, applications and outcomes of sustainable balance scorecard (SBSC) as a method to establish the social value of an NPO. They consider the SBSC as a measurement for the bottom of the pyramid, i.e., organisations with the least resources. They suggest that future studies are needed to analyse under-investigated settings. The literature also indicates the difference between measuring monetisation versus the use of participatory and narrative methods (Corvo et al. 2022).

Donors, government, philanthropic organisations, grant makers, and corporate and social organisations today demand tangible proof of the benefits achieved by assessment of outcomes, impacts, and social value to better see where to improve their performance. A social-value creation framework is proposed by Lashitew et al. (2022) considering social value determination challenges. This framework considers constraints such as market, regulatory and socio-cultural issues that influence the scaling, managerial complexity, and deep learning and adoption challenges in efforts to create social value. They suggest that there is a need to conceptualise, measure and analyse social value to better understand the conditions under which such organisations can have a positive impact in the community they serve. The possibility of blended social value creation in partnership with various stakeholder groups may be a future consideration to rethink the dependency amongst the relational determinants of social value (Ostertag et al. 2021).

The past decades were characterised by several attempts to measure what is called social, public or civic value – the value of non-profit organisations, social enterprises, social ventures and social programmes create (Mulgan, 2010). All sectors today are interested to these methods (Perrini et al., 2020). Foundation grants are for effective projects, and government department budgets for expenditure decisions are strictly accounted for. Investors are in need of convincing with proven data for the management of the profit; and non-profits want to prove to their funders, partners and beneficiaries about their social value created (Mulgan, 2010). Social impact assessment was initially a regulatory tool which became a management tool for project components and project financing (Vanclay, 2020). Today, therefore, social impact assessment (SIA) is required globally because it is required by all international financial organisations and Equator Principle banks (Vanclay, 2020).

The last 40 years have been characterised by a proliferation of frameworks for social value measurement, beginning with social impact assessment in the 1970s (Vanclay & Hanna, 2019). Despite the proliferation of metrics, only a small group of people use them for decision guiding. In the non-profit organisational sector, there is a rigorous tracking of costs and income by managers. But for resource allocation, few use sophisticated metrics. There are few decision-makers applying the metrics of social value (Mulgan, 2010)

It is evident that all social values measurement tools in existence and work conducted are in developed countries. However, in South Africa in general, and in Cape Town in particular, non-profit organisations operate with a need to measure the social value created in order to benefit from the advantages of that process. The concept of 'social return on investment' (SROI) is one technique developed specifically for that aim. It plays an important role in debates of how social enterprises and charities conceptualise, evaluate and report their achievements. However, 'social' has varying meanings in different contexts (Karando & Toledano, 2012). This is echoed by Corvo et al. (2022) whose findings indicate that there are few studies outside the Anglo-American contexts. South African NPOs fall under the context of 'under-researched'. Consequently, the management view on social value measurements of NGOs in South Africa is that they are explored in terms of measurement methods from a Euro or Anglo-American perspectives.

## 1.2 Background to the research

Measuring and communicating the social value of an organisation is a requirement: managers want to know what results have been achieved and investors want to know what social value their money is generating. These requirements have sparked interest in tools and techniques for measuring and evaluating the social value of programmes, projects and organisations (Moody & Littlepage, 2013). Considerable efforts are underway to develop methods assisting non-profit organisations to create social value and to determine if a social enterprise is delivering social impact. The question is: How do social enterprises or non-profit organisations measure social value or social impact? The quantification of social value is complex, involving a range of difficulties when trying to account for the cost of delivering social benefits (Arogyaswamy, 2017).

A detailed literature references on the measurement and communication of social value generated by non-profit organisations overseas, in America and Australia on the application of social return on investment analysis, social enterprise balanced scorecard, cost-benefits analysis, and best available charity option. But these are all outside the African continent (Millar & Hall, 2013; Perrini et al. 2020). There is a clear need for these analyses to be undertaken for NPOs on the African continent, particularly in South Africa.

This century, NPOs have a variety of tools and approaches to measure performance. These include balanced scorecards, cost-efficiency metrics, financial ratios, logic models, SROI, and cost-benefit analyses (Cooney & Lynch-Cerulla, 2014). NPO programmes generate costs and returns. These costs and financial benefits for their efforts are easily measured but attempting to measure in monetary terms the social and environmental returns is a challenge for management, especially, as noted, because existing methods for that purpose are chiefly European, established in culture and context vastly different than Africa.

Non-profit organisation initially believed that outcomes and benefits could not be evaluated, and thus no tangible returns were expected. However, that thinking has changed; returns are now expected from those making payments and donations to NPOs. Investors expect that NPOs will achieve the objectives for which the donation was assigned.

Based on a systematic literature review, Gupta et al. (2021) list the following challenges experienced by social enterprises (SE): lack of funding, absence of a legal framework, lack of supporting support structures, and lack of training programmes. They identify the following research gap, namely, studies that focus on motivational drivers and organisational learning as well as investigating mechanisms for SEs to form partnerships. Neessen et al. (2021) suggest that future research could focus on the role of soft skills and competencies as a resource for determining social value.

Non-profit organisations need a solution because as it stands, NPOs in South Africa find it difficult to justify the impact of funding received from outside and defending their role in providing service effectively. The fault lies with the lack of methods or frameworks adapted to the African context. NPOs lack proof to make a strong case for more funding and investment. They have not been able to focus efforts on where the differences were made and plan strategically for a more effective allocation of resources. Moreover, NPOs have lacked sufficient ways to communicate their work to stakeholders concerned. South African non-profit organisations' social value should be measured in monetary terms by existing frameworks and communicated to various stakeholders. But do they have the tools to respond to Africa NPO context? Should they adapt a Europe framework such as SROI into a South African context? Or do they know that social values created by their organisations are measurable in monetary terms? These are the questions the researcher intends to explore.

### **1.3 Research problem**

In the background, literature was reviewed to determine the current status of the measurement and reporting of social value NPOs generate. Based on the above findings from the literature, the problem for this study has been identified as the gap to address. It is known that social value measurement is now needed for profit and non-profit organisations around the world to determine their impact. There are many methodologies that have been created by the government, social enterprises, and private and for-profit businesses for measuring achievement, but not many deal with the challenges experienced in determining social value (Lashitew et al., 2022). However, no framework is usable for all organisations that provide for contextual factors, as contexts vary greatly. For example, all studies on the evaluation of social values created by organisations were conducted in Western countries with tools developed and implemented in Western countries (Corvo et al. 2022). Therefore, what remains

undetermined is how non-profit organisations in South Africa, in Cape Town in particular, communicate with their sponsors in terms of the social value of work done. Or furthermore, whether any formal methods of reporting social value are used by charitable organisations in Cape Town, South Africa. This exploratory study attempts to address this identified gap to gain insights into how charitable organisations report on the social value they create (Lashitew et al. 2022).

#### **1.4 Research objectives**

The main objectives pursued in the study are as follows:

- To give an insight to readers and stakeholders into what NPOs in South Africa, and in Cape Town in particular, view as the most adequate measurement of social value generated from their programmes in monetary terms.
- The second objective of this project is to discover and inform readers of South African NPO perspectives about existing methods to assess social value in financial terms and the acceptance (or lack thereof) of these tools by NPOs and sponsors.
- The final objective is to explore the methods currently in use in charitable organisations in Cape Town, South Africa, to communicate with stakeholders and other third parties.

#### **1.5 Research questions**

The proposed research questions guide the research to address the identified research gap. On table 1 two main research questions and four sub-research questions are stated.

**Table 1: Research questions, sub-questions and methodology**

| <b>RESEARCH QUESTIONS</b>   |                       |
|---|-----------------------|
| 1. How do Cape Town NPOs measure their perceived social value?<br>2. How do the relevant stakeholders of NPOs view social value assessment methods? |                       |
| <b>SUB-RESEARCH QUESTIONS</b>   |                       |
| <b>Sub-research questions</b>   | <b>Method</b>         |
| 1.1 What is the nature of business of Cape Town NPOs?   | Open-ended interviews |
| 1.2 What measures are used to assess social value of NPOs?  | Open-ended interviews |
| 2.1 How do NPOs experience the social value assessment?   | Open-ended interviews |
| 2.2 How do NPO stakeholders experience the use of social assessment methods?  | Open-ended interviews |

## **1.6 Research aim**

The aim is to explore, in charitable organisations in Cape Town, the existing social value measurement frameworks and tools currently or recently used to measure and communicate social value created, and to ascertain if these are acceptable to both funding providers and NPOs.

## **1.7 Overview of research design and methodology**

### **1.7.1 Research design**

The research design provides an appropriate method for the research. An important decision concerning research is the choice of research approach, as this determines the way the data for a study is to be collected. It includes interrelated processes such as collecting, analysing and interpreting data to gather information (Sileyew, 2019). Research can take the form of experimental design, descriptive design, explanatory design or exploratory design (Rahi, 2017)

The aim of the study was to explore how charitable organisations in Cape Town use existing social value measurement frameworks and tools to measure and communicate their social value. The ability to measure social value is important for both funding providers and NPOs. As this situation or problem seems to not have been clearly defined, the researcher will seek to gain insight into the problem, so an explorative design is, therefore, suitable to achieve the research aim (Gentles & Vilches, 2017). The



present study's exploratory design is applied to the study targeting charitable organisations in Cape Town.

### **1.7.2 Research methodology**

Content analysis was used to analyse the collected qualitative data. A purposeful sample method was used. The representatives of five non-profit organisations agreed to participate in the study. The criteria used for the selection of non-profits for the study include the NPO size and years in the sector, as NPOs operating in Cape Town are diverse.

Data collection will occur by two techniques, including face-to-face interviews between the researcher and the NPO founders of selected non-profit organisations. The interview questionnaire will be semi-structured. The second technique made use of public and private documents which were consulted, including newspapers, official reports, personal journals, diaries, and emails linked to the NPO founders selected and sponsors' activities involving NPOs of the city. For data analysis, the researcher used content analysis approach.

### **1.8 Research philosophy**

According to Saunders et al. (2009), research philosophy is the way the research views the world by developing knowledge and determining the nature of that knowledge. The research philosophy aids the researcher in choosing an approach, understanding the reason behind the choice, and determining the research strategy and methods applicable to that strategy (Tashakkori & Creswell, 2007). The three categories of philosophy are ontology, epistemology and methodology. Ontology approach was used by the researcher; it helped him to discover NPOs representative views on social value assessment in terms of existing methods, their knowledge on them and their applicability in the context they are operating.

- *Ontology*: This is a way of looking at reality and the assumptions behind that reality.
- *Epistemology*: This focuses on origins, nature, methods and limitations of knowledge, encompassing how a study unpacks reality.
- *Methodology*: This entails the way the research will assess what has been learned about reality.

## **1.9 Research approach**

There are two primary approaches that can be used in research, inductive and deductive approaches (Saunders et al., 2009). The inductive approach stresses theory development of data collected from participants. The deductive approach consists of considering a theory that exists already to create a new theory. This study is not creating a new theory but it may develop into something that may be added onto the existent literature.

## **1.10 Research strategy**

Yin (2012) defines *research strategy* as an overall process of how research questions can be answered. Research strategy includes case studies, experiments, surveys, grounded theory, action research, ethnography and archival research (Saunders et al., 2009). A case study based on the present study, as an investigation, was detailed during a determined period (Hyett et al. 2014). A study can use one or multiple case studies. In this study, five case studies were the object of the study.

### **1.10.1 Thematic analysis**

Thematic analysis is a method used in qualitative research for analysing, identifying, organising, describing and reporting on themes emerging from the data collected. In thematic analysis processes, data are interpreted and converted into significant information addressing the research questions (Datt, 2017). The researcher attained the aim of the study from data analysed in the study which addressed the research question.

The steps of thematic analysis followed in the study were as follows: interview recorded and the recorded interview was transcribed into a Word document; data were categorised and clustered in small groups; themes, patterns and relationships were aligned in formation; and patterns emerged in terms of similarities and differences; smaller groups were found; and data was differentiated from each group. Themes were labelled and category systems developed. Potential overlaps or redundancy of data were avoided by looking for emerging patterns in data. Lastly, data were summarised and a written report was compiled.

### **1.10.2 Significance of the study**

This project will give insight to into the City of Cape Town in terms of the position of NPOs in this country and their views on the measurement of social values they create

and the way these values are communicated. We will discover if they have knowledge of different frameworks initiated for that aim. The project will determine for NPOs and the public if these existing tools initiated in the Western atmosphere may be adequately adapted in the South African context.

### **1.10.3 Delineation of the study**

The study will explore the views of South African non-profit organisations in general and in Cape Town NPOs in particular in terms of actual frameworks for the measurement of social value created. The way these NPOs communicate to stakeholders will be also assessed. The researcher selected 5 non-profit organisations operating in Cape Town. Moreover, the study will explore NPOs' views on the standardisation of methodology for the improvement of communication between NPOs and stakeholders.

### **1.11 Ethical considerations**

Ethical considerations will be taken into account during project such as voluntary participation in the research by participants. The right to withdrawal at any time will be given to participants. Assurance will be given to participants that they will not be harmed in any way during the study process. The right to privacy will be guaranteed in the data collection process to participants. They will receive fair treatment and information pertaining to participants will for the use and concern of the study only (Arifin, 2018).

### **1.12 Chapter summary**

*Chapter 1:* The chapter was an introductory part of the study on the exploration of the social return on investment (SROI) of selected shelters of homeless people in the city of Cape Town, South Africa. In this chapter, an overview of the research problem, research questions, objectives and methodology to support research aim were presented. The aim of the study was to explore charitable organisations in Cape Town to assess if any frameworks for measuring social value that are in use are acceptable to both the NPOs and their sponsors.

*Chapter 2:* In this chapter, the literature around the problem of the study is presented. Contributions and views of different authors on the matter are identified.

*Chapter 3:* This chapter contains a detailed discussion on methodology and research design, including the research paradigm, approach and strategy, data collection techniques and the introductory part of data analysis.

*Chapter 4:* In this chapter, data collected from NPOs for use in this study are explored and analysed and findings will be explained.

*Chapter 5:* In this chapter, themes formulated from the preceding chapter are subject to discussion and related to relevant literature.

*Chapter 6:* This chapter presents the research conclusions, recommendations, suggestions for future studies and contributions to the field.

## CHAPTER 2:LITERATURE REVIEW

### 2.1 INTRODUCTION

The preceding chapter presented the introductory part of the research in which the problem for investigation under research was presented. The objectives and methodology used to achieve the assigned objective for the study were indicated. This chapter presents a review of the relevant literature as a component of the study. It is at this level of research that elements are extracted to make the study analysis legitimate, providing useful information and knowledge in response to the research questions, thereby enabling the researcher to achieve the research objectives.

The following keywords are the focus of the literature review for this research project: social organisation, non-profit organisation, social enterprise, social entrepreneurship, homeless people, social value and impact, social value measurement and conceptual framework.

The sector classification of organisations is according to the purpose of the organisation as follows (Defourny & Nyssens, 2017):

1. *Public sector* for government entities to govern and provide services for the public benefit with the primary revenue from taxes.
2. *Private sector* with the purpose of profitable financial gain and private wealth; the primary revenue from earnings emphasise financial returns in the form of profit.
3. *Social sector* with emphasis on social return for social value creation with the primary revenue being philanthropic capital. These organisations are not profit driven and provide services and goods for the common good of society.
4. *Hybrid spectrum* for blended organisations with societal and financial value for social revenue generation or socially-driven business. In this case, the purpose is impact first and then social investment second.

This part of the project concerned the literature pertaining to key concepts of the topic, such as the social organisation sector, for which NPOs, social organisations, and social entrepreneurship are parts. Literature was explored regarding Nonprofit organization and; clarification of concepts such as social value and social value measurement were fundamental for the study; and the proposed conceptual framework closed the chapter.

## **2.2 Social organisation sector**

The importance of social enterprise is acknowledged by academics, governments and non-governmental organisations in the way they tackle problems of the world (Stevens et al., 2015). Social enterprises, focusing more on social value creation, vary in their ambition for economic value creation (Schuler & Cording, 2006). Prioritising social wealth over economic wealth as opposed to economic wealth prioritised over social wealth constitutes and distinguishes social entrepreneurship from entrepreneurs starting a small business.

## **2.3 Non-profit organisation**

Humans are confronted by political, economic, social, and environmental issues including war, hunger, terrorism, diseases, and more recently, the Covid-19 pandemic. There have also been many recent natural catastrophes such as the eruption of a volcano in the Goma region of the Democratic Republic of Congo and the recent flooding in KwaZulu Natal and the Eastern Cape; all are examples of phenomena that lead to hopelessness and fear of people affected by these disasters. In order to face all these challenges, significant decisions have to be taken both locally and globally. Disparity and inequality observed around the globe demand human and financial resource contributions from public and private entities to respond meaningfully to the devastating effects of these and other equally catastrophic phenomena. Despite donations from governments of specific countries, NPOs are still in dire need of more funds to sustain their programme obligations; most NPOs rely on donations to operate (Choto et al., 2020).

### **2.3.1 The concept of non-profit organisation**

The concept of NPOs is broad, described and understood according to the entities and various terms, including civil society, trusts, foundations, charities, voluntary associations, advocacy groups, philanthropy groups and non-governmental organisations (Smith, Stebbins & Dover, 2006). Often NPOs are characterised as organisational, functional and people-centric (Choto et al., 2020). From an organisational perspective, a NPO, trust, company or organisation established for a public goal does not distribute the profit to members or employees of the company (Lewis, 2010; Kearns, 2017; Non-Profit Organisation Act 1997). From a functional

perspective, an NPO depends on the size or type of value it creates for society (Morris, Kurato & Covin, 2008). They are established to organise and oversee voluntary social action directed at problems with a humanitarian focus (Tabaku & Mersini, 2014) by volunteers, staff and other services providers.

### **2.3.2 The South African non-profit organisation**

Throughout the political evolution in South Africa, NPOs and NGOs played a crucial role in supporting the nation's development with service provisions such as education of the majority of the unprivileged; advocating for rights-based governance, policies and laws; and holding government accountable for its legal and development responsibilities (Choto et al., 2020). During the apartheid era, when segregation policies were applied, NPOs and NGOs played an adversarial and activist role in which they were beneficiaries of international developmental funding. After the democratic transition in 1994, those organisations had to adopt new roles and strategies. Their adversarial position was removed and democratic participation was installed. The period was marked by strategic and funding shifts in which many NGOs assumes a delivery role and experienced a decline in terms of their advocate and strategic capacity (Choto et al., 2020).

Non-profit organisations must confront challenges and diverse barriers while attempting to remain operational for a long period (Weerawardera, McDonald & Mort, 2010; Omura & Foster, 2014). Despite these struggles, they varied, staying operational for both short- and long-term. All these struggles endured did not prevent them from playing an important role in the socio-economic development of South Africa. Non-profit organisations are drivers of social support and promoters of good behaviour in communities (Omura & Foster, 2014). A critical service is delivered to the society by non-profit organisations through social value creation (Weerawardena et al. 2010) as they try to fill the gaps that the government and corporates fails to address (Wright, 2015). In fact, NPOs in South Africa play a crucial role in supporting the government to fill its statutory obligations (Wyngaard, 2013). All provinces in South Africa rely on NPOs to address the many challenges experienced in underserved communities (Fourie, 2018).

### **2.3.3 History of a non-profit organisation in South Africa**

A non-government organisation, is a concept created by United Nations (UN) during the 1940s (Olivo, 2007). In the 1960s, there was considerable growth in terms of the number

of NGO and how these entities differed in terms of histories, values, ideas, objectives and methods of work. Even today, there is continuous growth in the number of NGOs both locally and internationally.

The apartheid era between 1948 and 1994 in South Africa was based on oppression and discrimination under the minority white population. During that time, the constitution generated inequality resulting in certain people benefiting from supremacy in all aspects. The result that was NPOs emerged to respond to the inequalities created by apartheid based on the needs of the oppressed, for example, to supplement the under-resourced public health services. In 1990, the newly elected government acknowledged the role of NPOs, and policies were established to support development. But these policies did not go the way they were planned (Van Pletzen et al., 2013). NPOs are still suffering from the reluctance of government officials to adapt to the development of social society (Choto et al., 2020).

After apartheid, South Africa experienced an identity crisis. The government felt obligated to provide services and resources to the entire population but unfortunately failed to cope as the government faced numerous challenges in this post-apartheid period. Partnerships were initiated by the government with NPOs to cater for the needs and provide resources to the citizens who were not reachable by the government (Kumaram et al., 2012). Some NPOs did not adapt to the change and discontinued their services whilst others adapted quickly to the new working relationship with the government. Partnerships led to the formation of three groups of NPOs: NPOs in partnership with the government to provide services on behalf of the government; NPOs operating locally within marginalised communities; and NPOs operating to affect policy change at the state level (Kumaram et al. 2012).

After the 1994 election, NPOs' drive to redefine their relationship with the government, define their roles and strategies, and identity in the newly established democratic structures led them into chaos when the government absorbed the skilled and experienced persons who previously worked for NPOs (Weideman, 2015). Only those NPOs with the ability to cope with the government bodies, with the capacity to comply with reporting, accountability, monitoring and evaluation requirements of the donor sector survived (Weideman, 2015). Furthermore, the global economic crisis in 2008 resulted in further decline in donor funding (Weideman, 2015). According to the *Global Journal* (2013), there are about 10 million NPOs/NGOs globally, out of which 153 667



exist in South Africa (Mazibuko, 2013). Despite of the disappearance of certain NGOs, this number, as indicated by Mazibuko, has increased considerably both nationally and globally. Currently 94.7% of all NPOs provide voluntarily services, of which 40.8% are classified as social services (Stats SA, 2015).

#### **2.3.4 Role of non-profit organisations in South Africa**

The NPOs role, to address socio-economic transformation challenges, has been impressive. Globally, the NPO role is to rectify diverse socio-economic problems and markets failures and provide public goods and services that the state does not provide (Edward, 2013; Volmink & van der Elst, 2017). NPOs provide social services to society without receiving a reward. They raise funds and donations to support their interventions. Despite the democracy gained, South African citizens battle with unemployment, poverty, inequality, hunger and social injustice even today (van der Westhuizen & Swart, 2015). Crime in South Africa is one of the major socio-economic problems with which the country grapples. NPOs, in their role of addressing development and transformations of socio-economic difficulties, have played an incredible role.

NPOs are providing crucial services, contributing to society through social value creation (Weerawardena et al., 2010) in societal gaps that firms and state sectors do not sort out (Wright, 2015). Several important services of non-profit organisations are as follows:

**Table 2: Examples of services provided by non-profit organisations**

| Non-profit organisational                        | Services   |
|--|--|
| Employment creation                              | <ul style="list-style-type: none"> <li>• Globally, 10% of employees are employed by NPOs (Salamom et al. 2013).</li> <li>• Over 1 million employments in SA, both paid and unpaid, are provided by the NPO sector (Dlamini, 2019).</li> </ul>  |
| Poverty and inequality alleviation               | <ul style="list-style-type: none"> <li>• Reaching poorer people unserved by the state and widening access to public resources impact on poverty and inequality alleviation (Choto et al., 2020).</li> <li>• NPOs, with limited capacity and resources for delivering services needed to publics created by Africa’s government, assume the responsibility to reduce poverty and alleviate inequality among the African population (Kyalimpa, 2013).</li> </ul> |
| Provision of public services and goods           | <ul style="list-style-type: none"> <li>• NPOs’ seriousness in services and goods distribution to the public is better than that of the government.</li> <li>• Service delivery by NPOs is better compared to the government (National Treasury, 2019).</li> </ul>  |
| Provision of better goods and services           | <ul style="list-style-type: none"> <li>• Quality of services and goods provision of NPOs is far better than a public one.</li> <li>• NPOs are faster in services and goods provision and in response to issues (Ciucescu &amp; Alecsandri, 2009).</li> </ul>   |
| Social responsibility and improvement of society | <ul style="list-style-type: none"> <li>• NPOs sort out social problems.</li> <li>• NPOs are committed to improvement of quality of life for communities.</li> <li>• NPOs mobilise resources and tangible solutions with low cost for community issues that the state is unable to sort out (Ciucescu &amp; Alecsandri, 2009).</li> </ul>   |
| Supporting the strengthening of social systems   | <ul style="list-style-type: none"> <li>• NPOs support the government and funders help for advancement in more development strategies (Ciucescu&amp; Alecsandri, 2009).</li> <li>• NPOs support weak and failed government service.</li> </ul>  |

The above describes the role and impact of social value in South Africa. The interest in this study is because NPOs are creating social value in diverse forms on everything they do within societies and for the environment. That role played by NGOs informs this study

of an exploration of how these organisations communicate their social value and the methods by which to measure their social value.

### 2.3.5 Criticism against NPOs

While NPO benefits and values in the economy and societies where they operate have been recognised around the world, they are still subject to some criticism associated with them (Matthews, 2017; Anbazhagan & Surekha, 2017).

**Table 3: Criticism**

| Non-profit organisational                                    | Criticism   |
|--|---|
| Dominance of international power                             | <ul style="list-style-type: none"> <li>• No faith in state and government service provision due to their corrupt behaviour. International fund providers prefer NGOs. Thus, this limits funding to the Africa state and governments (Matthews, 2017)</li> <li>• The Africa state and government limitations in terms of funds means African people are at the mercy of donors, thereby increasing dependency on donor funds.</li> </ul> |
| Focus on technical solution                                  | <ul style="list-style-type: none"> <li>• NPOs are relief aiders instead of solution providers.</li> <li>• NPOs bring a technical solution to a particular problem rather than sorting out the root of that particular problem (Matthews, 2017).</li> </ul>  |
| Accountability to funding provider than to people they serve | <ul style="list-style-type: none"> <li>• NPOs are more accountable to their donors than to those they serve because of their extreme dependency on funding providers (Matthews, 2017).</li> <li>• NPOs focus on impressing funding providers and are obliged to serve donors' mandates (Hershey, 2013).</li> </ul>  |
| Employment offered to elite                                  | <ul style="list-style-type: none"> <li>• NPOs prefer foreigner and local elite with skills in development studies in terms of employment.</li> <li>• Few people from an NPO community operations receive a full education (Matthews, 2017).</li> </ul>  |
| Narrowly focused programmes and competitions                 | <ul style="list-style-type: none"> <li>• NPO programmes focus, in most cases, on issues and overlook or give less attention to problems where intervention should be a priority.</li> <li>• NPOs focus on projects to attract donors and forget the necessity to help beneficiaries rather than attract fund providers (Anbazhagan &amp; Surekha, 2017).</li> </ul>   |

### 2.3.6 NPOs challenges

Regardless of NPO contributions, NPOs face many challenges: rivalry, limited funding, subjective government fund criteria, and lack of government backup. Despite these challenges, the community expects that the NPOs fulfil their obligations by providing adequate goods and services. To maintain such expectations, NPOs need continuous resources and so must seek outside support. This means that the state, communities and the private sector must continuously support NPOs.

The differences in rational contexts have considerable impact on NGOs. Certain governments impose restrictions on the range activities of NPOs (Wiktorowicz, 2002).

This part is also interesting for this study: the importance of NPOs in South Africa in particular and on this continent more generally to assess their social value; to benefit from social value measurement; and to contend with challenges such as competition, securing funding and defending their legitimacy.

## 2.4 Social enterprises

Social enterprise (SE) has the ability to address poverty (Ghauri et al. 2014), promote comprehensive growth in subsistence marketplaces (Azmat et al. 2015) and create institutional change (Nicholls, 2008). It uses both social and commercial logic to address social, economic and environmental problems (Folmer et al., 2018) while prioritising social innovation (Philips et al., 2015).

Social entrepreneurship and social enterprise have attracted the attention of the world in recent decades, particularly in the Western context. There is an increase of interest in the scientific world to both concepts for settling upon a widely accepted definition (Borzaga & Defourny, 2001). But social entrepreneurship, as a concept, is still not well defined (Saebi et al., 2019).

Many attempt to combine these features in an effort to define the concept of *social enterprise*, but this has resulted in confusion among academics, researchers and observers interested in social enterprises (Defourny & Nyssens, 2017). A simpler definition is offered by Mair and Marti (2006) who define *social entrepreneurship* as process involving the innovative use and combination of resources to pursue opportunities to catalyse “social change and/or address social needs”.

Social enterprises (SE) target social and economic issues, so the creation of shared values is a fundamental aspect of a SE (Porter & Kramer, 2011). Shared values, focusing on the connections between societal and economic progress, have the power to contribute to global growth. The concept fits with social enterprise operation and strategy.

The non-profit sector developed social enterprises with main concern of not making profit (Goldenberg et al., 2009). While SE activities are still governed by financial and operational support, but when engaging in commercial business practices the main objective is not income or profit (Phills et al., 2008).

According to Grassl (2012, cited by Kassim & Habib, 2020), social enterprise should satisfy the following criteria:

- It must be driven by social mission, abstaining from distributing profit to shareholders.
- It must generate positive externalities (spill overs) for society.
- It must recognise the centrality of the entrepreneurial function.
- It must achieve market competitiveness by effective planning and management.

Western academic debates have been vocal about Western social entrepreneurship and the social enterprise context that has led to the promotion of their context, but less is known about social entrepreneurship for other geographical, social, economic and political contexts, especially for developing countries (Claeyé, 2017). Social enterprise makes a crucial contribution in the lives of millions of people in developing countries, so it is unfortunate that studies of SE in developing countries have been neglected (Mair et al., 2012).

#### **2.4.1 Social enterprise models**

The entrepreneurial non-profit model, social cooperative model, social business model, and public-sector social enterprise model are the four main social enterprise models defined and described (Defourny & Nyssens, 2017).

##### *2.4.1.1 The entrepreneurial non-profit (ENP) model*

All non-profit organisations of this category are developing any kind of earned-income business in support of their social mission. In referring to the diverse schools of thought

(Defourny & Nyssens, 2010), this model is called the “commercial non-profit” method to underline the main difference with the model entitled “mission-driven business” approach, which embraced types of organisations as either non-profit or for-profit, launching business activities to sort out social issues.

Earned-income activities are often developed by non-profit organisation for general interest in rectifying the shortage of public grants and donations with new ways of funding (Defourny & Nyssens, 2017).

The earned-income strategies take diverse forms (Defourny & Nyssens, 2017): (1) any mission-unrelated trading activity (a shop established by a charity where sales of different products occur with the objective of supporting the social mission of the organisation. For example, this is the case of the NPO-HP/U charity shop and laundry activities for supporting their social mission. The NPO-SECTC/I supply township communities with construction materials; others supply water. This is for income to support their mission. (2) The subsidiary set up a NPO to develop a trading and generate profits for the organisation sustainability. For example, the NPO-SECTC/I belong to this form of strategy. (3) An NPO may develop any market-oriented and mission-centric activity in various industries as production activities where non-profit work integrates with social enterprises to sell their goods or services and upskill workers by training them.

#### *2.4.1.2 The social cooperative (SC) model*

Social cooperatives can be single-stakeholder cooperatives wherein all members share a mutual interest and at the same time contribute to a general interest.

One cooperative calls for “concern for community” and another stresses a “voluntary and open membership”, which means that the cooperative welcomes everybody with viable skills and services and willing to accept membership responsibilities without discrimination of any kind (International Cooperative Alliance). Cooperative pharmacy is a good example. EU countries succeeded in the provision of medicine to their members at lower prices than their competitors, distributing part of their benefits to their member customers in the form of a “cooperative discount” (Defourny & Nyssens, 2013).

#### *2.4.1.3 The social business (SB) model*

Social enterprises are considered mission-driven businesses. There are companies that develop business activities for social missions or purposes (Defourny & Nyssens, 2017).

A business activity launched by for-profit enterprises, the “social entrepreneurial” move towards the general interest. The works stress a double/triple bottom line vision, as well as the creation of a blended value by for-profit enterprises for a balanced integration of economic and social objectives and strategies (Emerson et al., 2000). A stronger orientation towards the general interest may lead social businesses to rely on a more hybrid economic model, with an increased proportion of nonmarket resources supporting at least partially, goods or services provided for the public good (Defourny & Nyssens, 2017). Frequently, small- and medium-sized enterprises have funders or owners motivated by a balanced combination of economic and social goals (Zellweger et al., 2013). Social businesses are supposed to cover all their expenses through market resources, owned and co-owned by investors who do not receive dividends, so profit is fully re-invested for supporting the social mission (Yunuset al., 2010).

#### *2.4.1.4 The public-sector social enterprise (PSE) model*

Diverse governments, nationally and locally, need to bring down costs of public provision for achieving high efficiency in this field. For this endeavour, a way has been paved by the New Public Management to transfer responsibilities to private entities like social enterprises, obviously keeping these entities under public control (Defourny & Nyssens, 2017). The method of community development policies which target deprived urban areas like local public bodies, for instance, take the lead in setting community enterprises seeking local development. They can launch and remain involved in the management of social enterprises to offer professional experience or transitional jobs to disadvantaged, unemployed people. Another development path is an initiative of public authorities to seek the transfer of social service provision to new social enterprises or to transform some service-providing arms of local administration into social enterprises. All these cases want externalisation of public services under an organisational form of social enterprise, with improvement and innovation in proving and delivering services, but also limiting the size of the state and reducing public expenditure (Gordon, 2015).

To conclude, despite the efforts of the four social entrepreneurial models identified by Defourny and Nyssens, there are still other typologies that can be developed, and in fact many types of hybridity can be developed in that field. For example, partnerships between not-for-profit and profit and those involved in local authorities are common (Defourny & Nyssens, 2017). There are also partnerships that can be related to one of the four models when a dominant partner is identified or when the legal status of an

initiative drives partners towards one of the models. Other partnerships are provisional arrangements with the temporary objective of better addressing social problems in short run, for example, after a natural disaster (Defourny & Nyssens, 2017).

#### **2.4.2 Social enterprise model consideration**

Aspects of social enterprise models are discussed in the next sub sections.

##### *2.4.2.1 The social mission across SE models*

The concept of “social mission” is always implicitly assumed through the term of “general interest”. The majority, if not all SE methods in the literature, share the view that social enterprise services and goods provided result in a combination of entrepreneurial dynamics of a primacy of social mission. The primacy of social mission is the main determinant of social entrepreneurial ventures over all organisational objectives (Nicholl, 2006). Entrepreneurs consider social mission explicit and central (Dees, 1998). Centrality of the social mission distinguishes social enterprises from commercial ventures (Chell, 2007). The main mission of social entrepreneurship and social enterprises is the benefit of the community or creation of social value for the community.

There are diverse reasons that a mission could be considered “social” (Defourny, 2009), corresponding to three types of social “levels”:

- *First, level 1:* This is based on nature of the goods and services provided. They address a social problem in meeting some unsatisfied needs that public organisations or for-profit enterprises failed to sort out for certain categories of people (access to health, social services, to financial services, for example).
- *Second, level 2:* The social mission is related to a process or to the forms of relations between social operators (for example, an institution implements an innovative framework of organisation such as integrating disadvantages employees or it establishes market relations, paying attention to disadvantaged social groups (e.g. fair trade).
- *Third, level 3:* This has a social dimension that can be embedded in broader societal values representing a primary focus. The enterprises may aim to foster economic democracy or promote sustainable way of life. Note that such a list is long and various levels of “social mission” may be combined.



#### 2.4.2.2 Governance across SE models

The governance of any enterprise is its structure as it contains a set of organisational devices which allow it to pursue the organisational mission. Thus, for social enterprises, an organisational mission is “social mission”. There are two types of devices across SE models for the protection and enhancement of the social mission (Defourny & Nyssens, 2017).

The primacy of the social aim is reflected in constraints on profit distribution, according to some schools of thought such as the EMES approach of the European Research Network (<http://www.emes.net>) or commercial non-profit approach (Defourny & Nyssens, 2010). The EMES is a research network of university research centres and individual researchers on social enterprise. The constraints are the means of pure profit-maximisation behaviour prevention. In SE models, two types of constraints are distinguished – non-distribution constraints and limitations on the distribution of profit – and the absence of any constraint may also be observed.

Social enterprises are governed by regulations and arrangements that prohibit the distribution of profit to members, investors and other stakeholders. Entrepreneurial non-profits strictly adhere to the non-distribution of profits (Travaglini et al., 2009).

The first two SE models rely on mixed resources involving public grants and philanthropic resources, but the primacy of the social mission is to prevent the assets of social enterprises being used for private gain by ensuring that they are used for the organisation’s purposes. In case of dissolution of a social enterprise, all net accumulated assets are to be applied in support of other organisations with similar social missions rather than being distributed among members (Defourny & Nyssens, 2017).

The social cooperative is an example of a SE model. Members have a right to limited compensation. If it is the case on the subscribed capital share, they can receive a portion of the benefit or surplus calculated on the basis of the general value of their transactions with the cooperative, and not according to the amount of capital subscribed.

#### 2.4.3 Social enterprise in South Africa

There is no standard definition in South Africa on the term “social enterprise”. The same phenomenon is noticed in other countries (Visser, 2011; Claeys, 2017). It could be that no definition is agreed upon by all on social enterprise, considering that the concept is elusive with multiple definitions and typologies circulating in academic institutions

(Defourny & Nyssens, 2010; Gordon, 2015). Three schools of thought are proposed by Defourny and Nyssens (2010) who define and distinguish SE from other NPOs in terms of earned income. Publications from that school are based on NPO interest to be more commercial for diversification of their funding for mission support.

Social enterprises are emphasised within the Schumpeterian meaning of SE. This school of thought sees social entrepreneurs as makers of change that introduce innovation for addressing social problems. The focus of social innovation schools is on outcomes and social impact (Palmås, 2012).

The EMES approach to social enterprise focuses on particular governance approach models rather than the profile of social entrepreneurs. The EMES emphasises democratic control or participatory involvement of stakeholders in line with the traditional cooperative movement in Europe. (Defourny & Nyssens, 2010)

Despite the term “social enterprise” regarded as a new phenomenon, it has a long history in South Africa (Littlewood & Holt, 2015). The emergence of SE in South Africa can be traced to the colonisation period with the introduction of cooperatives. The development of the South African cooperative movement during apartheid was dual; on one hand, their cooperatives provided services to white citizens and on the other hand, they provided services to black and coloured communities (Littlewood & Holt, 2015; Claeyé, 2017). The establishment of a white agriculture cooperative was for the building of a white farming community. This led to the development of powerful business ventures controlling a large proportion of agricultural production, marketing and processing in rural areas (DTI, 2012). The cooperatives that provided services to black and coloured communities did not receive the same treatment by the government. In the 1990s, the government of South Africa was committed to promoting cooperatives as a means for post-apartheid reconstruction and development, with some of policies and governmental institutions indirectly and directly supporting the cooperative sector (the dti 2012). The promulgation of the new cooperative Act of 2005 led to the global recession of that period and a decrease in support, training and resources, such that these organisations became more vulnerable and less able to compete with private business (Twalo, 2012).

The NPO sector in South Africa has been strongly developed compared to other countries on the African continent. In 1994, normalisation of political life led to many changes in South Africa. One aspect of these changes was a shift in the interest of

international donors from funding NGOs towards supporting and funding the newly elected South African government (Schneider & Gilson, 1999). These changes affected the implementation of the services and directed their activities on the ground (Patel et al., 2012).

Under the apartheid regime, social welfare services were under racial policies. The third sector was branch of state apparatus in almost all cases was for maintaining the apartheid system (Claeyé, 2016) Those groups did not have access to government support and relied on their own contacts for social support. This played a crucial role in social mobilisation under apartheid. The growth, professionalisation and diversification of welfare services have demanded the establishment of a management infrastructure in congruence with the professional requirements of services (Chetty, 1999).

Organisations that are interested in “doing good” instead of being profit-driven are still too ‘business-like’ in the way to run their activities (Claeyé 2017; Claeyé& Jackson, 2012, Claeyé& Van Meurs, 2013).This change is explained by three forms that Claeyé and his colleagues noticed in organisations that took part in their studies.

**Table 4: Organisational forms**

| Form 1  | Form 2   | Form 3   |
|---|--|--|
| <p>The change in global discourse on international development.</p> <p>Increase on performativity in development activities.</p> <p>Change in donors’ requirement, thus organisations professionalise (Claeyé, 2014).</p> | <p>Auto-financing required for activity survival and sustainability to donor funding in a global financial meltdown. Experienced companies impact on profit.</p> <p>The phenomena of “NGO fatigue” is a perception that an NPO is not able to satisfy promises made to people.</p> <p>To respond to the above, many NPOs turn to income generating activities to sustain their operations.</p> | <p>Social entrepreneurial activities have responded better than other activities to donors’ requirement in terms of performativity and sustainability.</p> |

To conclude, these three converging development factors make it look easy to set up a social enterprise rather than an NPO in its old form. These converging developments have created the foundation for more business-like NPOs and social enterprises to emerge.

#### **2.4.4 South African context**

There is no legal framework in South Africa which governs social enterprises while many SEs operate as NPOs (Bignotti & Myres, 2022). Nevertheless, some policy initiatives were launched for that purpose particularly for strengthening and developing the social economy, cooperatives, small-, micro- and medium-sized enterprises, and local economic development (LED) (Claeyé, 2017).

#### **2.4.5 Typologies of social entrepreneurial models**

Social enterprises in South Africa are not a new phenomenon (Littleword & Holt, 2018). There is no clarity on the form of social enterprises in South Africa; this has as a consequence, a lack of legal methods for these organisations (Kareem, 2021). As there are various forms of social enterprise typologies apparent, it is important to note that each model of typology is based on a particular perspective. For instance, Defourny and Nyssen (2017) based their social enterprise typology on theoretical framework. They distinguish four models of social enterprise: the entrepreneurial non-profit model, the cooperative model, the business model, and the public sector social enterprise model. According to Margiono et al. (2018), from the perspective of resource dependence theory and public administration theory, there are three organisation models: lock-in centred, novelty-centred and efficiency-centred.

SE typology is based on whether funding and external control are public or private, leading to different configurations of value creation and value capture and to different degrees of autonomy and legitimacy (Bignotti & Myres, 2022).

Focusing specifically on South Africa, a conceptual typology of social enterprises is based on South African legal forms. They operate under national legislation. Claeyé (2017) suggests not-for-profit entities (voluntary associations, trusts and non-profit companies), for-profit entities (private companies, personal liability companies, public companies, close corporations, co-operatives and sole proprietorships) and hybrid structures (a combination of not-for-profit and for-profit).

Bignotti and Myres (2022) have offered a typology conception of social enterprises in South-Africa based on the context of an understanding of social entrepreneurial models in South Africa which they see as unique in this context. The two researchers point to two unique types of social entrepreneurial models in South Africa, beneficiary-centric entrepreneurial non-profits (relying on donors and grant funding, prioritising interest of

those served, monitoring and evaluating their social impact: a not-for-profit.) and customer-centric social businesses (more hybrid in nature, most are either a social enterprise or business but also a large number of non-profit companies form part of this cluster). The two models of social enterprises are reconcilable with other international and pan-African typologies but are context-specific and not completely commensurate with previously known social enterprise models (Bignotti & Myres, 2022).

For this study, the typology suggested by Claeys (2017) rather than the one suggested by Bignotti and Myres(2022) on South Africa social enterprise is adopted. The legal forms of South Africa’s current legislation are used to represent the social entrepreneurial model. In South Africa, a social enterprise may be not-for-profit, for-profit or hybrid (Legal Resources Centre, 2011).

#### 2.4.5.1 Not-for-profit

The main mission of a not-for-profit organisation is the provision of services with a social orientation to society at large. To support their activities the not-for-profit organisations depend on donor funding; they may engage in income generating activities, but private ownership or dividends distribution of profits is not allowed.

In not-for-profit models, there are three distinct organisations governed by different legal and regulatory frameworks: voluntary associations, trusts, and not-profit companies (Claeyé, 2017).

**Table 5: Legal structures for not-for-profit models**

| Legal structure        | Governing laws                  | Key features   | Ownership, governance & constitution   | Distribution constraints   |
|------------------------|---------------------------------|--|--|--|
| Voluntary associations | Common law and the NPO Act 1997 | Not formal. Set up when two or three subjects agree to form an NPO. VAs make their own rules. No general regulation. If registered under NPO, it is subject to governance rules. | They are governed according to their own rules. If registered to an NPO label, their benefits are to reinvest in social causes. No distribution of dividends or bonus to owners. | It depends on VA rules. If registered under the label of NPO Act, no distribution of profits is to be made to members or office-bears. |
| Trusts                 | NPO Act 1999                    | A way to hold assets as to separate legal ownership from economic interest.  | Trust in the owner of assets and managed for the interest of beneficiaries according to trustee deed.  | The trustee deed decides if the founder is to benefit or not. Separation of assets even the trustee can receive profits.               |

|                            |                    |   |   |   |
|----------------------------|--------------------|---|---|---|
| Non-profit companies (NPC) | Companies Act 2008 | Most non-profit companies adopted the label of non-profit activities. Incomes are allocated to pursue social major goals. In case the organisation no longer exists, the rest of assets are transferred to a similar organisation. Independent auditors have to audit the organisation's book. Annual general meetings are recommended. | It may be stated with or without members. Directors manage the organisation. Internal rules are flexible. | Nothing to distribute to members. Assets and profit to allocate for pursuing organisation's main objective. |
|----------------------------|--------------------|---|---|---|

To conclude, this type of model was of interest to the researcher for this study because NPOs and NGOs are the social enterprises of the study's concern, particularly investigating how NPOs communicate their social value to the third person and if there is a viable method used. If so, what methods were applied in non-profit organisations.

#### 2.4.5.2 For-profit organisation models

The main characteristic of a for-profit entity existence is to make profit. The social enterprises that adopt this form of for-profit models are free to reinvest their profits in social profit, or to use them according to enterprise aims and objectives in some other way (Legal Resources Centre, 2011). Thus, the social entrepreneur is free to choose a for-profit entity to incorporate its generated benefits for achievement of its social objectives.

The Companies Act 71 of 2008 declares are that state-owned companies, private companies, personal liability companies and public companies are part of that category (Lambooy et al. 2013; Legal Resources Centre, 2011).

**Table 6: Legal structures of for-profit organisations**

| Legal structure   | Governing laws     | Key features  | Ownership, governance & constitution  | Distribution constraint   |
|---|--------------------|---|---|---|
| Private companies (Pty. Ltd), personal liability companies (Inc) and public companies (Ltd) | Companies Act 2008 | Legal personality is independent. No restriction to its activities. The main objective of the company is to be set out in its incorporate | Shareholders are the owners of the business. Directors are for management affairs. Private companies must have at least one director while public | No benefit sharing constraint is defined in incorporation memorandum. |

|                     |  |   |  |  |
|---------------------|--|---|--|--|
|                     |  | memorandum. Founder has the right to impose restriction on the dividends or profit distribution to shareholders and reorient the business for social objective.   | companies at least three directors. For both types of companies, a board of directors governs the company on behalf of shareholders in conformity to the state the memorandum. |  |
| Close corporations  | Companies Act 2008   | Majority of popular incorporated companies formed in SA are not necessarily for-profit motivation. It may have 1 or more members.   | There are managed by members or owners; they do not have shares but receive interest from members. They are flexible; they may pursue more objectives.                         | No. Members agree on their constitution at no distribution of benefit to owners. |
| Cooperatives        | Cooperative Act 14 of 2005 and its Amendment (Cooperatives Management Act of 2013) | A group of individuals united together to meet economic, social and cultural needs by pooling individual interests and expertise. They serve the interests of its members by trading with them or supplying with them goods and services. | They are managed by a board of directors. Each member of the cooperative has a right of vote. Cooperative's membership is conditioned of fees. Share is for operation.         | No. Depends on patronages. 5% of annual benefit is for a reserve fund.           |
| Sole proprietorship | Registration as legal entity is not required.                                      | It is the simplest business. It is the most common business amongst service-based SMMEs; the owner is liable and can be sued for business debts; owner assets and business are not distinct.  | One single owner who may or may not employ other people during its activities.   | Only the owner's view is considered.   |

#### 2.4.5.3 Hybrid structures

These models are referred to a combination of diverse models of profit and not-for-profit entities for the achievement the social purpose of the organisation. Generally, it is noticed that the non-profit branch of the organisation generates income, which is reinvested in the not-for-profit leg for the fulfilment of social objectives (Smith, 2010).

The social entrepreneur has to set up some not-for-profit entities and direct each to focus on a specific aspect of what the combined enterprise as a whole aims to achieve (Legal Resources Centre, 2011). In this model of business, the entrepreneur has the capacity to diversify and spread the risks of the organisation by generating income separately in the different legal businesses. The hybrid approach downside is the multiple registrations of companies it requires, increasing the work in terms of administration and costs. Constructing a hybrid business requires increased managerial and administrative complexity, and directors must ensure compliance with various legal, auditing and report methods. The transfer of assets and funds from one business to another may be restricted related to the form under which each business has been incorporated. Hybrid construction requires an important number of legal and managerial considerations be taken into account (Claeyé, 2017).

#### **2.4.6 The social mission across models in South Africa**

Generally, the social mission of SEs is implicitly assumed through the notion “general interest”. Most SE approaches in literature share the view that social enterprises combine an entrepreneurial dynamic for goods and service provision with social mission primacy (Defourny & Nyssens, 2017). Thus, for social entrepreneurs, the social mission is central; and that differentiates social venture from commercial organisations (Chell, 2007). Therefore, for all schools of thought, the aim – to benefit the community or the creation of social value – is the core mission of both social entrepreneurship and social enterprise (Defourny & Nyssens, 2010).

A mission is considered *social* when: (1) by its nature of goods and services provided, it addresses a social problem by meeting some unsatisfied needs that public or for-profits enterprises have failed to sort out for a particular group of people, such as access to health or social services, to education or to financial services; (2) the ability of an enterprise to implement innovative methods of the organisation (for example, integration of disadvantaged employees); and(3) the enterprise aims to foster economic democracy and promote a sustainable way of life. The list is long and a diverse level of ‘social mission’ can be combined (Manning et al. 2017).

As many countries are interested in the integration of social enterprise work, today their main focus to promote social policies (Nyssens, 2006; Osakwe, 2018).



## 2.5 Social entrepreneurship

Creativity and innovation are fundamental for a social entrepreneur to properly allocate resources as well as to understand and manage risks and to overcome inevitable setbacks. Social entrepreneurs are individuals or group of individuals who are regarded as 'change agents', findings innovative solutions to address social problems by using the SE process (Rego & Bhandary, 2006; Nandan et al., 2019).

Social entrepreneurship is a process of recognising and resourcefully pursuing opportunities to create social value. Entrepreneurs work for both business and non-profit goals but maximise social impact of their enterprises. The social sector includes large and small, new and old, religious and secular, non-profit and for-profit, and hybrid organisations. Social entrepreneurship is a new concept comparably to commercial or traditional entrepreneurship. It has been defined in many ways over the years (Defourny & Nyssens, 2017; Osakwe, 2018). However, there is not yet agreement on the exact definition of *social entrepreneurship*. Garcia-Jurado et al. (2021) propose that more research is needed to reach a consensus for an agreed definition. They found that on an individual level, it may be simpler because it is clear what motivates social entrepreneurs, what their skills are and how they differ from other entrepreneurs. But this is not the case for social enterprises.

The impact in addressing social problems and dedication to the well-being of the society are two significant factors of interest in social entrepreneurship and social enterprise. Social enterprises are perceived by the public in relation to their contributions to their social needs and satisfaction and improvement of quality of their life (Terziev & Arabska, 2017).

Social enterprise is an alternative to traditional business to address complex sustainable developmental problems, so there is an increase of interest in and engagement with social entrepreneurship (SE). The main characteristic of social entrepreneurship is the fact it operates for a social objective.

However, combining social and economic values refers to the 'double bottom line'. Social entrepreneurship focuses on social value generation as well as producing goods and providing services, there by maximising social and environmental benefits (Olu oludele et al. 2021).

The shared understandings and definitions of social enterprise and social entrepreneurship are still elusive and complicated by environmental factors (Littlewood & Holt, 2018). This has been a central issue in recent decades in most associated publications (Defourny & Nyssens, 2017).

Various researchers are trying to clarify SE concepts by providing typologies of SE conceptions (Dees & Anderson, 2006; Defourny & Nyssens, 2010) consisting of mapping exercises of the major “schools of thought” (Defourny & Nyssens, 2017). Strong empirical studies are required for the conceptualisations of the SE terms to unify all who are interested in the SE field with an agreed definition.

Focus is on sorting out social problems rather than generating revenue to ensure future sustainability. SEs are not operating for private gain but for generating positive social and environmental externalities (Littlewood & Holt, 2018; Claeys, 2017). Thus, this model will bolster the economic and social pillars of the country (Littlewood & Holt, 2015). The SEs give more importance to the concerns of the communities they serve or strike a balance between these and their business needs of managing costs and optimising benefits. SE is emerging as another form of entrepreneurship based on the social economy (Olu oludele et al., 2021).

## **2.6 SOCIAL VALUE**

Social impact (SI) is a significant construct of social entrepreneurship (Kah & Akonroye, 2020). In literature, that construct uses terms such as social return on Investment (Hall et al., 2015), social value (Murphy & Coombes, 2009) and social performance Nicholls (2008), How does a social organisation measure its SI? This difficulty is exposed in the research on SI within SEs suggested that SEs should define standardised universal assessment units that process comparisons of organisations over time or create distinctive assessment units tailored to stakeholder demands (Kah & Akonroye, 2020). Assessing SI is a challenging task due to the complexities of identifying quantitative and qualitative tools for reporting information to stakeholders (Kah & Akonroye, 2020).

Over the past decade, there has been a startling change in Western countries' welfare systems in parallel with an increase in budgetary pressures and changes of social needs (Castles et al., 2001). In this context, the government has encouraged a third sector for delivering public services (Buckingham, 2009; Hall et al., 2016). This vast ensemble of third sector organisations have become more active within public domain services

(Schuyt, 2017). This is in line of the increase of pressure from governments, donors and citizens who challenge third sector organisations, and among them foundations, to demonstrate their effectiveness in addressing societal needs (Zadek & Radovich, 2006; Saxton & Guo 2011).

There is no single authoritative definition of *social value* as *social impact* (Mulgan, 2010; Ricciuti & Calo, 2018). Wood and Leighton (2010:3) refer to *social value* as the wider non-financial impacts of programmes, organisations and interventions. This includes the well-being of individuals and communities, and the promotion of social and protection of surrounding environments. These characteristics are called 'soft' outcomes, so they are difficult to quantify and provide meaning for (Yang et al., 2014). Thus, Grieco et al.(2015) describe social impact as the combination of resources, inputs, processes or policies for achieving desired outcomes.

However, overall, the literature shows that the constructs of impact and social value creation are not underpinned by any commonly-agreed understanding (Kroeger & Weber, 2014). Social impact has in fact been described as the combination of resources, inputs, processes or policies for achieving desired outcomes (Grieco et al., 2015). Limited research has highlighted that the impact of non-profit organisations is perceived as the achievement of social purposes alongside the satisfaction of the donors' desire to contribute to their causes (Ricciuti & Calo, 2018).

It is important for the researcher of this study to speak about the concept of "social impact" because, as mentioned above, both social value and social impact are often used interchangeably and, in this study, both concepts are used for the same meaning even though their meanings are slightly different. Even during data collection, interviewees preferred the term *social impact* *social value*. Thus, Grieco et al.(2015) define *social impact* as "the combination of resources, inputs, processes or policies for achieving desired outcomes".

Social value is created when social entrepreneurs bring a set of desired social changes or impacts (Singh, 2016; Defourny & Nyssens, 2017). The notion of "creating social value" provides great impetus for developing social enterprises. "Shared value" describes the creation of both economic and social value when attempting to solve social problems; Social value is created by social entrepreneurship when beneficiaries are impacted by increasing the levels of their awareness of substantial problems; creating empowering environments; ensuring that their socioeconomic needs are met;

changing perceptions, attitudes and behaviours, and even norms; or meeting needs at different system levels (Seelos & Mair, 2005).

Social entrepreneurs see social value creation as bringing social change or creating social impact (long-term outcomes) or immediate (short-term outcomes) while addressing social problems or needs. That social change or social impact constitutes a large range of impacts starting from creating awareness; empowering beneficiaries; bringing change in behaviour, attitude, perception, norms, and institutions for the creation of socio-economic benefits for beneficiaries; and impacting lives at the institutional, individual, community, state, national and international levels. Social entrepreneurs create value both for the poor and marginalised and those who are influential in society. There are various types of values that benefit the beneficiaries of social entrepreneurs, without forgetting various changes and impact in their lives brought about by these benefits (Singh, 2016).

Each of the five NPOs participating in this study created social value from its programmes and activities in one way to another. Each tackles social problems for beneficiaries and other stakeholders in one form to another. For instance, one NPO is serving homeless people from a soup kitchen to clothing, to a house with running water to empowered people to leave the street and live an independent life. That particular NPO has created social value by moving people from a dependent life to an independent life. It is the same for the NPO in charge of improvement of community life in Cape Town's townships, providing support to people in these areas by improving infrastructures and living conditions. Each NPO is trying to act in ways the government and corporates are failing. However, while we believe these NPOs are doing their work the way it is expected to be done, how can this be proven? That is another question this study seeks to answer and the response will be developed through the remainder of this research.

## **2.7 Social value measurement**

Social impact assessment (SIA) and social value assessment have gained an important place in the scholarly debate for reasons connected with the professionalisation of the non-profit sector and with escalating accountability pressure from governments, donors and citizens who request that NPOs demonstrate their effectiveness in addressing social problems (Maier et al., 2015; Saxton & Guo, 2011).

The core aim of NPOs and social enterprises is to create social value and social impact. The main challenge for them is the systematic measurement and communication of that social value and social impact. This is exactly what is being explored in this study from non-profit organisations operating in Cape Town, South Africa. Difficulties, on one hand, reside in the measurement of social value as a conceptual value due to the absence of consensus on social value and social impact. On the other hand, the difficulties of social value and social impact derive from methodological limitations. These organisations need funding from partners to sustain their programmes; therefore, it is imperative for each NPO to please those providing the resources. There is pressure to conduct social impact and value measurement and reporting from different stakeholder groups representing key drivers from SIM (Hadad & Gauca, 2014; Arena et al., 2015; Costa & Pesci, 2016).

Measuring social value and impact created by organisations has attracted the attention of many policy-makers and learning organisations (Mulgan, 2010). The request of social value to be measured emanates from stakeholder groups, while funders and policy-makers represent the key for SIMs (Kah & AKonroye, 2020); and government officials must account for their spending decisions in funding providers who intend to direct their money to the most effective projects. So social entities must demonstrate their impact to funding providers, partners and beneficiaries (Mulgan, 2010).

Funding providers, non-profit management, and policymakers are implied in social value measurement, but there is disagreement on the meaning of what social value is and how to assess. What we can say is that social value is referred to as the wider non-financial impact of programmes, organisations and interventions, including the well-being of individuals and communities, social capital and the environment (Mulgan, 2010). Social value assessment is concerned with measuring these wider outcomes that can be directly attributed to the actions of an organisation, after taking into consideration what would have happened anyway and the contribution of others. The ability to demonstrate social value can be largely profitable, particularly during this period of spending cuts due to Covid-19, the crisis of the Russian and Ukraine, and the increase of competition over the scarcity of funding.

In recent decades, there have been attempts to measure what is called social, public or civic value. That is the value nongovernmental organisations (NGOs), social enterprises, social ventures and social programmes create. The request for these methods is from

foundations needing their grants to be directed to the most effective programmes, public officials, policymakers and government budget offices to give account for their spending; investors want hard data analogous to the measurement of profit, sonon-profitsmust demonstrate their impact to funders, partners and beneficiaries (Mulgan, 2010).

Stakeholder expectations for *what* and *how* to measure can differ; this may cause uncertainty in selecting the most appropriate tool or method. With different natures of SE objectives and reasons for measuring SI, there is no purpose or approach that fits all. SEs should measure and report critical aspects of their social objectives to relevant stakeholders (Kah & Akonroye, 2020; Costa & Pesci, 2016). The lack of theorisation and conceptual framework for evaluation means that developing a robust understanding of SIM is crucial. The economic and financial performance and institutional legitimacy are the reasons for SIM (Bagnoli & Megali (2011). According to Arvidson and Lyon (2014), most non-profit SEs express willingness to comply with external resource provider requests for SIM. However, they show resistance through their discretion in determining *how* and *what* to measure, and *what* to report. SIMs important for creating organisational, symbolic legitimacies and trust (Luke et al. 2013). SIM has driven an increase in approaches (Florman et al. 2016).

There is a demand for SE transparency, comparability and legitimacy by external stakeholders, while internal stakeholders require feedback, guidance and information on future resource allocation (Arvidson et al., 2010, Luke et al., 2013). Determining what should be measured and how this should be conducted is a challenge. The tool or framework to adopt is of specific interest to SEs because it supports internal decision-making and addresses the need for accountability to stakeholders (Crucke & Decramer, 2016). As this point, as there are no theories in that regard, this requires a conceptual framework (Ebrahim & Rangan, 2014).

A big number of metrics have been developed in the last four decades for calculating social value. All these metrics compete with each other to calculate the social value and social impact; in fact, more than 30 metrics been identified (Maas & Liket, 2011). Nevertheless, practitioners express the need for better methods and tools to accurately measure social impact and value, particularly in a long-term context. A suggestion was made, for example, for further refinement of the existing pool of social impact measurement methods (Arvidson & Lyon, 2014). Resistance observed in conducting social value and impact measurement and the full and transparent sharing of the results

of impact reinforces that methods and tools need further refinement so that the measurement results reflect the real impact and context of projects and programmes (Katoet al., 2018).

A major critique among social measurement scholars is that social dimensions are acknowledged in a partial and instrumental way. Despite multiple methods and tools of social value and social impact measurement, social enterprises and non-profit organisations predominantly focus on economic value and monetary measures (Kato et al., 2018). The field challenge is to find a way of incorporating more complexity of impact measurement to gain a broader view of social value, above and beyond economic impact: more accountability, an increase of social audit norms, pressure for more rigorous impact measurement, and greater requirements imposed on organisations to establish their legitimacy by measuring their impact (Kato et al. 2018). As demonstrated above, it is unlikely an organisation will successfully meet these expectations using the current impact measures. Again, the primary problem is that many social value assessment tools assign financial values to non-financial factors for ease of communicating inputs and outputs to donors and stakeholders. The process requires managers either collect data for better estimation of such values or to use their best guesses to assign financial values to the social and environmental impact. Although managers and donors see cost and financial impact, this measurement may not reflect the real impact and value of NPO interventions, which may consist of empowering marginalised populations and the provision of equal opportunities for community members.

As noted above, there is enthusiasm for social value and social impact metrics. But the drama with metrics enthusiasm is that few people use these metrics to guide their decisions. In the non-profit sector, excellent managers express rigor in tracking costs and income. Meanwhile, in the public sector, political judgment is more considered with cost-benefit assessment (Mulgan, 2010). Few rely on sophisticated metrics to best allocate resources.

There are three reasons that measuring social value is difficult including the lack of hard-and-fast laws and regularities in the social field. Measuring social value is hard, particularly in several important fields of social activity such as crime prevention, childcare and schooling. There is no agreement among people on what the outcome desired should be. And the final reason that measuring social value is difficult is the

problem of time – estimating how much good actions will bring about many years in the future relative to the immediate cost of implementation (Mulgan, 2010)

To conclude this section of literature, it is evident that to avoid flawed findings, NGOs need measures of social value and different methods to measure the three models, and should distinguish those that are primarily externally accountable, those that have internal management, and those that support assessments of broader patterns of social impact (Mulgan, 2010).

The lack of social impact and social value evaluation in an NPO is due to several barriers and difficulties these organisations face in taking rigorous processes to evaluate their results. High costs, lack of skills and expertise, challenges in capturing data, and difficulty identifying benchmarks and comparators were noted as major barriers by the literature (Polonsky et al., 2016; Pritchard et al., 2012).

### **2.7.1 Measurement social process**

The main reason for measuring social impact or social value is to attract investors who can efficiently and effectively allocate their resources. They then envision a social and economic return on their investment (Perrini et al., 2020). However, there is a lack of an impact evaluation system for social enterprises to allow them to communicate; to understand how to improve their operational effectiveness; to monitor their performance; and to implement effectively based on their mission (Perrini et al. 2020).

The management measurement process is divided into five stages: identification of objectives; identification of stakeholders; defining the most appropriate metrics; the measurement of impact; and the reporting of results (Perrini et al., 2020).

The value chain is made up of five elements – inputs, activities, outputs, incomes and impacts (Mulgan, 2010; Perrini et al., 2020) – depending on the programme being measured. The five crucial elements account for evaluating the SROI.

Measurement of social enterprise is effective once it describes how the intervention of social organisation has changed the lives of beneficiaries. However, there are diverse challenges during the measurement process, such as a lack of adequate national and international regulations, subjective judgment required by any measurement method, allocation of quantitative values, and the data required for process which are difficult to collect. And finally, not all social impacts are easily quantifiable; as intangible as social



entrepreneurship behaviour is, much is hard to assess and impact is difficult to measure (Perrini et al., 2020).

### **2.7.2 Methods of measuring social value**

There are two main schools of thought regarding the methods of measuring social impact: one argues that the same set of indicators (economic and social) may be applied to all social organisations without discrimination regardless of size, sector, of country (Lashitew et al., 2022). The other preferred view declares that different metrics be used to capture the different characteristics of social organisations. Each case has to be subjected to appropriate measurement methods on an ad hoc basis. No group of indicators can be indiscriminately imposed to assess the social impact in any type of case. It is argued that it is critically important to adopt a single, shared measurement process, rather than a set of common metrics and indicators.

A good measurement method should narrate the story behind the creation of a change and should also fairly balance the needs of investors and the needs of other stakeholders (organisation itself, employees, beneficiaries, donors, policy-makers). There is no one method suitable for all solutions (Kah & Akonroye, 2020; Grieco, 2015). The various interests and needs are fundamental criteria that lead to the identification of the best approach.

The four methods described below differ from each other and are partly quantitative. These methods are social return on investment (SROI), social enterprise balanced scorecard, cost-benefit analysis (CBA) and best available charitable option.

#### *2.7.2.1 Social return on investment*

The notion of “social return on investment” (SROI) is an important consideration for social entrepreneurship and charities conceptualising, assessing and communicating their benefits (Arvidson et al., 2013). The UK perspective of SROI is a method that consists of identification and appreciation of value created (Arvidson et al., 2013). Social enterprises and charities need to know their social value, of which the benefits on inputs are not traded in a private market; thus the price is unclear. These organisations are characterised by a lack of important resources, so economic experts are needed for the measurement of value (Arvidson et al., 2013).

The SROI is amongst the most used forms of social impact measurement methods by social entrepreneurship (Clark et al., 2004). SROI as an impact and monetisation

method was developed by the Roberts Enterprise Development Fund in the USA in 1996 (Emerson et al., 2010).

Social return on investment determines the value of an organisation's social benefits related to the costs leading to the achievement of those benefits. as shown below:

$$\text{SROI} = \frac{\text{Net Present Value Investment}}{\text{Net Present Value of Benefits}}$$

(Source: Yang et al. 2014)

SROI, applied to different situations and activities, is credible compared to other methods used in the social measurement process. This is justified by the fact that it generates a simple, clear value to report, and policymakers, funders and investors prefer this method (Perrini et al., 2020). Indeed, SROI is an appropriate measurement tool when the objective is to monitor, report, assess or improve the decision-making and communication with external stakeholders (Perrini et al., 2020). SROI is used by SEs investors, non-profits and government entities alike.

This measurement approach, often wrongly viewed as a simple ratio, is criticised because some people think that a number cannot express the complexity of social impact (Luke et al., 2013; Ormiston & Seymour, 2011). The ratio is generated as a part of a broader methodology represented by SROI that has qualitative elements and a description of how inputs generate outputs and outcomes. So the SROI is not only a simple method but also informs stakeholders by specifically reporting how value was created (Perrini et al., 2020).

Although SROI is a simple method, it is not readily adopted by SEs due to the high demand for resources it requires. The cost is important in terms of staff and time for the implementation of the SROI process (Corvo et al., 2022).

The most difficult aspect of SROI is assigning a financial value to what is not quantifiable. When the impact may be underestimated, it is impossible to express part of the value created through financial proxies. It is not easy to calculate SROI out of external financial support, allocated time, training provided and outside advice. Support from SEs stakeholders will help the widening practice of SROI (Perrini et al., 2020).

#### *2.7.2.2 Social enterprise balanced scorecard*

The social enterprise balanced scorecard (SEBC) is an alternative approach to SROI to measure the performance of the impact created by social entrepreneurship. This method is a company performance method for Kaplan and Norton, created in 1996 (Mio et al., 2022). The concept of “balanced” means that it includes internal and external perspectives, short and long-term analysis, and the need to provide a representation of how an SE performs its mission as well as issues arising from it. This approach has four assessment perspectives: financial, customers, process and learning/growth (Perrini et al., 2020). It is a widely utilised method, identifying a set of indicators and metrics to cover different performance dimensions that represent the results of social enterprise (Osakwe, 2018). The purpose is to balance the financial and non-financial, as well as balance the qualitative and quantitative success measures (Osakwe, 2018).

SEBC is at the same time a process and impact method. It identifies the impact as SROI but does not translate that impact into financial value. Social value is not reduced to a single financial indicator; it is fundamental in capturing cultural changes and social benefits that are hard to describe using economic ratios (Costa & Pesci, 2016), and in many cases, this method is preferred by stakeholders who demand detailed and comprehensive information (Arena et al., 2015). SEBC captures the performance of social entrepreneurship within different aspects that are crucial to creating social impact. The tool is important for improving strategic planning, setting objectives, and communicating the impact both internally and externally to all associated stakeholders (Arena et al., 2015).

Like SROI, SEBC is appreciated by investors due to their familiarity with the traditional scorecard structure, but it is not allowed for the comparison of different investments. The optimal assessment aspect in the SEBC is the impact generated by the social enterprise as a whole (Perrini et al., 2020).

#### *2.7.2.3 Cost-benefit analysis*

Cost-benefit analysis (CBA) is one of the conglomerates of approaches used for measuring the social impact of social entrepreneurship. It is a form of economic analysis in which costs and benefits are quantified and compared (Arvidson et al., 2013). It is a much used and well-known assessment technique comparing the financial value associated with the value created to the cost incurred. If the benefit outweighs the cost,

the project is considered positive. The analysis is done either ex-ante or ex-post. The economic value is associated with the impact created (Arvidson et al., 2013; Perrini et al., 2020). The social value generated is translated in the form of the metrics:

- *Net present value*: aggregate value of impacts, costs and revenues in the same accounting period;
- *Cost-benefit ratio*: ratio of positive and negative impact; and
- *Internal rate of return*: net value of the revenues and positive impacts expressed as a percentage of the benefit on the total investment cost.

#### 2.7.2.4 *Best available option*

Acumen Fund introduced the best available option (BACO) in 2004 for the assessment of its social impact investments, as it allows the comparison of the project being analysed. It is a better alternative than we have today on the market (Lanteri & Perrini, 2021). It is possible, with this approach, to obtain a comparative evaluation of the whole set of alternatives for a particular subject analysed. This approach allows investors to look at how their capital can be used more efficiently and guide them to the best profitable way between an economic and social line. This method is well-known and used globally in the assessment of social impact.

By using the best available option (BACO), we see the quantity of output to generate per dollar/euro invested and compare the value with the best alternative. Thus, the investor understands amongst its investments the ones which are having the greatest impact. The comparison is done by using the ratio that compares the two activities concerned; the benchmark is the best alternative: the number obtained is the cost-effectiveness of one option over the other.

For the BACO to be an appropriate measurement approach, the analysis must be carried out every twelve months. The process of choosing the best alternative weighs on its effectiveness. The BACO is a process and monetisation method, an appropriate tool for support in pursuing objectives including screening, monitoring and reporting (Maas & Liket, 2011) at the SE level, while other methods are more suitable for project monitoring (Perrini et al., 2020).

This study was concerned with whether our social sector, particularly charities, assess the social value created, and then, which approaches are used by them despite the

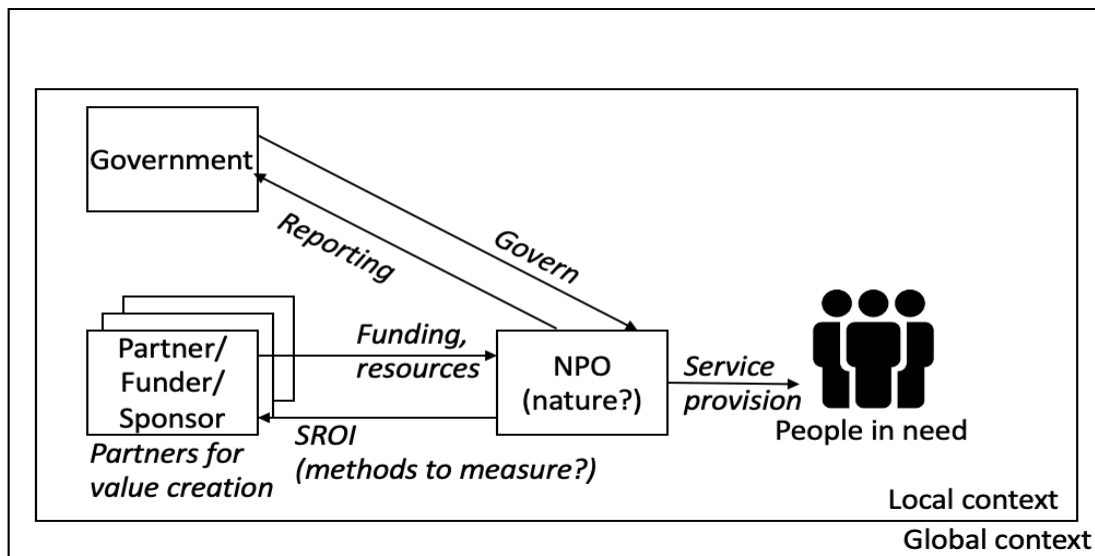
diverse options of methods available, and how social value is communicated to stakeholders.

## 2.8 Proposed conceptual framework

A conceptual framework is typically developed based on a literature review of existing studies and theories about the topic. This part stems from articles consulted for the literature review of this research although the lack of previous work is evident.

The present study has several key concepts: non-profit organisations, social value, measurement of social value and social return on investment. The study explores how NPOs in Cape Town communicate or report to their stakeholders on the social value created from their activities, in terms of how they measure their social value and the framework they use.

The graphic below shows how the key concepts of the topic of this study are significant, linked each other and contributing to the study.



**Figure 1: Proposed conceptual framework**

*Government:* is among the NPO stakeholders, playing the role of policy-maker and funding provider to NPO. The arrow from the government to NPO indicates that the government is not able to do everything alone. Therefore, an NPO is a collaborator of the government. What the government is not able to do, an NPO is to do.

*Non-profit organisation (NPO):* is there to reach the overlooked by the private sector and government. The arrow from NPO to people in need indicates services and goods provided in the form of programmes and activities. By doing that, NPOs are creating social value that contributes to the well-being of the beneficiaries.

The arrow from NPO to the government indicates that an NPO has to report to the government how the resources received were used or the NPO brings to the government those that are not served by the government. Here, the government is a policy and funder. NPO plays an intermediate role between the government and the minority groups the government fails to reach.

*Partner, funder and sponsor:* help NPOs to exist and do their activities. They provide NPO resources of all nature. The arrow from partners to NPO means that funds are imparted to an NPO to help serve people in need. By doing that, the NPO is creating social value from its activities in serving people in need. In doing that partners need a report from the NPO in which the NPO will indicate for 1R/1€ or 1\$ invested in their programme how much value is brought to society. The arrow from the NPO to partners indicates that once the programme has been conducted, social value has been created and donors want to know the social value in financial terms. An NPO is able to do that with any one of the social value measurement methods from around the world, but social return on investment (SROI) is the most used social value evaluation framework.

*People in need:* are all beneficiaries of NPO goods and services. They constitute a group of individuals the government and corporates failed to reach. An NPO is the middleman between the government and the marginalised people.

An NPO creates social value in changing the lives of people in need, either in the provision of goods or services, or both simultaneously. An NPO receives funds from donors, partners and other supporters. The social value an NPO creates should be assessed by means of a formal method or tool such as an SROI. A report to all stakeholders is recommended.

## **2.9 Chapter summary**

The relevant literature found on the topic of this study was discussed. That literature helped the researcher to better understand the measurement of social value for third-sector organisations and non-profit organisations, frameworks the most frequently used measurement of social value, when a particular approach is used, and why it should or

should not be used. The literature review assisted the researcher to explore Cape Town NPOs in particular and South African NPOs in general, as this is the first time that such a study has been undertaken with South African NPOs. The review of the literature was done with the use of books, academic articles and other reliable documents.

## **CHAPTER 3:RESEARCH DESIGN AND METHODOLOGY**

### **3.1 Introduction**

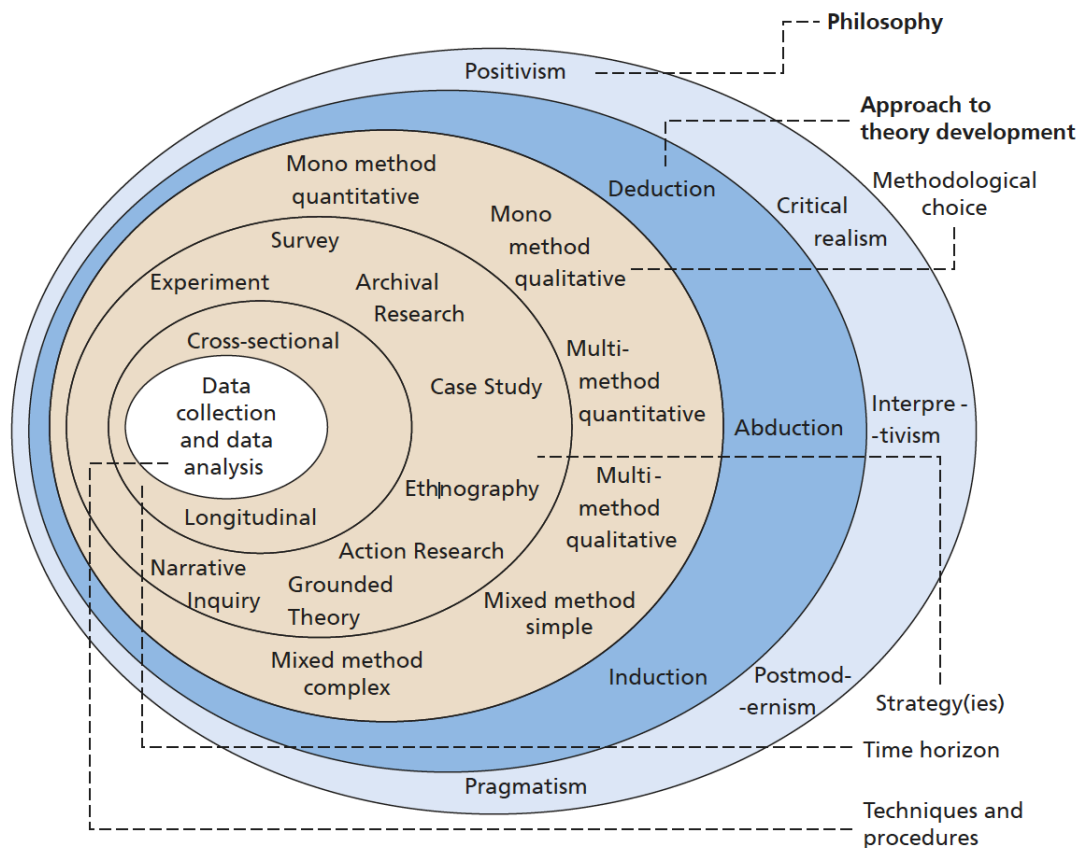
The research methodology is the path through which researchers need to conduct their research. It shows the path through which researchers formulate their problem and objectives and present their results from data obtained during the study period (Sileyew, 2019).

A research design and methodology also show how the final research outcome will be obtained in line with meeting the objective of the study. This chapter therefore discusses the research methodology that was used during the research process. It includes all the research methodology of the study: from research strategy, research design, research methodology, the study area, primary data sources and secondary data sources, population and sample size and the questionnaire (Sileyew, 2019).

The procedure was oriented for addressing a study problem through questions for attainment of the research objectives: this is what is referred to as 'research' (Saunders et al., 2009).

The research onion is an appropriate guideline for the researcher to understand the research methodology; to inform the philosophy; and to determine the approach, method, strategy and technique to be used (Saunders et al.,2009). This research relies on the research onion for the structure of research methodology chapter.





**Figure 2: Research onion**  
(Source: Saunders et al., 2009)

### 3.2 Research design

A systematic organised method gives a way to respond to a problem by collecting, analysing and interpreting data; this is called “research design” (Winship, 2011; Wright et al., 2016). The research design is expected to provide an approach appropriate for the study. In a research process, a significant decision concerns the choice of the research method as the research method determines how relevant information for the study will be obtained and many other interrelated decisions (Silewey, 2019). According to Rahi (2017), a research design can be explorative, explanative and descriptive, as presented below.

#### 3.2.1 Explorative research

Explorative research, such as its name, indicates the intention to explore particular aspects of the research area. It does not give final and conclusive answers to study

questions. The researcher may even differently direct a study to a certain extent, but not fundamentally according to new evidence obtained during the study process.

Explorative research is the initial investigation through which the researcher sees things theoretically or hypothetically (Rahi, 2017). The research focuses on topics or attends to new aspects of existing concepts. Explorative research is preferred when the phenomenon of an investigation has little or no known information about it. The question to answer is *what* for this type of research, as explorative research is used to shine light on the study.

The explorative research design was applied to this study since the researcher was investigating the methods NPOs in Cape Town use to assess social value created to funding providers.

### **3.2.2 Explanative research**

Explanative research has as a focus the explanation for the reason a particular event occurs, and for testing a specific theory to elaborate or amend an existing theory (Winship, 2011). It is also called 'causal research design' and has as its main focus the *why* question about any phenomena. Ideas are connected in order that cause and effect be determined (Strydon, 2014).

This approach was not selected for this study due to the fact the research was not explaining the cause of NPOs in Cape Town using a particular framework to assess their social value. The researcher's intention was to determine, amongst social value measurement approaches, the ones used.

### **3.2.3 Descriptive research**

According to the descriptive research design, as the name suggests, specific elements, causes or phenomena in a research area are described.

The descriptive research generates rich information about a topic, keeping its nature and without changing or manipulating its nature (Gentles & Vilches, 2017). Definitions are defined in depth for a general understanding of a certain subject. *What* and *how* are the two questions a descriptive research researcher has to determine (Lewis, 2016). The research uses scientific procedures for testing its hypothesis until valid conclusions about links between dependent variables are drawn.

There are two reasons why descriptive research is not used in this study; first, that no hypotheses are tested or are to be tested in this study; and second, that there is no concern with finding links between variables.

To conclude, the explorative research design was deemed the most suitable approach for this study. The research approach refers to the paradigm principles and methodology across which the study was conducted.

### **3.3 Research approach**

A research approach is either deductive or inductive (Saunders et al., 2009). In inductive approach is a method that stresses a development theory from data (qualitative data) collected from participants in the study (Saunders et al., 2009). With the deductive approach, existing theory is reconstructed for the creation of a new theory.

This research of this study is inductive and was used for the achievement of the study's aim. This approach served to investigate the methods that NPOs in Cape Town use to assess the social value created. The research philosophy choice is discussed below.

### **3.4 Research philosophy**

Research philosophy is the perception of the world through research, building knowledge, and determining the nature of that knowledge (Saunders et al., 2009).

Ontology, epistemology and methodology are the three models of research philosophy (Walsham, 1995). This research is aided by ontology and epistemology in the determination of what led to the choice of research, strategy, approach and methods (Walsham, 1995; Tashakkori & Creswell, 2007).

#### **3.4.1 Ontology**

Ontology is about how reality is viewed and the assumptions inherent in the nature of reality. The questions about the nature of being, reality and existence, and what is known about these, are all assessed by ontology (Saunders et al., 2009); therefore, all depends on the meaning of 'reality'.

To provide the meaning of the concept of "reality", objectivism and subjectivism are the two philosophic approaches (Datt, 2017). According to the objectivist stance, reality is not influenced by individuals. Subjectivism, on the other hand, confirms that social reality is a social construction. Therefore, social actors play a fundamental role in the

construction of social reality. Ontology is subjective when assumptions and personal opinions are put into application. Ontology is objective when only existing facts are taken into consideration (Yin, 2012).

The subjective ontological stance was selected for this research since the researcher sought to understand the reality of assessing the social value created by NPOs in Cape Town in terms of a framework used and their view on evaluating social value in monetary terms. Participant feedback is a social construction, according to their reality. The understanding and acquiring of knowledge, a subjective, is informed by an epistemological theory of knowledge.

### **3.4.2 Epistemology**

Epistemology is the theory of knowledge focusing on the origin, nature, methods and limitations of knowledge. All depends on the way the researcher perceives, understands and unpacks reality (Wilson & Creswell, 1996).

The following questions require the application of epistemology as a knowledge theory: What is the truth? What is real knowledge? What is the relationship between the researcher and the subject? The way of examining reality deals with the “how can I know reality?” (Scotland, 2012).

Epistemology is subdivided into three philosophical stances to answer questions: positivism, interpretivism and pragmatism. For this study, an interpretive stance was adopted due to the nature of the research to understand the reality of assessment of social value in financial terms of NPOs and to find out which measurement tool is currently used by each NPO.

### **3.4.3 Interpretative paradigm**

The interpretative paradigm advocates that reality and knowledge are social constructions and that their outputs are subjective (Saunders et al., 2009). Knowledge is created by observing the phenomena and describing the intentions, values, reasons and beliefs of people.

The interpretative paradigm is based on the ontological stance that “realities are multiple” and the epistemological stance that “knowledge is to interpret for the discovery of the underline meaning”. For the investigation in this study, the interpretative paradigm best suited.

The paradigm in research is the mental setting of reference researchers utilise to organise their thinking and observation (Bhattacharjee, 2012). Interpretive and positivism are the paradigm approaches the researcher uses for this study. In the interpretive approach, the interpretation of the world occurs by classifying schemas in minds of the subject (Gray, 2013). The positivist approach is the belief that the existence of the external social world is measured by observation (Gray, 2013). The interpretation of NPO representative views concerns the reality these people have in mind about the measurement of their social value and their thinking of diverse tools and frameworks for social measurement. The interpretive paradigm approach was well utilised by the researcher and gave the audience the true views of the reality of NPOs and founders vis-à-vis social value evaluation in South Africa.

Qualitative research based on interpretative and constructive paradigms seeks to understand in depth a research subject's unpredicted outcomes, as in the positivist paradigm (Denzin & Lincoln, 2011).

Interpretivism is for building knowledge from the unique viewpoints of individuals (Creswell, 2014). Constructivism views knowledge as constructed as people work to make sense of their experiences (Creswell, 2014).

### **3.5 Research methodology**

A research methodology is a group of methods and techniques serving empirical investigation (Winship, 2011), used as methods for data collection, whereas techniques are inquiry strategies to conduct research (Saunders et al. 2009). The context and purpose of the research play important roles in the choice of methodology of a study (Walsham, 1995). To address the study problem, objective and aim methods include qualitative, quantitative and mixed methodology (Creswell, 2014).

#### **3.5.1 Quantitative research methods**

The quantitative research method provides numeric data of large groups people in order for the result to be generalised to the total population (Yin, 2012). These are methods related to quantitative research including surveys, simulations, laboratory experiments and mathematical modelling (Pathak et al., 2013). It is important to know that when quantitative research is the choice for conducting the research, fixed and closed-ended questions are models of data collection questions. Therefore, participant responses are imposed by the examiner. Thus, participants have to comply with answers proposed to

them. Findings from quantitative studies lend themselves to purely deductive study. No detail or explanation is required from respondent answers.

Exploration on a framework used for assessing social value created by NPOs in Cape Town and their views on social value assessment required an in-depth investigation and understanding of the phenomena. Thus, the collection of numeric data did not make sense so it was important to shift to qualitative methodology.

### **3.5.2 Qualitative research methods**

A qualitative study is social-oriented and focused on interpretation and the sense of individual experiences and opinions associated with his environment (Denzin & Lincoln, 2011). It provides data in the form of words, not numbers. These non-numeric data provide information about meaning and environments of the study (Yin, 2012). The generalisation of findings concerns quantitative research unlike qualitative research due to small sample often used in a study.

The focus of qualitative research is to understand the perspectives surrounding the study problem. Therefore, the researcher is seeking meaning for what lies behind a concept as seen from the participants' perspectives (Pathak et al.,2013). Qualitative research focuses on human experience and theoretical information related to inductive studies. Thus, qualitative approaches including case study, ethnography, narrative inquiry, phenomenology and grounded theory are all text-related (Pathak et al., 2013).

The combination of qualitative and quantitative research methods leads to what is called a mixed-methods research methodology, as both approaches complete each other in the research wherein they are used (Yin, 2012).

A qualitative approach was the choice of the study, giving the researcher the opportunity to explore the views of founders and senior managers of NPOs dispersed throughout Cape Town on the measurement of their perceived social value.

The topic of the study is complex and not well understood and the diversity of approaches developed compounded with the lack of standardisation for the measurement of social value means that qualitative research is required (Corvo et al., 2022).

The chosen inductive approach used for this study consisted of the gathering and interpretation of qualitative data; observing the presence of patterns could lead to

generalising and constructing a theory (Gray, 2013). The researcher found that the use of a qualitative approach would lead to reaching the objective of the study.

The research was qualitative due to the research problem tackled. The researcher investigated the views of founders of NPOs in Cape Town in terms of recent tools including social return on investment, social enterprise balanced scorecard, and others. However, these are Western takes on the evaluation of social value created.

The research preferred the qualitative approach also because of the exploration of the way NPOs and sponsors communicate. The qualitative approach helped explore how NPOs in Cape Town measure their perceived social value across its interventions.

The methodology selected is inductive in nature. The aim of the inductive approach is to link theory and data which lead to the generalisation of findings. The research is qualitative as it emphasises data as words rather than quantification and data analysis (Denzin & Lincoln, 2011).

A qualitative method was used to collect word data that contributed to addressing the objectives of the study, including giving insight to readers and stakeholders of NPOs in Cape Town, their view on the measurement of social value created of their interventions in monetary terms; informing readers of this project in terms of what South African NPOs think about existing methods to assess social value in financial terms; the acceptance of these tools by NGOs and sponsors; and exploring the methods currently used in charitable organisations in South Africa in general, and in Cape Town in particular, to communicate with third parties.

### **3.5.3 Case study**

The investigation of an empirical inquiry in which contemporary phenomena is investigated in the context of real life when there are no evident limits of the phenomena and context is called a *case study* (Yin, 2003). The events or series of events explaining and describing the event of interest is also designated as a case study (Maree, 2007). Data gathering is undertaken by several techniques for a case study (De Vries, 2005).

A case study as a technique is primarily used when the problem dealt with is contemporary and the issue of the study is not controlled by the researcher. With no clear limit between the phenomenon and context, the study is explorative and the questions address *how* and *what* (Benbasat et al., 1987; Yin, 2003). The research is part of real-life in the case study. This study is a multi-case study or field study. A case study

is often used in qualitative research due to its rich data and the depth of descriptive information it provides. A researcher can either use only one or more than one case study.

In a single case study, the researcher gets in-depth information for that case study and focuses on a single issue or theme. In multi-case studies, the topic or phenomena of the study is the focus of the researcher for gaining understanding of the research problem as is happening in all cases.

The present study used multi-non-profit organisations (five founders/senior managers) as an approach due to the use of several sources of data. The purpose of the study is to provide answers to the two questions of *how*. The three objectives listed in Chapter 1 were pursued in this study and exploration was underway during the study; therefore, field research was a necessity as an approach. The interview of NPO founders and senior managers allowed interaction with the researcher in the real-life of the interviewees. Data were collected and analysed.

A case study can be descriptive, explanative and explorative. It is explorative when its involvement is in-depth research and an analysis of *why*. An explanative study has its focus on cause-and-effect establishment. A descriptive case study presents a complete description of an event within a concept (Hyett, Kenny & Dickson-Swift, 2014).

### **3.6 Data collection**

A data collection process concerns obtaining participant opinions, views and considerations over a particular period of time (Sutton & Austin, 2015). There are five methods often used to conduct empirical research, including surveys, experiments, secondary data studies, observations and interviews (Gomall, 2013). In this study, data were collected via interviews to explore the views of participants on social value assessment and models of communication to their sponsors.

Telephonic contact was made individually with participants by the supervisor of this project to facilitate data collection. The date and time were scheduled for the interview session. Several documents were forwarded to each participant, such as the thesis abstract and interview guide questions. The Cape Peninsula University of Technology (CPUT) Faculty of Business and Management Studies Guide was forwarded to each participant. A pilot interview was conducted prior to the interviews to assess the interview questionnaire quality.



The present study collected data via two sources: data of primary sources were collected by interviewing NPO senior managers to elicit relevant data about NPOs in South Africa, and specifically in Cape Town in terms of their views on the measurement of social values created from their programmes; what South African NPOs think about existing methods and acceptance of these tools by investors, founders and sponsors; and determining the way NPOs in South Africa, particularly in Cape Town communicate with their associated third parties. Data of secondary sources were collected by document analysis.

Two methods of data collection were used for this study, namely interviews and literature reviews.

### **3.6.1 Interviews**

Interviews were conducted with NPO founders and senior managers. A pilot interview was conducted to test the questionnaire reliability before proper interviews took place. A consent letter was presented, explained, and signed by each interviewee before the interview process began. The interview process was face-to-face. The interview is the technique most used in qualitative projects (Kumar, 2011:144)

The interview questions were open-ended to allow respondents to freely express their views and opinions. This model of questionnaire also allowed the interview process to be more fluid and areas of interest explored in depth. The convenience of using an interview as a technique of data collection was that the researcher had the option to record respondents' extra comments and his personal observation linked to their attitudes, along with their answers. At the same time, the researcher also noted the information provided by respondents. Interviews can take place individually, or with a small group of interviewees, to examine their views based on a particular issue. In-depth interviews allow a researcher to collect more information and more detailed. This model technique of data collection creates an atmosphere of relaxation until the respondent feels quite comfortable interacting with the researcher.

The primary data gathered through interviews with NPO representatives were from a semi-structured interview from the main questions and sub-questions of the study. The interview with the NPO representative happened at his work-place and was scheduled by him. An interview, however, is in general the technique most frequently used in research for data collection (Bryman & Bell, 2007). The field research method uses qualitative

interviews in which information is elicited and data are obtained by directly questioning participants. In this particular study, semi-structured interviews were conducted as one of the qualitative interviews field research methods. Senior manager of selected NPO was the participant because He was able to provide the data needed. Note that one NPO was represented by a director and assistant director during the interview. That is why you will see six participants for the study. A list of predetermined questions for the interview was predetermined as an interview guide. Moreover, a pilot interview was conducted to ensure that the question guide was relevant to the purpose of the study. The questionnaire guide was open-ended in nature and tape-recorded and began by obtaining informed consent from the interviewee before the interview took place.

### **3.6.2 Literature study**

Private and public documents consulted for this study included newspapers, official reports (public documents), personal journals and dairies, letters, emails linked to NPOs, founders of NPOs and sponsors of NPOs (private documents), along with books and websites constituting the literature study. All those documents, providing background information on the topic (Baker, 2006), were collected and analysed. The researcher took account of the authenticity and credibility of the sources of these documents before selection and judged the questionability of evidence and sources to ascertain they were free from error and distortion (Brymanm & Bell, 2007).

Data of the study were objective and originated from documents pertaining to key concepts of the study including social return on investment, measuring social value, social enterprise, social value, and non-profit organisation.

### **3.6.3 Research population**

The defining of a study population is a critical step in research due to its inferential role in the result of the project. All elements, individuals or units must meet the selection criteria for a group to be studied and constitute the population.

All founders/senior managers of non-profit organisations operating in Cape Town constituted the population of the study. Non-profit organisations registered in this country are under the Department of Social Development. It is not possible to conduct the study with founders of all NPOs in Cape Town; therefore, a small representative group was needed for the study.

### **3.6.4 Sampling**

Defining sampling is important in research methodology for the role it plays in the research outcome. Sampling is a process that determines a portion of a large population for a study (Gentles & Vilches, 2017). The researcher focused on that portion of the population for data collection. It is crucial in sampling to determine the sample frame, size, and techniques (Sutton & Austin, 2015). The frame of this study was 5POs operating in the city of Cape Town. The sampling process has two categories: probability and non-probability sampling (Omair, 2014).

#### *3.6.4.1 Probability sampling*

Probability sampling is also called representative sampling. In this model of sampling, each and every element has an equal chance to be selected as a participant in the study (Etikan et al., 2016). Probability sampling has four sub-groups: simple random sampling, systematic sampling, stratified sampling and cluster sampling. The results obtained from probability sampling are not biased; for the researcher, the results are conclusive. The advantage of probability sampling is that if norms are applied correctly, the sample represents a large population (Sutton & Austin, 2015).

#### *3.6.4.2 Non-probability sampling*

The non-probability sampling is also called non-representative sampling. This implies that other elements do not have the chance to be selected (Omair, 2014). This method is divided into four techniques: quota sampling, convenient sampling, judgmental sampling and purposive sampling. In this particular method the chance to be selected is not specified and is often unknown to the participant. The research is explorative and the result is biased; analytic inferences are from a subjective perspective.

The qualitative study with a non-probabilistic sample is the most prevalent, in which a sample is selected by convenience, in a deliberate way, called purposive sampling (Yin, 2011). Therefore, non-probability sampling was used for the study.

#### *3.6.4.3 Purposive sampling*

Purposive sampling is also called judgmental, selective or subjective sampling. It is the most frequently used by qualitative researchers (Greener, 2008) in case studies as a strategy of inquiry. Purposive sampling, used for this study, did not focus on the reproduction of statistical results; instead, it focused on the researcher's judgment in

participant selections (Wilmot, 2005). Five NPOs were selected and each founder of these NPOs was part of the sample as a participant in the interview process.

### **3.6.5 Sample size**

The sampling process determines the portion of the population of the study. A purposive sampling approach was chosen for the project: 5 NPOs operating in Cape Town in 10 of the biggest NPOs of the City of Cape Town. There were more than 10 NPOs operating in Cape Town who could have been selected but only five NPOs were interested in the study.

The size of the NPO and money invested for programme implementation were also criteria because many organisations in the Western Cape are able to implement social value management tools as they have significant resources (Meldrum, 2011).

### **3.6.6 Sample unit and unit of analysis**

Five non-profit organisations and each founder/senior manager of these were the sample units of the study. The unit of the interview was the way at which data were gathered. The unit analysis is the level at which data was analysed and conclusions were drawn. The sample unit of the study is comprised of Senior managers of non-profit organisations selected by the researcher. Note that for NPO4 a senior and its assistant participated in one interview. This was in order to complete a response that was not full. This justified the number of participants to six. Data are gathered from founders/senior managers during interviews of these NPOs. Their views were analysed on the perspective of measurement of the social value of NPOs and their view on existing frameworks and methods in the South African context. From their responses and insight, conclusions were drawn.

## **3.7 Field research**

Field research is a data-gathering technique of a qualitative approach that has as its purpose observing, interacting and understanding in real life to investigate an empirical inquiry in which contemporary phenomena are explored in a context where people are in a natural environment, as in the present study the researcher interacted with founders/senior managers of selected NPOs in Cape Town. This showed that this was field research. The qualitative field research method was used to gather data. The qualitative interview, particularly the semi-structured interview, is the type of field research method that helped the researcher capture data across interviewees.

### **3.8 Data analysis**

Qualitative and quantitative are the two methods involved in data analysis (Watkins, 2017). To achieve the aim and objectives of a study in qualitative research, interviews, focus groups and experiments are used. These assist the researcher to identify similarities between patterns that are then critically analysed. The answers of participants are broken down into smaller, more manageable pieces of data. In quantitative research, figures and numbers are critically interpreted for justification of the reason behind the occurrence of key findings.

Data analysis is when raw data are transformed and filtrated into meaningful information (Zikmund et al. 2013:459). Data are conducted as part of a qualitative design for a study as required by exploratory qualitative analysis. In other words, data are recorded, transcribed and analysed thematically.

This stage is crucial in this research; raw data are kept simple and understandable (Sutton & Austin, 2015). This research technique (data analysis) describes content collected in a detailed and concise way. Data analysis may include statistical, verbal, document, content or thematic analysis (Watkins, 2017). In a qualitative field research study, data collected in the exploration of the social return on investment of NPOs were analysed in terms of the objectives pursued in this study. Data interpreted in the thematic process is converted into information that is significant to address the study questions (Datt, 2017).

The analytic technique consisted of the following:

- Capturing and code data from interviews
- Identifying key themes and concepts
- Classifying concepts and themes
- Grouping themes and concepts in categories
- Summarising concepts and themes.

### **3.9 Interpretation**

The interpretation begins once themes derived from findings are identified and meanings are attached to them. The interpretation process is done by comparing the findings with existing literature and explaining relevant data collected (Walsham, 1995). The

interpretation can be described as a subjective process as the researcher makes sense of research findings. The researcher plays a fundamental role in the data interpretation process.

### **3.10 Ethical issues considered**

The ethical considerations guided the researcher through the entire research process. He was required to comply with the ethical rules.

There are certainly ethical considerations that are taken into account, such as consent by writing obtained from representatives of the NPOs involved in data collection. To participate or not participate in study was the right of founders and sponsors of the NPOs. The dignity of participants was upheld via anonymity as no names were indicated or revealed about the participants. In terms of confidentiality of data gathered from participants: data were not made available to any person and no opportunity was given for participants to be identified during the reporting process. Anonymity was guaranteed; therefore, participant names and the organisations to which they belong were not indicated in the report.

An ethical clearance which is the Cape Peninsula University of Technology ethic committee process is a requirement that student research has to adhere to is issued before and after data collection. The CPUT Ethic Clearance Committee is an organ in charge to examine the research proposal and data collection tools one side and confirm through written evidence of the consent of the participants in the research study. The researcher adhered to CPUT Ethic Clearance Committee demands. An ethics clearance was granted as permission to collect data from NPOs participants.

### **3.11 Chapter summary**

The chapter indicated that the qualitative approach was the methodology of the study. Data collected were in the form of words and not numerical through semi-structured, explorative interviews. During that type of interview, participants were encouraged to relax and express their views that would be useful to the research of this study. The field research, a qualitative method data gathering technique, was used as this was the best data collection technique as a way to go forward with this study. The sampling model used was a non-probability one and the sample selected was a purposive sample; therefore, there was bias in the participant selection process for study. The field of research investigation for the project was non-profits organisations in Cape Town, and

their founders and senior managers. It is clear that it is difficult to investigate all non-profit organisations operating in Cape Town; likewise it is difficult to interview all non-profits organisations' founders un the city, so only 10 NPOs and their founders were selected a s for reasons discussed in this chapter. Data collected from the selected 10 were analysed and findings generating.

Today, research philosophies guide a researcher during the study. As the phenomenon was socially constructed and subjective to human nature, an interpretative paradigm was used for supporting and executing the study.

## CHAPTER 4: DATA ANALYSIS AND FINDINGS

### 4.1 Introduction

Chapter 3 was concerned with the theoretical part of the study, launching the base for thematic analysis and discussion of findings in the study to follow. The present chapter is the core of the study where the information collected from interviews is examined. The researcher met senior managers of several NPOs and interviewed them via a semi-structured interview. Data collected from the interviews were regrouped and analysed and discussed for the study accomplishments. The subsequent chapter will present the formulation of recommendations.

The study was conducted in the City of Cape Town with the 5 of 10 selected non-profit organisations operating therein. The two main questions and their sub-questions were answered for data gathering. These two main research questions and their sub-questions are presented below.

**Table 7: Research and sub research questions**

| RESEARCH QUESTIONS   |
|--|
| <b>Research question 1:</b> How do Cape Town NPOs measure their perceived social value?<br><b>Sub-questions</b><br>1.1: What is the nature of the business of Cape Town NPOs?<br>1.2: What measures are used to assess social value of NPOs?   |
| <b>Research question 2:</b> How do the relevant stakeholders of each NPO view social value assessment methods?<br><b>Sub-questions</b><br>2.1 How do the NPOs experience the use of the social value assessment?<br>2.2 How do the stakeholders of the NPOs experience the use of social assessment methods? |

A set of interviews questions aligned to the research questions guided the researcher during data collection.

### 4.2 Context

Ten charitable organizations/NGOs that operate in Cape Town were selected and approached by the researcher. Five responded positively to participating to the study. Some were contacted a year prior and yet did not respond despite several attempts to be in touch. One charitable organisation was selected from the downtown area of Cape Town area, and two others from Salt River and Observatory. Two non-profit



organisations came from the southern suburbs, particularly in the Kenilworth and Wynberg areas. The participants were contacted by phone calls and emails in which documents such as the abstract, research questionnaire, and university research letter were emailed and submitted in hard copy. The means used to contact participants were email, phone calls and visits. Appointments were made with those who responded positively. The researcher visited participants for an interview session at their respective organisations.

### **4.3 Ethical considerations**

Ethical consideration played an important role in the research in terms of the dignity, rights and safety of participants. No harm to participants of the research occurred as the identified charities and NPOs took part.

A brief abstract of the study was forwarded to participants. The aim and objectives of the research were clarified, and the data sought was revealed and emailed to them. This allowed participants freely choose to participate or not. A consent document was signed by each participant after data collection. The study was carried out in Cape Town, South Africa, with selected NPOs operating in the city.

### **4.4 Coding process of data**

Thematic analysis was the data analysis process, consisting of the identification of words or sentences underpinning the key variable in each interview question. Then, multiple coding processes were used to unpack qualitative data.

The researcher used the steps recommended by Caulfield (2019) and Saldana (2009). Step 1 was familiarisation with the data: collect data, record them and transcribe in a text. This happened as the researcher read through the text, taking initial notes, and re-reading through the data to become familiar with it. Then codes were identified from the transcripts.

In step2, the researcher assigned descriptive codes to data transcripts which allowed for the identification of key concepts of the variables in each interview question. In step 3 the links between codes were searched by researcher who generated key concepts and created themes. At this step, findings were identified by presenting answers to each research question. Concepts were identified according to the aim, objectives and literature involved in this study. In step 4 the developed themes were subject to revision.

Themes revision was to ensure that the themes created were useful and accurate data representations. At this point, themes were compared to the data set. Step 5 consisted of naming and defining themes. Defining themes means that the researcher formulates exactly he means by each theme and figures out how it helps understand the data. In naming themes, the researcher came up with a succinct and easily understandable name for each theme. The last step was to present findings in a narrative form. The researcher presented findings of each interview question for addressing the problem, as discussed in the chapter to follow.

#### 4.5 Descriptive presentation of finding

The coding and analysis processes are described in this part of this study, as coded in small groups, and similarities and differences in patterns were labelled in themes and categorised. The findings derived from each respondent represented a particular charitable organisation from the research sub-questions that were part of the data collection. Multiple charitable organisations from diverse fields participated, with field study the means of data collection. The findings were summarised and presented in a table.

The realisation of the study was met by purposely selecting of several NPOs operating in the Cape Town downtown area and the southern suburban area of Cape Town.

Due to ethical considerations and participants' protection, organisation and participant name were not indicated in this report. Therefore a coding system was used to refer to them, as the table below illustrated.

**Table 8: Participants' codes**

| NPO code | Participant position                      |
|----------|---|
| NPO1     | Director (D)                              |
| NPO2     | General manager (Gm )                     |
| NPO3     | Director (D)                              |
| NPO4     | Director (D) / Director Assistant (D Ass) |
| NPO5     | Program Monitoring & Evaluation Manager   |

The two research questions for this study were to be answered and seven interview questions were used to collect data. Each interview question had its particular objective and contributed to addressing the problem under study, by the use of a semi-structured questionnaire for senior managers of charitable organisations.

All interviews were recorded. The transcript of each interview is followed and presented in a table. A summary of the full interview of each participant was presented. The end of each participant's data description was sanctioned by a summary table that contained themes, categories and key concepts. Themes will be further discussed in the following chapter.

Five charitable organisations' participants were interviewed. Each represented a particular NPO. The table below presents the interview questions and the key concepts associated with each question.

**Table 9: Interview questions linked to the key concepts**

| INTERVIEW QUESTIONS (IQ)   | KEY CONCEPTS                                    |
|--|---|
| IQ1. Please describe what your business does and how you do it.  | Business type/services offered                  |
| IQ2. How do you assess social value of your NPO?   | Social value assessment                         |
| IQ3. How is social value is used? For example, is it used internally, or sent to donors and sponsors, or used in an annual report or prospectus? | Social value assessment uses                    |
| IQ4. What are the attitudes of your sponsors to the measurement and communication of social value?   | Social value views by sponsors/ stakeholders    |
| IQ5. Do your sponsors have any specific modes of measuring and communication of social value that they require you to use? Explain.              | Social value assessment preferences             |
| IQ6. Are you aware of any existing methods of measuring or assessing social value in financial terms?  | Social value assessment methods                 |
| IQ7. The current methods for assessing social value are Euro-centric. Do you think there is a need for Africa-specific models?                   | Social value assessment for the African context |

Participant responses were linked to the code as indicated in the participants' table and interview questions. Interview question 1 was summarised and the headings such as business nature, location, size, stakeholders and customer were indicated in the table.

#### **4.6 Analysis data**

Data were analysed according to the key concepts and the findings are presented for each key concept as the participating organisations responded to the interview questions (IQ).

## 4.7 Analysis process

The responses were transcribed and inserted into a spreadsheet. The first question about the nature of the organisation was coded according to the location, size, target service, registration status, BBBEE status, funding source, nature, date of established, programmes and projects, what the organisation provides, services offered, training and development activities, after-service support, aims and stakeholders.

Below is an extract from the spreadsheet for Question 1's responses to illustrate the coding results.

|   | A           | B    | C  | D   | E   | F   | G                              | H            | I  | J             | K                  | L  | M   | N   | O   | P  | Q  | R  |
|---|-------------|------|--|---|---|---|--------------------------------|--------------|--|---------------|--------------------|--|---|---|---|--|--|--|
| 1 | Key concept | NPO  | Response   | Location  | Size  | Target service  | Registration status            | BBBEE status | Funding source                                       | Nature        | Established        | Programmes/Projects  | Provide   | Services  | Training & development                    | After service  | Aim  | Stakeholders   |
| 2 | Nature      | NPO1 | NPO-HPV U is a registered NPO and Public Benefit Organization with a BBBEE level 1 and with a UK Stewardship number for donations from the UK. It is a Christian NGO. NPO-HPV U is created in 1997. It is characterized by innovative skills based program designed by occupational therapists. That is Christian faith. - Food and clothes are provided - After screening, drug and alcohol rehabilitation is provided. - Skills training are offered also substance intervention.  | Suburb in the Southern suburbs of Cape Town and 10 more centres in South Africa | Large   | Northern and southern suburbs of Cape Town                                    | Registered NPO                 | level 1      | UK   | Christian NGO | More than 21 years | Occupational programmes  | Food and clothes; charity stores  | Drug & alcohol rehabilitation, relapse services   | Skills                                    | secures a job in open market                                       | Employed independent person  | Austen Dundas Properties; City of Cape Town; CIDC; Community Chest; Company Partners; GVI Trust; Malben Engineering; Mergon Foundation; Rawson; REACHSA; Take-a-lot; and |
| 3 | Nature      | NPO2 | NPO-SECTO I has its mission: work with community leaders are active, follow their direction and acknowledge their ownership and provide access to resources and opportunities. Today, NPO-SECTO I works throughout of Cape Town's township committees towards a more just society where human rights can be actualized. NPO-SECTO I works focus on: -Early childhood development, -  | City of Cape Town   | Team of 130 with at least 100 living in the community | Cape Town townships to community leaders. Work with seniors                   | Not indicated                  |              | 19 local companies                                   |               | More than 50 years | Childhood development; disability care; foster home; shelters; elderly care; economic empowerment;   | Wellbeing of older persons, after school services to keep children safe and off the street  | Early childhood development.  |   | Human rights being actualized                                      | Community leadership; government departments; forums; Wards councils and other NGOs  |  |
| 4 | Nature      | NPO3 | NPO-CACC is registered by Western Cape department of Social Development as Child Abuse Care Centre. NPO-CACC 35 boys from age of 10 to 18 have been moved from home due of the abuse and neglect placed in the centre on court. Sometimes are united with their family after that time but often they end to stay here a long period of time the entire family is not able to secure them. So they stay until they are finished the school and then integrate them to the society. NPO-CACC tries to get them an employment or place them in transitional programs. So they can still access the centre. NPO-CACC also prevention programs in Cape Flats where communities are educated on child abuse and life skills | City of Cape Town   | Not indicated   | Child abuse (boys between 10 and 18)  | Yes with WC Social Development |              | Not indicated  |               | Not indicated      | Prevention programmes to educate communities on child abuse and life skills to build resilience; Holiday prevention programs for children being abused | Home to abused boys; prevention services  | Holiday programmes to prevent child abuse   | get employment in transitional programmes | To reunite abused child with the family and reintegrate in society | SA Police Services; Heroes in Community; Western Cape department of health; Department of Social Development; Badisa (NPO); ACW; Child Welfare; Private corporate and individuals; CHOSA (children of South Africa is a community organization; South African NGO Awards (NPO) and Masikulu (NPO). |  |
| 5 | Nature      | NPO4 | NPO-CPICL Western Cape is a NPO registered with the nonprofit organization Directorate. NPO-CPICL offers a large range of services to children with a specific focus on Gender-based violence, Trauma, Bereavement and court Preparation. Counselors conduct face to face counselling. Support group is run for children are at risk of abuse. Parent workshops are conducted. NPO-CPICL work with other professional for child protection issues, work together to provide an effective and holistic support.   | National organization with offices also in Cape Town                            | Large   | Toll-free crisis line for child protection and gender-based violence, trauma, | Registered NPO                 |              | forty individuals; donors; corporate; government and |               |                    | peer support project; vulnerable children to identify them including those living with HIV   | Face-to-face counseling; support groups for children at risk of abuse and parents; Collaborate with professionals, teachers dealing | School projects; train survival staff; It trains and educates in Child support workers and social workers at selected | have counselors and court support         | To provide support services around gender-based violence           | The South African Society for the Prevention of Child Abuse and Neglect ( SASPCAN ); The International Society for Prevention of Child Abuse and Neglect (ISPCAN)  |  |

Figure 2: Example of the coding for interview question 1

The responses to interview question 3 were coded to determine the reporting in terms of opportunity for input, sharing, nature of information, and purpose for the reporting.

|   | A  | B    | C   | D                  | E                       | F                    | G                                    | H                                  |
|---|----|------|---|--------------------|-------------------------|----------------------|--------------------------------------|------------------------------------|
| 1 | IQ | NPO  | Response - transcribed  | Reporting          | Opportunity for input   | Sharing              | Nature of information                | Purpose                            |
| 2 | Q3 | NPO1 | Opporties for business; social report to top management and then staff. for sharing and to get input. Sponsors and donors receive different information; Provide information about results and difficulties; also used for annual report, need for reporting internally for directors for decision-making; annual reports for donors, media, public and partners; report on results | Top management     | Yes from management and | Sponsors, donors, n  | Results and difficulties             | Annual reporting ; decision-making |
| 3 | Q3 | NPO2 | Used for internal and annual reporting, inform about success and failures; opportunity to provide input; Annual report for donors, supporters, partners, stakeholders; Particular issues are highlighted  |                    | Yes                     | Donors, supporters   | Successes and failures               | Internal and annual reporting      |
| 4 | Q3 | NPO3 | Reporting format not unique; Social value reported internally and annually; report on implementation, results obtained, problems experienced; opportunity for internal members to provide input; Annual report to donors, supporters, and other stakeholders about progress   | Donors, supporters | Yes, internally         | Internally and exter | Social value                         | Results, problems experienced      |
| 5 | Q3 | NPO4 | Internal social value reporting about progress; Staff can provide input; report to donors about utilisation of resources and results obtained; reporting to all stakeholders  | Social value       | Yes, staff              |                      | resource utilisation and or problems |                                    |
| 6 | Q3 | NPO5 | Share results with staff  |                    |                         | with staff           |                                      |                                    |
| 7 |    |      | What are the attitudes of your sponsors to the measurement and communication of social value?   |                    |                         |                      |                                      |                                    |

Figure 3: Example of the coding for the reporting key concept

The key concepts mapped to the interview questions were used for the coding of questions 2 and 4-7. The response for each question was then coded to derive the

findings for that key concept. Figure 4 provides an example of the extract from the spreadsheet.

| IQ | NPO  | Response - t5ranscribed  | Coding   |
|----|------|--|--|
| Q4 | NPO1 | It depends on a funder, some funders will give you a disciple to funder with some one may say I want to fund your rehabilitation program, I only want to sponsor your soup kitchen for and each those designed funder we will be every specific report personality. So if someone is only supporting a soup kitchen we will suggest to them the back yard they will looking for we will say to them well if you are sponsoring soup kitchen you may track how many people come to soup kitchen this is the first a very basic one. But the more interesting is how many people come to the soup kitchen, how many people come repeatedly to soup kitchen, who's coming back again and again that is important for us because as I explained from that genie we are not a soup kitchen feeding hungry babies we try to rehabilitate them and more times people come to the meal more likely we are to rehabilitate them. So those are the 2 important very important one. How many time people come for the meal, how many time people repeatedly come to the meal and do they access to the other services so they are coming to the meal and are they access to the other services as bible study or are they coming to the meal and are they coming to the therapy session? Those are the three very important indications so that is what we are calling "sell force" because I can say today, this year we have trained 9000 services and breakdown in three categories. Let us go for an example on breakfast we must call ditch force. So on breakfast I will be able to say the last service was on the fourth-eleventh is today and when we go into that service we should be able to see the attendance those are people accessed the breakfast. So now I can go down further to the survey Anthony De County came the breakfast today and this is his profile and I can see that Anthony de Counti was set up in 2019 on he came for the first time which is no other detail here. This is very the first time never come to us to the centre. So all those info is immediately available in ditch force and it also can tell us for example the number of the people who are coming so what is the key point, are people coming for food or are coming for clothing, or they're coming for bible study and hungry people coming for food access to bible study. So all these data are important for us. So we're reporting financial input, we can report outcomes which will be social it's very hard in monetary to the outcome available and available in ditch-force and also can tell us for example the number of people who are coming so one of in point the people are coming for food or they are coming for clothing or having a bible study and how many people are coming for bible study and also access meals. All these data use to come all the time and we reporting in financial input. We can report outcomes which should be social it is very hard in monetary value to the outcome and not to say to the monetary impact is a big amount this is where NPO-HP/U is ready to try do research on social impact investment. | Depends on funder and which function they support and soecific feednack to sponsor based on their support. For example supporting the soup kitchen the number of people using it (one indicator) and how many return (second indicator) for rehabilitation purposes and being exposed to otherc services (third indicator). "So all those info is immediately available in ditch force and it also can tell us for example the number of the people who are coming so what is the key point, are people coming for food or are coming for clothing, or they're coming for bible study and hungry people coming for food access to bible study. So all these data are important for us ". "We can report outcomes which should be social it is very hard in monetary value to the outcome and not to say to the monetary impact is a big amount this is where [NPO1] is ready to try do research on social impact investment ". |
| Q4 | NPO2 | Each sponsor has its particular way he takes on NPO-SECTC/I measurement and communication of Social Value. Some come to us with the way our report of social value has to be. Those do not come with the form: the report should be where the problem lies. Therefore there are those have preferences and others no. In many cases most of them are not expect in our field we come to indicate to them the way the report should be and what should be the content of the report.  | Specific to sponsor, some prescriptive of the format while. Others do not mind the format. "In many cases most of them are not expect in our field we come to indicate to them the way the report should be and what should be the content of the report ".  |

**Figure 4: Example of the coding for the remaining key concepts**

The coding patterns were identified to derive findings for that key concept. In the next section, the key concepts are presented with the derived findings.

#### 4.7.1 IQ1: Nature of participating organisation

Data from the first interview were analysed and the following themes were identified: the purpose of the organisation; location; size; target service group; registration status; funding source; date of establishment; programmes and projects; services; training and development; and after-service support. The details appear in the Appendix.

All participating organisations are focusing on addressing the impact of social ills on people to fill the void that the government is unable to fulfil. This is expected since unemployment is high in South Africa, leading to high incidences of crime and substance abuse. Specifically, they target drug addiction (NPO1), violence, rape, child abuse (NPO2, NPO3, NPO4 and NPO5) and gender-based violence (NPO4). Most of the organisations are located in the various provinces of South Africa with a presence in the city centre and suburbs of Cape Town. All organisations indicated their size as large with core staff complemented by volunteers to meet the demand of their services. The type of services provided are preventative (NPO3); rehabilitation and relapse (NPO1); support (all participating organisations); and advisory (NPO4 and NPO5). All participant

organisations run special programmes or projects, namely occupational (NPO1); childhood development (NPO2); and awareness and prevention programmes. All five organisations offer training and development to gain skills (NPO1); early child development (NPO); holiday programmes for child abuse prevention (NPO3); to train staff who are also survivors (NPO4); and training and awareness workshops in community (NPO5).

Three organisations indicated that they have been operating for more than 20 years, and in two cases, more than 40 years. They obtain their funding from donors that include individual donors, corporates, government and international donors. They supplement their services with volunteer professionals. All participating organisations indicated that their services go beyond dealing with a specific situation, offering services after incidents of, for example, abuse, with social workers at the schools. In the case of addiction, the organisations assist in finding employment through their network (NPO1) and transitional programmes (NPO3). Some of the organisations assist on different levels, e.g., child abuse, shelters for homeless, elderly care, vulnerable people and gender-based violence such as rape.

All the organisations have a large network of stakeholder involvement that ranges from individuals, community and government entities, other NPOs/NGOs and international partners.

The finding relating to the nature of the organisations is that these organisations fulfil an important role on the ground level in the community to address the impact of problems associated with social ills that are prevalent in underserved settings. They have experience dealing with complex problems and therefore play an important role filling the gap where government services are inadequate.

#### **4.7.2 IQ2: Social value assessment**

All organisations indicated that monitoring and evaluating of social value is important but that it is difficult. Some explain that it is difficult to get a non-financial value.

*Homelessness is not a graduate issue in particular for example what is cost the society of home not yet a single study and in African continent of cost the society.[NPO1]*

Other reasons include lack of evaluation tools or methods to understand progress, and that management, monitoring and evaluation (MME) is specialised whereas the services

are often broad and cover a variety of aspects. There is a complexity to measuring impact whereas the services are often focused on an immediate outcome.

*So it's quite hard to prove or rather to prove any change due to our work done.  
[NPO5]*

Sales force and a customer relationship management (CRM) platform is used to track beneficiaries for beneficiary relationship management. International research companies are consulted to determine costs in different countries and cities for the NPO as well as the cost to tourism and business. One organisation, for example, indicated that its governance structure contributes to its credibility which is important to them. It is important for the organisations to determine whether their services are relevant and they, therefore, evaluate, for example, workshops.

*Each workshop they got evaluation sheets they have to complete, just do the feedback in terms of how we are doing and we got looking to see how it's relevant we deliver. [NPO4]*

They regularly capture evaluations to measure the outcomes.

*On daily basis they are captured so that we can get the result at the end of the day actually for the result data at the end of the week officially but we can prove those result at any time so we can measure what, how many people have been treated or all are receiving services from us. [NPO4]*

One organisation does pre- and post-testing to establish how the media coverage of their work changes.

Community survey is a possible evaluation method but is not viable due to time and cost constraints. Engaging with the government regarding the need for methods for monitoring and evaluating was mentioned.

The finding for the social value assessment is that the organisations indicated that it is important but not possible to monitor and evaluate in practice.

#### **4.7.3 IQ3: Social value assessment uses**

Reporting is to top management, donors and supporters. All the participating organisations provide an opportunity for input, mostly internally from management and staff. Information is shared with staff, sponsors, donors, media, public, partners and other stakeholders and in some cases, information is shared based on the requirements

of the stakeholders. The nature of the information is reporting results, difficulties, successes, failures, resource utilisation and problems encountered. The purpose of sharing of information is for reporting, internal and annually with stakeholders, decision-making, results and notification of problems encountered.

#### **4.7.4 IQ4: Social value assessment views**

All the participating organisations indicated that the attitudes of the sponsors depend on the sponsor, the relationship with them and which function they support. Sponsors need specific feedback based on their support and others require a specific format.

*In many cases most of them are not expect in our field we come to indicate to them the way the report should be and what should be the content of the report.*

*[NPO2]*

For example, reporting on a soup kitchen may include the number of people using it (one indicator) and how many return (second indicator) for rehabilitation purposes and for exposure to other services (third indicator).

*So all those info is immediately available in ditch force and it also tell us for example the number of the people who are coming so what is the key point, are people coming for food or are coming for clotting or they're coming for bible study and hungry people coming for food or are coming for clothing, or there're coming for bible study. So all these data are important for us. [NPO1]*

*We can report outcomes which should be social it is very hard in monetary value to the outcome and not to say to the monetary impact is a big amount. This where [NPO1] is ready to try do research on social impact investment.*

In a few cases, new sponsors complain even though they did not indicate specific reporting requirements. Donors are generally flexible with the format and content of the reports. In some cases, however, sponsors require additional information, a different format or more indicators.

*They will come back to you by indicating this and that is not in your report; you should do it this way and so forth. [NPO3]*

Corporates, individuals and some organisations have requested specific information long ago and sometimes the NPO has to draw their attention to things they may have missed.



The finding for the views of sponsors with regards to social value assessment is that it is needed and specific requirements depend on their relationship with the organisation.

#### **4.7.5 IQ5: Social value assessment preferences**

NPOs, as expected, decide on the format and content of the report. They provide additional information over and above basic information. Reporting is according to what the funders want and most of the corporations and private funders only want to know where their money was spent.

*The idea is we must kind of fit into what they want. [NPO3]*

Funding given for a specific project is often based on the project plan, so reporting is then according to the project. Reporting to international sponsors includes pictures and videos often presented over conference calls.

*But none of them come to south Africa but not interested and that video likely the second they wanna [sic] be here for the first time. [NPO2]*

It is important to build a relationship with sponsors.

*We want your money buy now next time in Town, come to see what we are doing and take him out and show them the work, how work take, talking to them governance structure, our board, by all our ability... You may know what we are finding there is corporate relationship. [NPO2]*

In the case of a big donor, that donor may require an external evaluation by external evaluators they appoint.

*International donors do that and they will come and that is separate project and they hire external evaluators use to attend the process ... They come they interview the staff go project site they do full review of their own and they will write us their assessment of impact analysis a thing like this are these donors. [NPO]*

Some funders do baseline assessments to be used for impact measurement at the end of the project. Some functions such as, for example, advocacy is difficult to cost but together with the funders, they work it out.

*We need to see various changes and we need to enter process are not many here the dynamic donors get that and that sort of work out together how we can assess that. [NPO5]*

The attitude or view of sponsors and stakeholders regarding the measurement and communication of social value indicated that each funding provider has its views on the way social value is measured and communicated to them. All the NPOs indicated that sponsors and stakeholders have positive attitudes toward the report and measurement of social value. They went further to say that generally, funding providers are satisfied with the manner of reporting and measuring social value. However, some sponsors or stakeholders are tougher, so an NPO has to do its best to satisfy the funding provider to avoid being a victim of a subsidy cut which may jeopardise its functioning by a lack of finance to conduct projects, programmes and activities. All also agreed that there is no universal way to communicate social value to donors but each donor may request a particular approach. Excluding what has been described by each NPO as its own information, this concept requires more examination by the researcher.

The finding for specific modes of measuring and communication of social value indicates that this depends on the funder and the relationship of the funder with the organisation. In some cases, a baseline assessment is done to form that basis for impact measurement. In other cases, external evaluators are appointed for evaluation purposes.

#### **4.7.6 IQ6: Social value assessment methods**

All participating organisations indicated that they may be aware of methods to measure social value in financial terms but are not using the methods themselves. In fact, due to a lack of capacity, they are constrained from doing more about measuring social value in financial terms. They also indicate that in South Africa, this kind of measurement may not be relevant in informal settlements.

*And so there is not yet a formal framework is in case is really can tracked meaningful in a South African context. [NPO1]*

A new framework is being developed.

*I can tell you this company is the one is busy helping us to do this research to create a framework for costing how much it is costing the society and looking at*

*the alternative that is not available now. And the report is it will be attained in May next year. [NPO1]*

Although the NPOs know about such frameworks, these seem to be more appropriate for larger organisations.

*The idea was that you kind certain work out by step-by-step process and almost prototyping your service. [NPO3]*

It may be necessary to look at the input of the beneficiaries, the experience of staff implementing a programme to compare with other similar programmes. The involvement of researchers may also be a good idea.

The finding for the awareness of any social value measurement in financial terms is that while the participating organisations may be aware of such methods, they are not using these methods themselves and are not convinced that this can work in the South African context.

The researcher has determined that NPOs will need to be capacitated with expertise and resources to use such methods.

#### **4.7.7 IQ7: Social value assessment preferences to the South African context**

There is a need for a contextual social value assessment method because Africa is different to other continents.

*There is no method, nothing. And the resources require enormous to create a meaningful framework.*

There is a need for a method that is relevant to the African context.

*In general, it's important we have and apply those outside tools/methods or tools comparable to European ones but are African, If applied even the result is not totally the same but around the same. [NPO5]*

There is a need for an organisation to take the lead for developing methods relevant to the South African context.

*Few leaders in this kind space because in order to be very much specific we are one of the few organisations who are thinking long term. [NPO1]*

The ability to measure social value will strengthen organisations to receive funding because funders find it difficult to see the change in a situation. This could be attribute to

the lack of contextual understanding. For example, there may be an improvement of a person's situation although this may not yet be at the stage where the problem has been fully eradicated. Each person's situation differs from another's situation. Measuring social value in such cases is difficult because the impact is not immediately visible.

*It is difficult to assess our SV because our work with people who were living with children and so we don't see we may not see positive impact immediately sometimes much further than the line. [NPO4]*

Funders find it difficult to see the change. It is difficult to measure social value if families' lives improved versus, for example, measuring the number of jobs filled.

Most reporting currently is about funding received and what results are expected. The organisations are advised about what to focus on when speaking to donors and to invite them to be part of social change.

*What is important just for us constantly training our donors, teaching them about our context and that they can be too rigid with something because what we did because what we're doing, how people do. [NPO5]*

All NPOs declared that there is not currently a method to measure social value that is applicable to the African context.

NPOs in Africa lacking knowledge in that area could be the reason why they still do not use a formal approach. Five of the NPOs recognised that the creation of a meaningful framework requires additional resources. It may also be one of the reasons why NPOs in Africa prefer to use their scarce resources to run their activities rather than apply them to finance the development of a framework to be used for that purpose. It was indicated that it is important that NPOs have and apply the available tools and methods comparable to the European ones but then adapt them to the African context. It is important for NPOs to constantly train their donors, teaching them about the local context and that if they are too rigid, they may neglect to consider the people, what they do and how they conduct the services in practice.

The finding for the need for an African-relevant method for social value assessment is confirmed, but this will require the involvement of experts familiar with the nature of services offered and the influence of the context as possible indicators to develop.

## 4.8 Summary of findings

In Table10, findings are summarised.

**Table 10 : Summary of the findings**

| Key concept                                 | Findings  |
|---|---|
| Nature of business                          | The nature of the nature of the organisations is that these organisations fulfil an important role on the ground level in the community to address the impact of problems associated with social ills that are more prevalent in underserved settings. They have experience in dealing with these complex problems and therefore play an important role filling the gap where government services are inadequate.   |
| Social value assessment                     | The finding for the social value assessment is that the organisations indicated that it is important but not possible to monitor and evaluate in practice.<br>Specifically: <ul style="list-style-type: none"> <li>• For all NPOs taking part of this study, none measure social value in financial terms.</li> <li>• Each NPO has its own way of creating social value.</li> <li>• No NPO is assessing its social value created but just evaluates programmes, activities, interventions or project progress or effectiveness or costs.</li> </ul> All indicated that measuring social value is difficult. |
| Social value assessment uses                | Social value assessment: Each participating NPO uses a social value assessment for Internal and external reporting.<br>Specifically, <ul style="list-style-type: none"> <li>• For internal reporting, each NPO reports to top management and all staff for input and info sharing on results, success, failures and difficulties encountered.</li> <li>• For external reporting, each NPO to reports to stakeholders (donors, sponsors, media and other stakeholders).</li> </ul>   |
| Social value views of sponsors/stakeholders | Social value assessment is needed and specific requirements depend on the relationship stakeholder have with organisations.<br>Specifically, <ul style="list-style-type: none"> <li>• Each donor has its views on the way an NPO measures and communicates social value created.</li> <li>• Donors are not experts on what NPO do; some suggest to the funder the missing points that are valuable to include in the report.</li> <li>• NPOs do their best to satisfy sponsors for their sake for future project funding in terms of communicating and measuring their social value.</li> </ul>             |
| Social value assessment preference          | Specific modes of measuring and communication of social value indicate that this depends on the funder and the relationship they have with the organisation where in some cases a baseline  |

|   |  |
|---|--|
|   | <p>assessment is undertaken to form the basis for impact measurement. In some cases, external evaluators are appointed for evaluation purposes.</p> <p>Specifically,</p> <ul style="list-style-type: none"> <li>• Each funding provider has its preferences in terms of social value reports that depend on the preferences of the donor.</li> <li>• Some donors present templates with specific information to produce in the report.</li> <li>• Other donors are flexible: no requirement in terms of content and form of social value report, just a report.</li> <li>• There is no current standardised way to report social value. It is done according to donor requirements.</li> </ul> |
| Social value assessment methods                       | <p>Awareness of any social measurement in financial terms is indicated by the participating organisations that they are aware of such methods but are not using these themselves and are also not convinced that these can work in the South African context. They will need to be capacitated with expertise and resources to use such methods.</p> <p>Specially,</p> <ul style="list-style-type: none"> <li>• Most NPO representatives are not aware of existing methods used to assess social value in financial terms.</li> <li>• None of them is able to name one formal approach that is used to assess social value.</li> </ul>   |
| Social value assessment for the South African context | <p>The need for an African-relevant method and indicators is confirmed but this will need the involvement of experts familiar with the nature of services offered and the influence of the context on that, and possible indicators that need to be developed.</p>   |

Source: Self generated by researcher

#### 4.9 Chapter summary

Qualitative data collected by the researcher were analysed by a thematic approach. Data were arranged according to the views expressed by participants during interview process, considered by the researcher as subjective. Key concepts were derived from interview questions and the findings generated.

The interview questions were based on four sub-questions derived from the two main research questions. The aim of the study was to explore charitable organisations in Cape Town in terms of their knowledge, awareness and use of existing social value assessment methods and tools as acceptable to both funding providers and NPOs. The analysis of each participant interview helped achieve the aim of the study.

## **CHAPTER 5:DISCUSSION OF FINDINGS**

### **5.1 Introduction**

The aim of this study was to explore charitable organisations in Cape Town in terms of their knowledge, awareness and use of existing social value measurement frameworks and tools to measure and communicate social value created in a way that is acceptable to both funding providers and NPOs.

The descriptive and informative discussions of findings related to the literature review were presented in this chapter. The thematic analysis used in this study derived seven key concepts that were the subject of detailed discussions in this chapter.

### **5.2 Summary of key findings**

Next, the findings are discussed by attaching meaning to them and comparing the findings with what the literature review revealed.

#### **5.2.1 Diversity of NPOs and nature**

According to Choto et al. (2020), non-profit organisations are involved in a range of activities such as health and wellness, socialisation and education. They are of different forms in diverse areas of the globe where they work in collaboration with political ambassadors, and religious, humanitarian and health providers. The website non-profit.com indicates six types of non-profit charities including animal charities, environmental charities, international charities, health charities, educational charities and art and culture charities as the top non-profits. The report of the Department of Social Development presented data from the National NPO Database on the non-profit landscape in South Africa, revealing that by the end of March 2016 (DSDSA, 2016) there were 153677 registered organisations in South Africa: a 12.6% increase from 2014/15 financial year, and an 80% increase over five years. Of that 153 677, 48% NPOs were in social services, 18% in development and housing, 15% in religion, 6% in education and research,6% in culture and recreation, 3% in health,2% in business and professional associations and unions,1% in environment and law, and 1% in advocacy and politics.

What has been described above demonstrates that each NPO who participated in the study belongs to a particular field of operation, and each NPO created social value in that particular area as its programmes were implemented for the people concerned. That is why NPO-HP/U was always interested in homeless people, for example. It was

creating social value by moving people from the street to houses with running water, decent jobs and sober living. In the case of NPO-SETC/I, it serves to change the lives in communities within Cape Town townships. It is creating social value in these communities. NPO-CACC is creating its social value in protecting children neglected by their communities. Their social value created by preparing people to live productively in the future. NPO-CPCL is creating social value in a large range of services to children with a specific focus on gender-based violence, trauma, bereavement and court preparation. And the last, NPO-SV/RC, is creating social value by counselling rape survivors as well as for survival in court and survival in the forensic unit.

What has been highlighted shows the diversity of NPOs in their respective fields of operation, confirming the declaration of the top non-profit organisations. For the nature of NPOs, what is described above is in line with the declaration of Edward (2013), and Volmink and van der Elst (2017).

To summarise, all these organisations are playing a substantial role in underserved communities by addressing issues related to social ills. They have expertise in sorting out complex problems of communities that should actually be the charge of the government. Thus, NPOs are filling the gap where government services are inadequate. These NPOs have the ability to rectify diverse socio-economic problems, market failures, and the provision of public goods and services that the government does not provide.

### **5.2.2 Social value assessment**

Each NGO and NPO creates social value from its programmes, projects, activities and interventions. This is what each organisation that participated in the study is doing in its field operation for the particular people served, which is the reason for their existence.

When examining these charitable organisations involved in this research, each creates social value and impact in bringing social change or creating social impact (long-term impact) or immediate outcomes (short-term impact), while addressing social problems to empower beneficiaries, and change behaviour, attitudes, perceptions, norms, and institutions for the socio-economic benefit of beneficiaries. The NPOs impact lives at the institutional, individual, community, state, national and international levels as the result of the NPO work. The real dilemma of each of these charitable organisations lies at the level of an inability to quantify the social, economic and environmental outcomes of the population groups they are serving, and an inability to demonstrate their impact to



funders, partners and beneficiaries (Mulgan, 2010) and allocate resources to effective programmes.

Social impact assessment is the measurement of social change for the target population attributed to the activities of an organisation during a specific period of time. There is change that an NPO creates for their clients. But when it comes to measuring the social value created or the way that change was created for that particular population, it becomes problematic; each NPO has its own way to do this. None of the NPOs measure its social value or impact in monetary terms or use existing tools or metrics for that purpose. One reason these NPOs do not measure their social impact and value is because none are trained specifically for that process of these steps: a measurement process; indicators to use (standardised for each specific intervention); principles for reporting; transparency, and disclosure. These steps constitute what are called 'impact measurement dimensions' (Buckland & Hehenberger, 2021). Thus, an absence of impact measurement practice is evident. The researcher noticed that social value created by these organisations was measured without the use of formal methods or tools such as social return on investment, or its alternatives such as 'the balanced scorecard', 'cost-benefit analysis', or 'the best available option' (Perrini et al. 2020).

The fact that they were unable even to name one of the formal social value methods means it is impossible for these NPOs to assess their social value in financial terms. Measurement impact, even in Europe countries, is not common. In a recent cross-country comparison of impact evaluation in eight European countries, 45% admitted that impact evaluations are carried out only occasionally (Buckland & Hehenberger, 2021). Therefore, these NPOs focus on tracking incomes and costs and what is reported to stakeholders; just evaluating programmes, activities, interventions, project progress or effectiveness and costs. All found it hard to assess their social value in financial terms. Often what is noticed is a simple measurement of outputs rather than relating an activity to the value it has made (Meldrum, 2011). According to the researcher, attempting to measure in monetary terms the social and environmental returns is a challenge for management, chiefly because existing methods for that purpose are European and established in culture and context different from Africa where these charitable organisations are situated. In referring to the context of this study, they use no formal tools or methods to evaluate their social value, and no universal method of reporting exists for all contexts. This is confirmed in that social enterprises commonly have their

own measurement systems (Krátki& Szabo, 2018). Their social value and impact is not in assessed financial terms as in developed countries.

The conclusion above led the researcher of this study to conclude that the finding for the social value assessment is that organisations indicated that it is important but not possible to monitor and evaluate in practice.

- No NPOs participating in this study measured their social value in monetary terms.
- Each NPO has its own way of creating social value.
- No NPO is assessing its social value other than evaluating programmes, activities, interventions, project progress or effectiveness or costs.
- All NPOs admitted that measuring social value is difficult.

### **5.2.3 Social value assessment uses**

Each charitable organisation creates social value and impact; a social value assessment is requested by donors, partners, funding providers and other shareholders. Social value assessment is for both NPO internal interest and external consumption.

Externally, a social value impact assessment is used for reporting to donors, partners, funders, beneficiaries and other stakeholders. Internally, social value assessment is for use by an NPO in a strategic setting, used to improve their performance and access to resources, and build their legitimacy. This position of all participants of the study on the internal use of social value assessment is aligned with Nicholls (2009).

The internal and external use of social value assessment by participating NPOs conformed to the main reasons for measuring social value and impact raised by Perrini et al. (2020) which consists of attracting investors who can effectively allocate their resources and a social and economic return envisaged as returns on their investment.

To recap what has been highlighted above, reporting is to top management, donors and supporters. All the participating organisations provide an opportunity for input into reports, mostly internally from management and staff. Information is shared with staff, sponsors, donors, media, the public, partners and other stakeholders, and in some cases, information is shared based on the requirements of the stakeholders. The nature of the information is reporting results, difficulties, successes, failures, resource utilisation and problems encountered. The purpose of sharing information is for reporting, internally

and externally annually with stakeholders, decision-making, results and notification of problems encountered.

#### **5.2.4 Social value views of sponsors and stakeholders**

Each donor, partner or stakeholder has a views on the way an NPOs measures social value created and how it is communicated. Despite the diversity of donors, partners and stakeholders surrounding and uplifting these charitable organisations, they are typically satisfied with the way social value and social impact are assessed and communicated to them because without stakeholder support in resources, the NPO would likely not exist. However, rivalry and competition exist amongst NPOs should donors shift to others in terms of support.

This confirms the statement that without outside resources, NPOs are unable to pursue their social mission (Volmink & Van der Elst, 2017). However, it was indicated that there may be some objections from donors, particularly to these that are new. Despite that, each charitable organisation has to do its best so that donors are satisfied with the report. All these not-profit organisations have partners, donors and funders to provide funding as support. These stakeholders have a measure of control then, because if they are unhappy with the way an NPO functions or conducts its services, they may stop funding them. As these organisations rely on funding from partners to sustain their programmes, it is imperative that an NPO please those providing the resources.

To summarise what has been highlighted above, social value assessment is needed and specific requirements depend on the relationship between NPOs and stakeholders.

Specifically:

- Each donor has its view of the way an NPO measures and communicates its social value.
- Donors are not regarded as experts on NPOs, so some NPOs suggest to the funder that certain points are valuable and should be included in the report.
- NPOs do their best to satisfy sponsors for the sake of future project funding when it comes to communicating and measuring their social value.

### **5.2.5 Social value assessment preference**

There is no official way to report the social value created by NPOs (Kah & Akonroye, 2020; Mulgan, 2010). Participating NPOs in the study indicated that their report of social value was related to requests of donors, partners and funding providers.

Some donors required a template in which the detail reported on should be presented. Despite the instruction from donors weighting on NPOs for the way they are to report social value, some NPOs such as NPO-HP/U and NPO-SV/RC estimated that donors should not be regarded as experts on what they do, so they suggest to donors that they may have overlooked or excluded something of value. They suggest additional information they feel was missed. As NPOs consider themselves experts on what they do, they suggest that the best assessment of social value comes from themselves.

There are international funding providers with a particular approach that conduct an entire external evaluation of an NPO. This is a separate project and an external evaluator is typically hired. Donors often want to compare the result obtained by the NPO to the report of an external evaluator. The funder then writes a report to the NPO and compares that to the NPO generated report.

Other partners of NPOs are less demanding, seeking perhaps a report on the way money was utilised. This may be undertaken because they know that these NPOs do not rely on a formal method of evaluation, so they prefer a project cost report. The long-time relationship of NPOs with other donors presumes that less pressure is exerted on them in terms of communicating and assessing social value, likely because they mastered what donors have expected in terms of social value reporting.

Despite not using formal existing approaches such as social return on investment, 'social enterprises balanced scored', 'benefit-cost analysis', and 'best available approach' as the means of assessing social value and impact, the researcher believes that the way South African NPOs do their assessment of social value is also accepted by sponsors, even global sponsors, or otherwise their support would be withdrawn long ago.

To summarise what has been discussed above, a specific mode of measuring and communicating social value, as indicated, depends largely on the funder and the relationship of the funder with the NPO. In some cases, for example, a baseline assessment sets the standard for impact measurement. In other cases, external evaluators are appointed for evaluation purposes.

Specifically:

- Each funding provider has its preferences in terms of social value reporting, so NPOs acquiesce to the preferences of the donor.
- Some donors present templates with specific information to be generated for a report.
- Some donors are flexible, with no requirement in terms of content or form of social value report, but just request a report.
- There is no current standardised way to report social value; presently this occurs in response to donor specifications.

#### **5.2.6 Assessment methods**

In terms of the awareness on existing of social value methods and tools, only the NPO-CACC manager was aware of these tools, but none of the NPOs was able to name even one of the most used social value assessment methods – including social return on investment, the ‘balanced scorecard’, ‘cost-benefit analysis’ or the ‘best available option’ (Perrini et al. 2020; Osakwe, 2018; Yang et al., 2014). There was also a revelation from all not-for-profit organisations that no formal existing tools are used for the evaluation of social value or impact, for the primary reason that these methods are European-centric and lack knowledge of African contexts. These organisations measure costs and data collected during their evaluation that is not helpful to assess social value in monetary terms. The absence of social value assessment tools developed in the African context needs to change. Moreover, the existing methods should be refined and adapted in standardised terms of measurement processes (Osakwe, 2018). The lack of staff dedicated to impact evaluation, both in terms of time and skills and capabilities, is the main barrier to performing evaluation (Ricciuti & Calo, 2018). Recruitment and training should take place (Ricciuti & Calo, 2018) as are found in Europe countries. But this is absent in South Africa and across the African continent, and our NPOs will need time to gain the sufficient information on social value assessment processes and methods.

Sharing practices among staff dedicated to the evaluation of social value happening in Western countries and America would be desirable in Africa among social enterprises and charitable organisations. A second barrier is related to the difficulty of translating qualitative metrics. NPO-HP/U, for example, had an international company busy researching on its behalf to create a method for costing the societal homeless

phenomena and police intervention and was seeking an alternative that is not available currently. However, that international company was still suggesting that social value evaluation can be measured in financial terms. There was a long way to go because that organisation had to develop a metric related to the NPO-HP/U context. Some of the NPOs referred to methods used for data collection, but not for social value assessment. Therefore, no NPO among these five measured their social value and social impact by the use of formal metrics.

To summarise the elements discussed above, awareness of any social measurement in financial terms indicates that the participating organisations may have knowledge of such methods but are not using these themselves and are not necessarily convinced that they can work successfully in the South African context. These NPO directors and managers need to be capacitated with expertise and resources to use such methods.

Specifically:

- Most NPO representatives are unaware of existing methods to assess social value in financial terms.
- None is able to name even one formal approach for assessing social value.

#### **5.2.7 Social value assessment for the South African context**

The existing metrics for assessing the social value and impact of either for-profit or non-profit organisations were developed in the European context. This is one of the reasons social value non-profit organisations in this country, South Africa, are informed of their existence, know these methods even are aware that the social value created can be measured in monetary terms. An African metric that relates to the African landscape culturally and other contextual African characteristics is an urgent need.

The NPO-SECT/I manager was not clear in her responses about that issue. In her mind, the fact that from their interventions the life of the community was improved was of utmost most importance. Five of the six who were interviewed welcomed the idea of a framework applicable to the African context being developed. They realise that they are still referring to the traditional way of assessing the impact created and are unable to uphold their cases internationally in terms of transparency, accountability and legitimacy from external stakeholders (Kah & Akonroye, 2020). They must be open to the new ways used abroad to be more competitive in attracting investors and securing funds (Mulgan, 2010). It is important that NPOs have and apply outside methods or tools

comparable to the European ones but established in the African context. It is good that NPOs constantly train their donors, teaching them about the unique African context and to not be too rigid because of what they did or because of what they are doing, and how people do things. It is important they have and apply outside tools and methods comparable to European ones, but which are suitable for the African context instead. This is a wish of NPO-VS/RC.

In reality, the African context is different from the European one: often people apply approaches from overseas contexts which do not fit their work or may work but only inefficiently. Perhaps if the European method is adapted to the African context, this will be better than using these tools in the way they have been developed.

To summarise what has been discussed above, the need for an African-relevant method and value indicators is confirmed, but this will require the involvement of experts familiar with the nature of services offered and the influence of the context on the services. And possible indicators are needed to be developed.

### **5.3 Chapter conclusion**

The chapter involved a significant discussion on the findings of the study carried on from the previous chapter, assessing the answers of each interview question to which participants responded. Responses were summarised in methodical way which leads to the conclusion of the research.

## **CHAPTER 6: CONCLUSION, RECOMMENDATION, CONTRIBUTION & FUTURE STUDY**

### **6.1 Introduction**

In the two previous chapters, data collection in one and data analysis in another, the discussions were conducted based on relevant literature and on researcher insight following contact with NPO representations during data collection. This project is the first one conducted with Cape Town NPOs, or even with South African charitable organisations from their perspective. Relevant recommendations should be made and elaborated. The research aimed to explore charitable organisations operating in Cape Town in terms of existing social value assessment frameworks and tools to assess and communicate social value created in ways that are acceptable to both funding providers and NPOs. Its objectives were to provide insight to stakeholders of South African NPOs in general and in Cape Town, in particular, in terms of their views on the assessment of social value created by their interventions in monetary terms. The study intended to discover and inform readers what South African NPOs think about existing methods to assess social value in financial terms, the acceptance of tools by NGOs and sponsors, and to explore what methods are currently used in the NPOs in South Africa to communicate with third parties.

Analysis and discussion of the findings that emerged from participants of NPOs were undertaken to meet the aim and objectives of the study. A general conclusion of the findings with relevant recommendations are set out. Useful contributions highlight pertinent topics suggested for further research.

### **6.2 Setting of the study**

The study was conducted in Cape Town, South Africa, with six representatives of five non-profit organisations selected and agreeing to participate in the study. As it was indicated above that it was one NPO presented two participants for the same interview. That is why we had six participants for 5 NPOs. The aim of the study was to explore within charitable organisations the existing social value methods or tools used to assess whether the social value created is acceptable to both NPOs and funding providers. The use of research philosophy, research methods, and research techniques, as detailed below, led to the achievement of the study.



The interpretative stance was the best suited for the study. In this approach, social reality is the construction of reality and knowledge. The output of this philosophy is always subjective. This gave the researcher the opportunity to interpret information collected according to his own understanding of the study.

The study was qualitative: data collected were words based on the subjective views of participants as perceived by the researcher. The acquired secondary data provided background information on the assessment and communication of social value by non-profit organisations with the use of formal frameworks and tools. Semi-structured interviews were employed as a method of data collection. For primary data, the researcher sought an open and comfortable environment to build trust between the researcher and participants. The sense of voice, intonation, and body language relevant to participants' answers after each question emerged through the use of one-on-one personal interviews. Participant answers were audio-recorded to guarantee the information's accuracy, and notes were taken. A closed questionnaire was used in which participants freely expressed their views. Interviews took place in participants' facilities (workplace) of their choice. Participants contributed to the achievement of the research objectives.

The main objectives pursued in the study are as follows:

- To give insight to readers and stakeholders of South African NPOs' views on the measurement of social values created by their programmes in monetary terms.
- To determine and inform readers what South African NPOs think about existing methods to assess social value in financial terms, and the acceptance of these tools by both NPOs and sponsors.
- To ascertain and inform readers how South Africa NPOs communicate social value with third parties.

### **6.3 Research questions revisited**

These sub-questions require research in order to determine a suitable answer. The four sub-questions of this research were the first to be answered.

#### **6.3.1 Sub-question 1.1: What is the nature of the business of Cape Town NPOs?**

There is a diversity of non-profit organisations operating in Cape Town, including animal charities, environmental charities, international charities, health charities, education

charities, and art and culture charities for the preservation of culture and artistic heritage. While the researcher intended to conduct this study with more diversity, unfortunately many of the contacts were not interested in the study. However, one of the NPO participants works with homeless people; the second one is committed to the creation of sustainable socio-economic change in Cape Town's township communities; the third one is involved with child protection; the fourth one offers a large range of services to children with a specific focus on gender-based violence, trauma, bereavement and court preparation; and the fifth one is involved with sexual violence, offering counselling for rape survivors, survivors in court and survivors at the forensic unit.

Hence, as discussed above, NPOs in Cape Town cover a diverse range of fields of operation.

### **6.3.2 Sub-question 1.2: What measures are used to assess the social value of NPOs?**

What the researcher noticed is that social value created by these organisations measured without the use of formal methods or tools existing such as social return on investment or its alternatives: the balanced scorecard, cost-benefit analysis or the best available option. These NGOs use traditional ways to assess the social value and track their performance such as the number of people or visitors served or received, the number of dollars raised, the number of memberships increase, and overhead costs.

For NPO-HP/U, for instance, the social value is created from three stages: relation-based activities (soup kitchen and clothing to homeless people), rehabilitation (homeless people rehabilitate from drugs and alcohol addiction), and phase of opportunity (18 months of work opportunity in NPO-HP/U facilities). To assess the social value created, they must measure the number of homeless people who have shifted from the street to a house with running water, who get a decent job and stay sober.

The social value created is assessed not in financial terms but in the effectiveness of the programme and activities. Or they see the number of people served. For NPO-CACC they succeed by the number of children served in the unit with their family or young persons neglected by their communities who are then returned and valued by these communities. It is the measure the effectiveness of their programmes; it is the way the organisation assesses their programme. The NPO-SV/RC monitoring and evaluation specialist stated that no package of tools is used to measure their social value. The pre-

and post-test is their primary method, excluding surveys, for measuring what that organisation does.

### **6.3.3 Sub-question 2.1: How do the NPOs experience the uses of the social value assessment?**

The uses of social value by charitable organisations in this study are both internal and external.

Internally, an opportunity is given to members of the organisation to gain knowledge of the success and failure of the organisation in projects, programmes, activities implementation and results obtained. Internal use of social value by non-profit organisations is when the strategic setting is used to improve their performance, access to resources, and build their legitimacy. Despite that, these organisations are not relying on any formal methods for assessing social value, but at least they are able to learn where barriers are in their programme implementation. They are also able to set realistic objectives, monitor, learn from and improve their activities, and from that, prioritise decisions.

In external uses of social value, the organisation reports to funding providers, policy-makers and other stakeholders concerning funds received and utilised, achievement reached, failures in certain cases, and problems experienced in project implementation for a particular year explained in detail. Completing an external use of social value report and assessment helps to secure funding, attract investors, support their case, and advertising and promote the work of the organisation. The social value and impact assessment allows charitable organisations to demonstrate their impact to beneficiaries, fund providers and partners. Therefore, an external report is for external people, typically an annual report for donors, media, public, and all other partners of the organisation apart from the contractual report schedules for donors.

### **6.3.4 Sub-question 2.2: How do the stakeholders of the NPOs experience the use of social value assessment methods?**

A charitable organisation creates social value from its activities to a particular targeted group. To be able to conduct any particular project, support in terms of resources came from outside of the organisation. An assessment of social value arising from the project has to be measured with the appropriate method and reported to stakeholders. The stakeholders of NPOs can be the foundations that need the NPOs to measure their

social value by use of a method existing. These foundations will see where to direct their grants and determine the most effective programmes and grants. It is the same for policymakers and government spending offices: after the NPOs have completed all processes a report is sent to these stakeholders who in turn decide which NPOs to fund to justify their spending decisions. NPOs' assessment of their social value through a particular method demonstrates their impact on funders, partners and beneficiaries. Thus, in regard to the funding providers and partners of the five participating NPOs, they are satisfied in the way the NPOs assess their social value and the way they report to them. This is justified by the fact that the NPOs continue to receive funding from these stakeholders and remain as partners in spite of the absence of formal existing metrics such as SROI.

#### **6.3.5 Research question 1: How do Cape Town NPOs measure their perceived social Value?**

Each NPO creates social value and impact from its programmes, projects, activities and interventions. The five participating NPOs measure their social value without referring to formal tools or methods existing. These NPOs use traditional ways to assess the social value and track their performance such as the number of people served and received, the number of dollars raised, membership number increases, the number of visitors served, and their overhead costs. These NPOs are merely tracking incomes, programmes, activities, interventions or projects effectiveness and progress, and of course, costs.

Hence, the finding for the social value assessment is that the organisations indicated that it is important but not possible to monitor and evaluate social value in practice.

Specifically:

- Of all NPOs taking part in this study, none measure social value in financial terms.
- Each NPO has its own way to create social value.
- No NPO is assessing its social value, but just evaluating programmes, activities, interventions, project progress or cost effectiveness.
- All indicated that measuring social value is difficult.

### **6.3.6 Research question 2: How do the relevant stakeholders of NPO view social value assessment methods?**

Social value assessment methods are requested for various reasons.

Foundations, donors, and funding providers, once the social value has been assessed by the use of formal methods or methods, have the opportunity to direct their funding to the most effective programmes of NPOs. However, the NPOs that participated in this research are not using current, formal frameworks or tools for social value assessment; even so, foundations are still providing funding which means that the way things have been and are being done by these organisations is acceptable by both internal and external foundations. Hence, social value assessment methods are important for them even though each has its own ways, typically informal, to measure the social value.

- Beneficiaries must recognise the important role of the NPO; therefore, the report for beneficiaries of their social value after assessment of the social value by that particular NPO is crucial.
- Public officials, policymakers and government budget office expect NPOs to assess their social value by formal existing methods and tools. Their expenses supplied to NPOs activities need tangible justifications from the results of the assessment conducted. This helps them to provide even more for NPOs or to reduce their involvement and allow the NPOs space to impact their communities.

Despite these five NPOs in Cape Town continuing to measure social value by means of informal methods, their model of evaluations and reporting is accepted by stakeholders because the stakeholders continue to underwrite their support.

## **6.4 Reflection on research**

The research process began with the identification of the research field of the study: “entrepreneurship”. The topic was then found: “Exploration of Social Return on Investment of selected shelters of homeless people in Cape Town, South Africa”. A brief, 20-minute presentation on that topic to a panel of internal lecturers was conducted and one lecturer accepted a supervisory role for this study.

I experienced many challenges during my study. I had a few different supervisors over time, resulting in the direction of my study changing a few times. For data collection, 10 no-profit organisations were contacted but during the period of approximately two

months, only five organisations agreed to participate. Several follow-up messages were sent, but without success as in many cases as responses were not forthcoming.

I have learned from this research that choosing a topic with little existing literature on specifically the type of organisations investigated within the context or a similar context to the study makes a study difficult. Furthermore, not finding a sufficient number of participating organisations made the study even more difficult. The Covid pandemic and its restrictions added even more complexity to the study where engagements with participating organisations and with my supervisor were prohibited. During this time, the pandemic also negatively impacted charitable organisations which under normal circumstances struggled to find funding for their operations and rely on volunteers. With the pandemic, their struggles to deliver services worsened.

## **6.5 Contribution of the study**

Two aspects of contributions are highlighted in the research, namely, knowledge and methodology.

### **6.5.1 Knowledge contribution**

It is known that studies on the evaluation of social value of non-profit organisations were conducted in Western countries and tools were initiated in Western countries. What is unknown is how non-profit organisations in Cape Town and in particular, South Africa in general communicated with their sponsors in terms of the social value of work and services and projects undertaken. In addition it is not clear whether or not any formal methods of reporting social value were in use in charitable organisations in Cape Town, South Africa.

This study revealed to us that in Cape Town each charitable organisation has its way of assessing its social value and communicating this value to stakeholders.

No existing Western method is used to measure social value. And their social value is not measured in financial terms. These NGOs use traditional ways to assess their social value such as the number of people served and received, the number of dollars raised, increases in membership numbers, the number of visitors served, and their overhead costs. In this way, this study contributed to the existing literature.

### **6.5.2 Methodology contribution**

In a methodological aspect, the contribution of this study is related to its design. As a qualitative study, the outcome from inductive reasoning provided a comprehensive reflection of participants representing the charitable organisations. In addition, as findings from case studies, the outcomes of this study are grounded in real-world experiences that help increase knowledge of social value assessment and reporting.

### **6.6 Further research**

There are few studies that report on similar research or it can be the first of this kind on Cape Town charitable organisations regarding their assessment of social value measurement and reporting. All research on social value measurement by organisations were conducted in Western country and tools were initiated from these countries. This assumes that the present study is amongst the first regarding how NPOs in Cape Town measure their social value and which methods, if any, they use for that purpose.

This research has opened a field of study regarding measuring and reporting of social value of charitable organisations in South Africa. Thus, more studies are necessary at a large scale involving different non-profit organisations of Cape Town in particular and South Africa in general. This will generate a wider scope of insight on how non-profit organisations in South Africa assess and report social value and the methods and tools, if any, they use for that purpose. The promotion of social value assessment in the charitable organisation sector, as well as for-profit sector, should not be neglected because for most organisations, social value evaluation is new.

It is the same concerning tools or methods regarding social value evaluation, as these are initiated and used in Western countries, the majority of organisations in South Africa are not aware of that. Therefore, an investigation of the most used tools is a necessity.

International fund providers and policymakers of Western countries are aware of social value measurement process and tools or methods are in used; this is not the case for the SA government as the main financial provider to charitable organisations and private partners from this country. Therefore, it is important the government provide funds and training of human capital dedicated to measurement for social impact and value to help with transparency and data sharing among organisations. This will assist charitable organisations to build their social value capability. Hence, collaboration between government, foundations and sponsors in funding and data sharing is required. Private

and public organisations have to fund research on social value measurement, particularly the need of tools or methods as expressed by non-profit organisations to be developed for a South African context and an African culture.

## BIBLIOGRAPHY

- Anbazhagan, S. & Surekha, A. (2017). Role of non-governmental organisations in global health. *International Journal of Community Medicine and Public Health*, 3(1):17-22. <https://doi.org/10.18203/2394-6040.ijcmph20151544>
- Arena, M., Azzone, G. & Bengo, I. (2015). Performance measurement for social enterprises. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 26(2):649-672.
- Arena, M., Azzone, G. & Bengo, I. (2015). Performance measurement for social enterprises. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 26(2):649-672.
- Arifin, S.R.M.(2018). Ethical considerations in qualitative study. *International Journal of Care Scholars*, 1(2):30-33.
- Arogyaswamy, B. (2017). Social entrepreneurship performance measurement: A time-based organizing framework. *Business Horizons*, 60(5):603-611.
- Arshad, R., Bakar, N. A., Sakri, F. H. & Omar, N. (2013). Organizational Characteristics and Disclosure Practices of Non-profit organisations In Malaysia. *Asian Social Science*, 9(1):209-217 <https://doi.org/10.5539/ass.v9n1p209>
- Arvidson, M., Lyon, F., Mckay, S. & Moro, D. (2010). The ambitions and challenges of SROI. London, England: Middlesex University Research Repository, Available from <http://epapers.bham.ac.uk/788/>
- Arvidson, M., Lyon, F., McKay, S. & Moro, D. (2013). Valuing the social? The nature and controversies of measuring social return on investment (SROI). *Voluntary sector review*, 4(1):3-18.
- Arvidson, M.L. (2014). Valuing the social? The nature and controversies of Measuring social return on investment (SROI), *VOLUNTAS: International Journal of voluntary and non profit organisation*, 25.
- Arvidson, M.L.& Lyon, F. (2014). Social impact measurement and non-profit organisations: Compliance, resistance, and promotion. *Voluntas* , 25(4): 869
- Aschari-Lincoln, J.& Jager, U.P. (2016). Analysis of Determinants of Revenue Sources of International NGOs: Influence of Beneficiaries and Organisational Characteristics. *Nonprofit Voluntary Sector Quarterly*, 45 (3): 612-629. <https://doi.org/11177/0899764015595721>
- Azmat, F., Ferdous, A.S. & Couchman, P. (2015). Understanding the dynamics between social entrepreneurship an inclusive growth in subsistence marketplaces. *Journal of Public Policy and Marketing*, 34(2): 252-271.
- Bacq, S.& Janssen, F. (2011). The multiple faces of social entrepreneurship: A review of definitional issues based on geographical and thematic criteria. *Entrepreneurship and Regional Development*, 23:373-403.



- Bagley, A. (2012). *Leeds Survivor Led Crisis Service: Full-SROI Evaluation Report*. Social return on investment Analysis. Available at: [www.google.com](http://www.google.com)
- Bagnoli, L. & Megali, C. (2011). Measuring performance in social enterprises. *Nonprofit and Voluntary Sector Quarterly*, 40(1):149-165.
- Baker, J. (2006). The purpose, process, and methods of writing a literature review. *AORN Journal*, 103(3): 265-269.
- Banke-Thomas, A.O., Madaj, B., Charles, A. & van den Broek, N. (2015). Social Return on Investment (SROI) methodology to account for value for money of public health interventions: a systematic review. *BMC public health*, 15(1):1-14.
- Bansal, S., Garg, I. & Sharma, G.D. (2019). Social entrepreneurship as a path for social change and driver of sustainable development: A systematic review and research agenda. *Sustainability*, 11(4):1091.
- Benbasat, I., Goldstein, D. K. & Mead, M. (1987). The case research Strategic in studies of Information Systems. *MIS Quaterly* 11(3):369-386.
- Berney, L. (2003). The life grid Method of collecting retrospective information from people at older ages. *Research policy and planning*, (21)2.
- Bhattacharjee, A. (2012). *Social Science Research: principles, Methods, and practices*. Available at: <https://doi.org/10.1186/1476-4505-9-2> [12June 2017].
- Bignotti, A. & Myres, K. (2022). A typology of social entrepreneuring models continued: Empirical evidence from South Africa. *Africa Journal of Management*, 1-23.
- Borzaga, C. & Defourny, J. (2001). Conclusions. Social enterprises in Europe: A diversity of initiatives and prospects.. *Trento Ed*, 31:29-32.
- Braun, V. & Clarke, V. (2012). Thematic analysis. In H. Cooper, P. M. Camic, D. L. Long, D. L. Long, A. T. Panter, D. Rindskopf & K. J. Sher (Eds.), *APA handbook of research methods in psychology, Vol. 2: Research designs quantitative designs: quantitative, qualitative, neuropsychological, and biological* (pp. 57-71). Washington DC: America Psychological Association.
- Brest, P. & Harvey, H. (2008). *Money well spent: strategic plan for smart Philanthropy*. Bloomberg Press, NY.
- Bryman, A. & Bell, E. (2007). *Business RESEARCH Methods*. 2<sup>nd</sup> ed. New York:Oxford. University Press. Clark, C., Emerson, J., Rosenzweig, W. & Wagle, S.
- Buckingham, H. (2009). Competition and contracts in the voluntary sector: Exploring the implications for homelessness service providers in Southampton. *Policy & Politics*, 37:235-254. <https://doi.org/10.1332/030557309X441045>.
- Buckland, L. & Hehenberger, L. (2021). Measuring Social Impact Can Help Foster a Stronger European Social Economy. *Stanford Social Innovation Review*. <https://doi.org/10.48558/T7W2-YR13>
- Castles, S. (2001). Studying social transformation. *International political science review*, 22(1):13-32.
- Cepeda, G. & Martin, D. (2005). A review of a case studies publishing in Management Decision: Guides and criteria for achieving qualitative research. *Management Decision*, 43(6).

- Certo, S.T. & Miller, T. (2008). Social entrepreneurship: Key issues and concepts. *Business Horizons*, 51(4):267-271.
- Chell, E. (2007). Social enterprise and entrepreneurship: Towards a convergent theory of the entrepreneurial process. *International Small Business Journal*, 25:5-26.
- Chetty, S.K. (1999). Dimensions of internationalization of manufacturing firms in the apparel industry. *European Journal of Marketing* .
- Choto, P., Iwu, C.G. & Tengeh, R.K. (2020). Non-profit organisations and socio-economic development in South Africa: A literature analysis. *Humanities & Social Sciences Reviews*,8(2):689-600
- Ciucescu, N.& Alecsandri, V. (2009). The role and importance of Non-Profit Organisations. *Studies and Scientific Research*. Economics Edition, University of Bacau, Romania. <https://doi.org/10.29358/sceco.v0i14.35>
- Claeyé, F. (2017). A typology of social entrepreneuring models in South Africa, *Special Issue of the Social Enterprise Journal*, "Mapping Social Enterprise Models,13(4):427-442.
- Claeyé, F. & van Mews, N. (2013). Power, resistance and culture in the construction of NPO identity in South Africa. *Academy of Management Proceedings*. Journals.aom.org
- Claeyé,F. & Jackson, T. (2012). The Iron case re-visited: institutional isomorphism in South Africa. *Journal of the International Development*. [https://doi.org/10-1002/jid.2852](https://doi.org/10.1002/jid.2852)
- Clark, C.& Brennan, L. (2012). Entrepreneurship with social value: A conceptual model for performance measurement. *Academy of Entrepreneurship Journal*,18(2):17.
- Clark, C., Long, D., Rosenzweig, W.& Olsen, S. (2004). Double bottom line project report: assessing social impact in double bottom line ventures. *Business*, 1-70. Available at <https://communitywealth.org/sites/clone.communitywealth.org/files/downloads/paper-rosenzweig.pdf>.
- Cooney, K. & Lynch-Cerullo, K. (2014, October). Measuring the social returns of nonprofits and social enterprises: The promise and perils of the SROI. In *Nonprofit Policy Forum*, 5(2):367-393.
- Cordes, J. J. (2017). Using cost-benefit analysis and social return on investment to evaluate the impact of social enterprise: Promises, implementation and limitations. *Evaluation and Program Planning*, 64:98-104.
- Corvo, L., Pastore, L., Mastrodascio, M. & Cepiku, D. (2022). The social return on investment model: a systematic literature review. *Meditari Accountancy Research*, 30(7):49-86.
- Costa, E. & Pesci, C. (2016). Social impact measurement: why do Stakeholders matter? *Sustainability Accounting, Management and Policy Journal*, 7(1): 99-124.
- Creswell, J. (2014). *Research design: Qualitative, quantitative and mixed methods approaches*. Thousand Oaks, CA: Sage.
- Cross, C. & Seager, J.R. (2010). Towards identifying the causes of South Africa's street homelessness: Some policy recommendations, *Development Southern Africa*,27(1):143-158. <https://doi.org/10.1177/1474474012469886>

- Cross, C., Seager, J., Erasmus, J., Ward, C. & O'Danovan, M. (2010). Skeletons of the feast: a review of street homelessness in South Africa and other world regions. *Development Southern Africa*, 27(1):5-20.
- Crucke, S. & Decramer, A. (2016). The development of a measurement instrument for the organizational performance of social enterprises, *Sustainability*, 8(2):161-190.
- Datt, S. (2017). *8-steps procedure to conduct qualitative content analysis in a research*. [https:// www.projectguru.in /publications/qualitative-content –analysis-research/](https://www.projectguru.in/publications/qualitative-content-analysis-research/) [26 Oct. 2017].
- De Vries, E.J. (2005). Epistemology and methodology in case research: a comparison between European and American IS journals. *Proceedings of the 13<sup>th</sup> European conference of Information Systems*. Regensburg, May 25-28, 2005.
- Dees, J.G. & Battle Anderson, B. (2006). Framing a theory of social entrepreneurship: building on two schools of practice and thought, *ARNOVA Occasional Paper Series*, 1(3): 39-66.
- Defourny, J. & Nyssens, M. (2010). Conceptions of social enterprise and social entrepreneurship in Europe and the United States: convergences and divergences. *Journal of Social Entrepreneurship*, 1(1): 32-53.
- Defourny, J. & Nyssens, M. (2013). Social co-operatives: When social enterprises meet the co-operative tradition. *Journal of Entrepreneurial and Organizational Diversity*, 2(2):11-33.
- Defourny, J. & Nyssens, M. (2017). Fundamentals for an international typology of social enterprise models. *Voluntas*, 24(3).
- DeMaria, K.B. (2021). *Measuring Impact in a Complex World: A Social Return on Investment Framework for JEVS Human Services*.
- Denzin, N.K. & Lincoln, Y.S. (2011). *The SAGE Handbook of Qualitative Research*. Thousand Oaks, CA: Sage.
- Dhunpath, R. (2003). It's all business like now: The corporatization and professionalization of NGO in South Africa. *International Journal of Knowledge, Culture and Change Management*, 3:1109-1124.
- Di Domenico, M., Haugh, H. & Tracey, P. (2010). Social bricolage: Theorizing social value creation in social enterprises. *Entrepreneurship Theory and Practice*, 34(4):681-703.
- DSDSA. (2016). *Annual report for the year ended March 2016*. Department of Social Development, South Africa [https://www.gov.za/sites/default/files/gcis\\_document/201705/dsd-annualreport-20152016reduced.pdf](https://www.gov.za/sites/default/files/gcis_document/201705/dsd-annualreport-20152016reduced.pdf) [accessed October 2022].
- Ebrahim, A., Battilana, J. & Mair, J. (2014). The governance of social enterprises: mission drift and accountability challenges in hybrid organisations, *Research in Organizational Behavior*, 34:81-100.
- Edwards, J.T. (2013). *Organizational behavior, Efficiency, and Dynamics in Non-profit Markets: Evidence from Traditional Housing*. Chicago: University of Chicago. 31.
- Emerson, J., Wachmowicz, J. & Chun, S. (2000). Social return on Investment: exploration aspects of value creation in the non-profit, In *Social Purpose Enterprises and Venture Philanthropy in the New Millennium*, 2:132-173.

- Etikan, I., Musa, S. & Alkassim, R. (2016). Comparison of convenience sampling and purposive sampling. *American Journal of Theoretical and Applied Statistics*, 5(1): 1-4.
- Ezutah, G. (2010). *Trail of immortality: Looking through the veil of eternity*, Strategic Book Publishing, Durham
- Florman, M. Klingler-Vidra, R. & Facada, M.J. (2016). *A critical evaluation of social impact assessment methodologies and a call to measure economic and social impact holistically through the external rate of return platform*. London School of Economics, UK. Available at: <http://eprints.lse.ac.uk/65393/1/Assessing%20social%20impact%20assessment%20methods%20report%20-%20final.pdf>.
- Fourie, W. (2018). Aligning South Africa's National Development Plan with the 2030 Agenda's Sustainable Development Goals: Guidelines from the policy coherence for development movement. *Sustainable Development*, 26(6):765-771.
- García-Jurado, A., Pérez-Barea, J.J. & Nova, R.J. (2021). A new approach to social entrepreneurship: A systematic review and meta-analysis. *Sustainability*, 13(5):2754.
- Gentles, S.J. & Vilches, S.L. (2017). Calling for a shared understanding of sampling terminology in qualitative research: Proposed clarifications derived from critical analysis of a methods overview by McCrae and Purssell. *International Journal of Qualitative Methods*, 16(1):1609406917725678.
- Ghuri, P., Tasavori, M. & Zaefarian, R. (2014). Internationalisation of service firms through corporate social entrepreneurship and networking, *International Marketing Review*, 31(6):576-600.
- Gibbon, J. & Dey, C. (2011). Developments in social impact measurement in the third sector: scaling up or dumbing down? *Social and Environmental Accountability Journal*, 31(1):63-72.
- Goldenberg, M., Wathira, K., Orton, L. & Williamson, M. (2009). *Social innovation in Canada: An update*. Ottawa, ON: Canadian Policy Research Networks.
- Gomail, L. (2013). *A realist Approach for Qualitative Research*. Thousand Oaks. CA: Sage.
- Gordon, M. (2015). A typology of social enterprise traditions. *ICSEM Working Papers*, (18).
- Grassl, W. (2012). Business models of social enterprise: A design approach to hybridity. *ACRN Journal of entrepreneurship Perspectives*, 1(1):37-60.
- Gray, D.E. (2013). *Doing Research in the Real World*. Available at: [http://www.dphu.org/uploads/attachments/books/books\\_5343\\_0.pdf](http://www.dphu.org/uploads/attachments/books/books_5343_0.pdf) [19] [accessed April 2016].
- Gray, R., Bebbington, J. & Collison, D. (2006). NGOs, civil society and accountability: Making the people accountable to capital. *Accounting, Auditing & Accountability Journal*, 19(3).
- Greener, S. (2008). *Business Research Methods*. Available at: [http://gent.uab.cat/diego.prior/files/02\\_e\\_01\\_introduction-to-research-methods.pdf](http://gent.uab.cat/diego.prior/files/02_e_01_introduction-to-research-methods.pdf) [Accessed 16 May 2016]

- Grieco, C., Michelini, L. & Lasevoli, G. (2015). Measuring value creation in social enterprises: A cluster analysis of social impact assessment models. *Nonprofit & Voluntary Sector Quarterly*, 44(6):1173-1193.
- Gulrajani, N. (2011). Transcending the great foreign aid debate: Managerialism, radicalism and the search for aid effectiveness. *Third World Quarterly*, 32(2):199-216. Available HTTP: <http://doi.org/10.1080/01436597.2011.560465>
- Gupta, P., Chauhan, S., Paul, J. & Jaiswal, M.P. (2020). Social entrepreneurship research: A review and future research agenda. *Journal of Business Research*, 113:209-229.
- Habib, A. & Taylor, R. (1999). South Africa: Anti-apartheid NGO's in transition. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 10(1):73-82.
- Hadad, S. & Gauca, O.D. (2014). Social impact measurement in social entrepreneurial organisations. *Management & Marketing*, 9(2):119.
- Hall, K., Miller, R. & Millar, R. (2016). Public, private or neither? Analysing the publicness of health care social enterprises. *Public Management Review*, 18:539-557.
- Hall, M., Millo, Y. & Barman, E. (2015). Who and what really counts? Stakeholder prioritization and accounting for social value, *Journal of Management Studies*, 52(7): 907-934.
- Heinrich, C.J. & Lopez, Y. (2009). Does Community Participation Produce Dividends in Social Investment Fund Projects? *World Development*, 37(9):1554-1568.
- Hershey, M. (2013). Explaining the non-governmental organisation (NGO) boom. The case of HIV/AIDS NGOs in Kenya. *Journal of Eastern African Studies*, 7(4):671-690. <https://doi.org/10.1080/17531055.2013.818776>
- Hyett, N., Kenny, A. & Dickson-Swift, V. 2014. A critical review of qualitative case study reports. *International Journal Quality Studies Health Well-being*.
- Kah, S. & Akenroye, T. (2020). Evaluation of social impact measurement tools and techniques: a systematic review of the literature. *Social Enterprise Journal*.
- Kamat, S. (2003). NGOs and the new democracy, *Harvard International Review Spring*, 65-69
- Karanda, C. & Toledano, N. (2012). Social entrepreneurship in South Africa: A different narrative for a different context. *Social Enterprise Journal*.
- Kareem, B. (2021). Social entrepreneurship: as pathway to promote societal values in Africa. *AJENTS*, 1(2):226.
- Kassim, E.S. & Habib, M.M. (2020). Social enterprise and creation of social value chain. *International Journal of Supply Chain Management*, 9(2):205-210.
- Kato, S., Ashley, S.R. & Weaver, R.L. (2018). Insights for measuring social value: Classification of measures related to the capabilities approach. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 29(3):558-573.
- Kearns, K. 2017. *Nonprofit Organizations: Theory, Management, Policy 2<sup>nd</sup> edition*
- Klein, H.K. & Myers, M.D. (1999). A set of principles for conducting and evaluating interpretative field studies. *Information Systems Quarterly*. 23(1): 67-94.

- Krátki, N. & Szabó, R.Z. (2018). Social Value Creation and Impact Measurement–What Do They Mean Exactly? *Theory, Methodology, Practice*, 14(01):15-25.
- Kroeger, A. & Weber, C. (2014). Developing a conceptual framework for comparing social value creation. *Academy of Management Review*, 39(4):513-540.
- Kumar, R. (2011). *Research Methodology*. New Delhi: Sage.
- Kumaran, M., Samuel, N. & Winston, L. (2012). The NGO sector in South Africa: History, issues and prospects. *Journal for Development and Leadership*, 2:31-46.
- Kyalimpa, P. (2013). Leadership Competence and Sustainable Funding of Local Non-Governmental Organisations in Uganda. PhD Thesis. Doctor of Philosophy in Developmental Studies of Mbarara University of Science and Technology.
- Lambooy, T., Argyrou, A. & Hordijk, R. (2013, October). Social Entrepreneurship as a New Economic Structure That Supports Sustainable Development: Does the Law Provide for a Special Legal Structure to Support Innovative and Sustainable Non-Profit Entrepreneurial Activities? *A Comparative Legal Study, University of Oslo Faculty of Law Research Paper*,30.
- Lanteri, A. & Perrini, F (2021). Causal Performativity and the Definition of Social Entrepreneurship. *Engines of Economic Prosperity*:231-266. Palgrave Macmillan, Cham.
- Lashitew, A.A., Narayan, S., Rosca, E. and Bals, L. (2021). Creating social value for the 'base of the pyramid': An integrative review and research agenda. *Journal of Business Ethics*,1-22.
- Lawlor, E. (2008). The new economics foundation, In Murray, R., Neitzert, E. & Sanfilippo, L. (Eds.), *Investing for Social Value: measuring social return on investment for the Adventure Capital Fund*. New Economics Foundation.
- Legal Resources Centre. (2011). *A guide to legal forms for social enterprises in South Africa*. Pretoria: ILO. Retrieved from <http://labordoc.ilo.org/record/437399>
- Lewis, D. 2010. Nongovernmental Organizations. Definition and history. In *International Encyclopedia of Civil Society*, H. Anheier & S. Toepler (Eds). (pp. 1056-1062). Springer US..
- Lingane, A. & Olsen, S. (2004). Guidelines for social return on investment. *California Management Review*, 46(3):116-135.
- Littlewood, D. & Holt, D. (2015). Social enterprise in South Africa. *International Comparative Social Enterprise Models (ICSEM) Projects. Working papers No. 2*. Available at: [http://repository.essex.ac.uk/14144/1/South% 20Africa% 20, 20](http://repository.essex.ac.uk/14144/1/South%20Africa%20,20).
- Littlewood, D. & Holt, D. (2018). Social entrepreneurship in South Africa: Exploring the influence of environment. *Business & Society*, 57(3):525-561.
- Lueg, R.& Radlach, R. (2016). Managing sustainable development with management control systems: A literature review. *European Management Journal*, 34(1):158-171.
- Luke, B., Barraket, J. & Eversole, R. (2013). Measurement as legitimacy versus legitimacy of measures: performance evaluation of social enterprise. *Qualitative Research in Accounting & Management*, 10(3/4):234-258.



- Maas, K. & Liket, K. (2011). Social impact measurement: Classification of methods. In Burritt, R., Schaltegger, S., Bennett, M., Pohjola, T. & Custora, M. (Eds.), *Environment Management Accounting and Supply chain*.
- Maier, F., Schober, C., Simsa, R. & Millner, R. (2015). SROI as a method for evaluation research: Understanding merits and limitations. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organization*, 26(5):1805-1830.
- Mair, J. & Marti, I., (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business*, 41(1):36-44.
- Mair, J., Battilana, J. & Cardenas, J. (2012). Organizing for society: A typology of social entrepreneuring models. *Journal of Business Ethics*, 111(3): 353-373.
- Makiwane, M., Tamasane, T. & Schneider, M. (2010). Homeless individuals, families and communities: The societal origins of homelessness. *Development Southern Africa*, 27(1):39-49. <https://doi.org/10.1080/03768350903519325>
- Maldonado, M.O. and Corbey, M. (2016). Social return on investment (SROI): a review of the technique. *Maandblad Voor Account. Bedrijfsecon*, 90:79-87.
- Manetti, G. (2014). The role of blended value accounting in the evaluation of socio-economic Impact of social enterprises. *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, 25(2):443-464.
- Manning, S., Kannothea, C.G. & Wissman-Weber, N.K. (2017). The strategic potential of community-based hybrid models: The case of global business services in Africa. *Global Strategy Journal*, 7(1):125-149.
- Maree, K (Ed). (2007). *First steps in research*. Pretoria: Van Schaik Publishers.
- Margiono, M.A. (2018). Social venture business models for transforming non-profit organisations: Typology-driven theorizing (Doctoral dissertation, Queensland University of Technology).
- Martinez, L., Hayes, C.D. & Silloway, T. (2013). Measuring Social Return on Investment for Community Schools: A Practical Guide. *Children's Aid Society*.
- Matthews, S. (2017). The role of NGOs in Africa: are they a force for good? *The Conversation*, 2. <https://theconversation.com/the-role-of-ngos-in-africa-are-they-a-force-for-good-76227>
- Mazibuko, D.M. (2000). The role of Non-Governmental Organisations (NGO's) in educational advancement in developing countries: The South African Experience. *Journal of International Cooperation in Education*, 3(1):1-8.
- Mazibuko, F.D. (2013). *The role of the non-governmental organisations (NGOs) in educational advancement in developing countries: The South Africa experience*. Trust for Educational Advanced South Africa (TEASA).
- McCourt, W. & Gulrajani, N. (2010). The future of development management: Introduction to the special issue, *Public Administration and Development*, 30(2):81-90.
- McLoughlin, J., Kaminski, J., Sodagar, B., Khan, S., Harris, R., Arnaudo, G. & McBrearty, S. (2009). A strategic approach to social impact measurement of social enterprises: The SIMPLE methodology. *Social Enterprise Journal*, 5(2):154-178.

- Meldrum, B. (2011). An African model of Social Impact Measurement: testing European Knowledge in the context of social innovation in the Western Cape region of South Africa. *The Business of Social and Innovation Conference Cape Town*, 14-16<sup>th</sup> November 2011.
- Millar, R. & Hall, K. (2013). Social return on investment (SROI) and performance measurement: The opportunities and barriers for social enterprises in health and social care. *Public Management Review*, 15(6):923-941.
- Mio, C., Costantini, A. & Panfilo, S. (2022). Performance measurement tools for sustainable business: A systematic literature review on the sustainability balanced scorecard use. *Corporate social responsibility and environmental management*, 29(2):367-384.
- Modi, P. and Mishra, D. (2010). Conceptualising market orientation in non-profit organisations: Definition, performance, and preliminary construction of a scale. *Journal of Marketing Management*, 26(5-6):548-569.
- Moody, M., Littlepage, L., Marron, J., Paydar, N. & McCahill, P. (2013). *Valuing SROI: Social return on investment techniques and organizational implementation in the Netherlands and United States*.
- Moody, M., Littlepage, L. & Paydar, N. (2015). Measuring social return on investment: lessons from organizational implementation of SROI in the Netherlands and the United states, *Nonprofit Management & Leadership*, 26(1):19-37.
- Mook, L., Chan, A. & Kershaw, D. (2015). Measuring social Enterprise value creation. *Nonprofit Management & Leadership*, 26(2):189-207.
- Moore, M.L. & Westley, F. (2011). Surmountable chasms: networks and social innovation for resilient systems, *Ecology and Society*, 16(1):1-13.
- Morgan, D.L. (2017). Research design and research methods. *Integrating qualitative and quantitative methods: A pragmatic approach*. London, England: SAGE.
- Morris, M.H., Kuratko, D.F. & Covin, J.G. (2008). *Corporate Entrepreneurship and Innovation: Entrepreneurial Development within Organizations*, Thomson.
- Moyo, U., Patel, L. & Ross, E. (2015). Homelessness and mental illness in Hillbrow, South Africa: A situation analysis. *Social Work*, 51(1):1-21. <https://dx.doi.org/51-1-425>
- Mulgan, G. (2010). Measure social value. *Stanford Innovation Review*. Summer, 6:38-43.
- Murphy, P.J. & Coombes, S.M. (2009). A model of social entrepreneurial discovery, *Journal of Business Ethics*, 87(3):325-336.
- Naidoo, V. (2010). Government responses to street homelessness in South Africa', *Development Southern Africa*, 27(1):129-149. <https://doi.org/10.1080/03768350903519408>
- Nandan, M., Singh, A. & Mandayam, G. (2019). Social value creation and social innovation by human service professionals: Evidence from Missouri, USA. *Administrative Sciences*, 9(4):86.



- National Treasury (South Africa). Economic Policy Division, 2019. *Economic Transformation, Inclusive Growth, and Competitiveness: A Contribution Towards a Growth Agenda for the South African Economy*. National Treasury.
- Neessen, P.C., Voinea, C.L. & Dobber, E. (2021). Business Models of Social Enterprises: Insight into Key Components and Value Creation. *Sustainability*, 13(22):12750.
- New Philanthropy Capital. (2010). *Social return on investment*, New Philanthropy Capital, London.
- Newbert, S.L. (2019). Social impact measurement: Current approaches and future directions for social entrepreneurship research. *Entrepreneurship theory and practice*, 43(1):82-115.
- Nicholas, W. (2010). *Research Methods. The Basics*. Routledge. Available at: <https://doi.org/doi:10.4324/9780203836071> [21 June 2017].
- Nicholls, A. (2008). Capturing the performance of the socially entrepreneurial organisation (SEO): an organisational legitimacy approach, in Robinson, J., Mair, J. and Hockerts, K. (Eds.), *International Perspectives on Social Entrepreneurship Research*(pp. 27-74). PalgraveMacmillan, London.
- Nicholls, E., Neitzert, E. & Lawlor, E. (2009). Seven principles for measuring what matter: a guide to effective public policy-making. *The New Economics Foundation*.
- Nicholls, J. (2017). Social return on investment: Development and convergence. *Evaluation and Program Planning*, 64:127-135.
- Nicholls, J., Lawlor, E., Neitzert, E., Goodspeed, T. & Cupitt, S. (2012). A guide to social return on investment: The SROI network. *Accounting for Value*.
- Nicholls, J., Neitzert, E. & Goodspeed, T. (2009). *A Guide to Social Return on Investment. 2nd ed.* London: The Cabinet Office; 2012. <http://www.bond.org.uk/data/files/>
- Nicholls, J., Neitzert, E. & Lawlor, E. (2008). Measuring value: A guide to Social Return on Investment, second edition. Retrieved E: / Measuring – value–A Guide –to social –Return –on –Investment –Pdf.
- Nielsen, J. G., Lueg, R. & van Liempd, D. (2019). Managing multiple logics: The role of performance measurement systems in social enterprises. *Sustainability*, 11(8):1-23.
- Non-Profit Organizations, Act 71 of 1997. Republic of South Africa Government Gazette.
- Nyssens, M. (Ed). (2006). *Social enterprise: At the crossroads of market, public policies and civil society*, London: Routledge.
- Olivo, M. (2007). Evolution on the term non governmental organization (NGO). *Revista Venezolana de Análisis de Coyuntura*, 13(2):97-121.
- Olufemi, O. (2010). Feminisation of poverty among the street homeless women in South Africa. *Development Southern Africa*, 17(2):221-234.
- Omar, A. (2014). Sample size estimation and sampling techniques for selecting a representative sample. *Journal of Health Specialities*,2(4):142.

- Omura, T. & Foster, J. (2014). Competition for Donations and the sustainability of Not-for-Profit Organization. *Humanomics*, (3):255-74.
- Ormiston, J. & Seymour, R. (2011). Understanding value creation in social entrepreneurship: the importance of aligning mission, strategy and impact measurement, *Journal of Social Entrepreneurship*, 2(2):125-150.
- Osakwe, N. (2018). Measuring Social Value for Social Enterprises: A Review of Current Methods Nnamdi Osakwe. *International Journal of Business and Applied Social Science (IJBASS)*, 4(10):80-86.
- Padgett, D., Henwood, B.F. & Tsemberis, S.J. (2016). *Housing First: Ending homelessness, transforming systems, and changing lives*. Oxford University Press, USA.
- Painter, G. and Culhane, D. (2021). Social Investment in Ending Homeless. *European Journal of Homelessness*:15(3).
- Palmås, K. (2012). Re-assessing Schumpeterian assumptions regarding entrepreneurship and the social. *Social Enterprise Journal*.
- Patel, L. (2005). *Social welfare and Social development*. Oxford University Press: Cape Town.
- Patel, L., Schmid, J. & Hochfeld, T. (2012). Transforming social work services in South Africa: Perspectives of NPO managers. *Administration in Social Work*, 36(2):212-30. Available at: <http://doi.org/10.1080/03643107.2011.567321>
- Paterson-Young, C., Hazenberg, R. & Bajwa-Patel, M. (2019). Social impact measurement and youth justice. In *The Social Impact of Custody on Young People in the Criminal Justice System*: 27-45. Palgrave Macmillan, Cham.
- Pathak, V., Jena, B. & Kalra, S. (2013). Qualitative research. *Perspectives in clinical research*, 4(3).
- Pearce, J. & Kay, A. (2005). *Social Accounting and Audit: The Manual*, Social Audit Network.
- Perrini, F., Constanzo, L.A. & Karasta-Ozkan, M. (2020). Measuring impact and perspective. *Entrepreneurship Theory and Practice*, 37(2): 229-248.
- Phillips, W., Lee, H., Ghobadian, A., O'Regan, N. & James, P. (2015). Social innovation and social entrepreneurship: a systematic review, *Group and Organization Management*, 40(3):428-461
- Phills, J.A., Deiglmeier, K. & Miller, D.T. (2008). Rediscovering social innovation, *Stanford Social Innovation Review*, 6:34-43.
- Pless, N.M. (2012). Social entrepreneurship in theory and practice—An introduction. *Journal of Business Ethics*, 111(3):317-320.
- Polonsky, M.J., Landreth Gau, S. & McDonald, S. (2016). Perspectives on Social impact measurement and non-profit organisations. *Marketing in Intelligence and Planning*, 34(1):80-98.
- Porter, M.E. & Kramer, M.R. (2011). Creating shared value: Redefining capitalism and the role of the corporation in society. *Harvard Business Review*, 89(1/2):62-77.

- Pratt, B. & Myhrman, T. (2009). Improving aid effectiveness: a review of recent initiatives for civil society organisations. *International NCO Training and Resource Centre*. [Online] Available: [www.intrac.org](http://www.intrac.org) [Accessed: 01/01/2015].
- Pritchard, D., Ogain, E. & Lumley, T. (2012). Making an impact: Impact measurement among charities and social enterprises in the UK. *London: New Philanthropy Capital*.
- Pritchard, D., Ogain, E. & Lumley, T. (2012). Making an impact: Impact measurement among charities and social enterprises in the UK. *London: New Philanthropy Capital*.
- Rahi, S. (2017). Research design and methods: A systematic review of research paradigms, sampling issues and instruments development. *International Journal of Economics & Management Sciences*, 6(2):1-5.
- Reeder, N. and Colantonio, A. (2013). Measuring impact and non-financial returns in impact investing: A critical overview of concepts and practice. *The London School of Economics and the European Investment Bank Institute*.
- Rego, L. & Bhandary, A. (2006). New model: a social entrepreneur changes the landscape. *Leadership in Action: A Publication of the Center for Creative Leadership and Jossey-Bass*, 26(1):8-11.
- Ricciuti, E. & Calo, F. (2018). Are foundations assessing their impact? Concepts, methods and barriers to social impact assessment in Italian foundations. *International Review on Public and Nonprofit Marketing*, 15(4):553-574.
- Richmond, B. J., Mook, L. & Quarter, J. (2003). Social accounting for nonprofits: Two models. *Nonprofit Management & Leadership*, 13(4):308-324.
- Richter, S.M., Burns, K.K. & Botha, A.D.H. (2012). Research planning for global poverty and homelessness policy and services: a case study of a joint Canadian-South African initiative. *Journal of Social Science Research*, 1(3):85-91.
- Saebi, T., Foss, N.J. & Linder, S. (2019). Social entrepreneurship research: Past achievements and future promises. *Journal of Management*, 45(1):1-95.
- Salamon, L.M., Sokolowski, S.W., Haddock, M.A. & Tice, H.S. (2013). The state of global civil society and volunteering: Latest findings from the implementation of the UN nonprofit handbook. Center for Civil Society studies working paper, 4
- Sanchez, D. (2010). Civil society responses to homelessness. *Development Southern Africa*, 27(1):101-110.
- Saunders, Lewis, P. & Thornhill, A. (2009). *Research Methods for Business Students*. Essex, England: Pearson Education Limited
- Saxton, G. D. & Guo, C. (2011). Accountability online: Understanding the web-based accountability practices of non-profit organisations. *Non-Profit & Voluntary Sector Quarterly*, 40(2):270-295.
- Schenck, R., Nel, H. & Louw, H. (2010). *Introduction to participatory community practice*. Pretoria: Unisa.

- Schenck, R., Roman, N., Erasmus, C., Blaauw, D. & Ryan, J. (2017). Homeless in observatory, Cape Town through the lens of Max-Neef's fundamental human needs taxonomy. *Social Work*, 53(2):266-287.
- Schneider, H. & Gilson, L. (1999). Small fish in a big pond? External aid and the health sector in South Africa. *Health Policy Plan*, 14 (3):264-72.
- Scholten, P., Nicholls, J., Olsen, S. & Galiminidi, B. (2006). *Social Return on Investment: A guide to SROI analysis*. Lenthe Publishers, Amsterdam, The Netherlands.
- Schuler, D.A. & Cording, M. (2006). A corporate social performance- Corporate financial performance behavioral model for consumers. *Academy of Management Review*, 31(3):540-558.
- Schuyt, T.N.M. (2017). *Philanthropy and the philanthropy sector: An introduction*. Routledge
- Scotland, J. (2012). Exploring the philosophical underpinnings of research: Relating ontology and epistemology to the methodology and methods of the scientific, interpretive, and critical research paradigms. *English Language Teaching*, 5(9):9-16.
- Seager, J.R. & Tamasane, T. (2010). Health and well-being of the homeless in South African cities and towns. *Development Southern Africa*, 27(1):63-83.
- Seelos, C. & Mair, J. (2005). Social entrepreneurship: Creating new business models to serve the poor. *Business horizons*, 48(3):241-246.
- Sileyew, K.J. (2019). *Research design and methodology*:1-12. Rijeka: IntechOpen.
- Singh, A. (2016). *The process of social value creation: A multiple-case study on social entrepreneurship in India*. Springer.
- Singh, S. & Bodhanya, S. (2014). Benefits of examining the sustainability of Nonprofit organisations from a system dynamics perspective. *Journal of Contemporary Management*, 11(1):349-366.
- Smith, D.H., Stebbins, R.A. & Dover, M.A. (2006). *A dictionary of non-profit terms and concepts*. Indiana University Press.
- Smith, S.R. (2010). Hybridization and non-profit organisations: The governance challenge. *Policy and Society*, 29(3):219-229.
- Speak, S. (2013). Value as a tool for conceptualizing homelessness in the global South. *International Development planning Review*, 38(3):143-149.
- Stafford, A. and Wood, L. (2017). Tackling health disparities for people who are homeless? Start with social determinants. *International journal of environmental research and public health*, 14(12):1535.
- Statistics SA. (2011). *Statistics of the non-profit sector for South Africa Census 2011*.
- Stats SA. (2015). *South Africa's non-profits provide voluntary service and social service. Census 2015*. <https://www.statssa.gov.za/?p=4176>
- Stevens, R., Moray, N. & Bruneel, J. (2015). The social and economic mission of social enterprises: Dimensions, measurement, validation, and relation. *Entrepreneurship Theory and Practice*, 39(5):1051-1082.

- Sutton, J. & Austin, Z. (2015). Qualitative research: Data collection, analysis, and management. *The Canadian Journal of Hospital Pharmacy*, 68(3):226.
- Swilling, M. & Russell, B. (2002). *The size and scope of the non-profit sector in South Africa*. Centre for Civil Society, University of Natal.
- Tabaku, E. & Mersini, M. (2014). An Overview of Marketing Means used by Non-profit Organizations: A Detailed overview of NPOs operating in the District of Elbasan. *Journal of Marketing & Management*, 5(1):66-83.
- Tashakkori, A. & Creswell, J. (2007). Editorial: The New Era of Mixed Methods. *Journal of Mixed Methods Research*, 1(1):3-7.
- Teegen, H., Doh, J. & Vachani, S. (2004). The emergence of organized civil society and of no governmental organizations (NGOs) as organizational manifestations of broader social movements has dramatically altered the global political-economic landscape. *Journal of International Business Studies*, 35(6):463-483.
- Tenai, N.K. & Mbewu, G.N. (2020). Street homelessness in South Africa. A perspective from the Methodist Church of Southern Africa. *HTS Teologiese Studies / Theological Studies*, 76(1):a5591.
- Tengeh, K.R., Iwu, G.C. & Choto, P. (2020). Non-Profit Organizations and Socio-Economic Development In South Africa: A Literature Analysis. *Humanities and Social Sciences Reviews*, 8(2):689-600.
- Terziev, V. & Arabska, E. (2017, December). Social Entrepreneurship, Social Values and Social Impact. *Social Values and Social Impact*.
- DTI. (2012). Department of Trade and Industry (the dti), 2012. RP311/2012. ISBN: 978-0-621-41318-2. Published by the dti, 2012
- Thexton, J.D. (2014). Neighbor-love from a margin: A pastoral theological construction employing class analysis, Ph.D. thesis, Texas Christian University, Fort Worth, TX.
- Tice, H.S., Salamon, L.M., Haddock, M.A. & Sokolowski, S.W. (2013). *The State of Global Civil Society and Volunteering: Latest Findings from the Implementation of the UN Nonprofit Handbook*.
- Tomlin, P. (2015). What is the point of egalitarian social relationships. *Distributive justice and access to advantage: GA Cohen's egalitarianism*:151-179.
- Travaglini, C., Bandini, F. & Mancinone, K (2009, July). Social enterprise in Europe: governance models. In *Second EMES international conference on social enterprise*:1-26.
- Twalo, T. (2012). *The state of co-operatives in South Africa. The need for further research, LMIP working paper No. 13*. Pretoria: Human Sciences Research Council (HSRC). Retrieved from [http://www.lmip.org.za/sites/default/files/documentfiles/13%20TWALO\\_Cooperatives.Pdf](http://www.lmip.org.za/sites/default/files/documentfiles/13%20TWALO_Cooperatives.Pdf)
- United Nations Centre for Human Settlements (UNCHS). (2000). Strategies to combat homelessness. [Online] Available: <http://ww2.unhabitat.org/programmes/housingpolicy/documents/HS-599x.pdf>. [Accessed: 17/11/2014].



- Van der Westhuizen, M & Swart, I. 2015. The struggle against poverty, unemployment and social injustice in present-day South Africa: Exploring the involvement of the Dutch Reformed Church at congregational level. *Stellenbosch Theological Journal*, 2:731-759. <https://doi.org/10.17570/stj.2015.v1n2.a35>
- Van Pletzen, E., Zulliger, R., Moshabela, M.&Schneider, H. (2013). The size, characteristics and partnership networks of the health-related non-profit sector in three regions of South Africa: implications of changing primary health care policy for community-based care. *Health Policy and Planning*, 29(6):742-752.
- Vanclay, F. (2020). Reflections on Social Impact Assessment in the 21st century. *Impact Assessment and Project Appraisal*, 38(2):126-131. <https://doi.org/10.1080/14615517.2019.1685807>
- Vanclay, F. (2020). Reflections on Social Impact Assessment in the 21st century. *Impact Assessment and Project Appraisal*, 38(2):126-131.
- Visser, K. (2011). Social entrepreneurship in South Africa: context, relevance and extent, *Industry and Higher Education*, 25(4):233-247.
- Volmink, J. & Van der Elst, L. (2017). The evolving of 21<sup>st</sup> Century Education Voluntary Sector. *Quarterly*, 44(6):117-1193.
- Walsham, G. (1995). *Interpretative case studies in IS research: nature and method*. European
- Watkins, D. (2017). Rapid and Rigorous Qualitative data Analysis. *International Journal of Qualitative Methods*, (16)1:160940691771213.
- Weerawardena, J., McDonald, R.E. & Mort, G.S. 2010. Sustainability of Nonprofit organisation: An empirical investigation. *Journal of the world Business*, 45(4): 346-356.
- Weideman, M. (2015). The changing status of civil Society Organizations in South Africa, 1994 to 2014. *HSF Background Report South Africa*.
- Wiktorowicz, Q. (2002). The political limits to nongovernmental organisations in Jordan. *World Development*, 30(1):77-93.
- Wilmot, A. (2005). *Designing Sampling strategies for social qualitative research with particular reference to the Office for National Statistics' Qualitative Respondent Register*. Office for National Statistics published paper. <http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/guidemethod/method-quality/general-methodology/data-collection-methodology/reports-and-publications/index.html> [30 august 2018].
- Wilson, R. & Creswell, J. (1996). Research design Research Design: Quantitative and qualitative Approach. *Journal of Marketing Research*, 33(2): 252.
- Winship, C. (2011). Sociology Methods & Research 40<sup>th</sup> Anniversary. *Sociological Methods & Research*, 40(1):3-5.
- Wood, C. & Leighton, D. (2010). Measuring social value: the gap between policy and practice. *Undercurrent*, (2):7-9.
- Worth, M.J. (2014). *Nonprofit management: principles and practices*. Third edition, SAGE Publications.

- Wright, A. (2015). *Challenges in achieving non-profit sustainability. A Study of Social service Non-Profit Organizations in the Central Okanagan*. Scotiabank Centre for Non-Profit Excellence.
- Wright, S., O'Brien, B., Nimmon, L., Law, M. & Mylopoulos, M. (2016). Research Design Considerations. *Journal of graduate Medical Education*, 8(1):97-98.
- Wyngaard, R. (2013). The South African NPO crisis-time to join hands, *SANGO Pulse*, 12 March 2013, [www.ngopulse.org](http://www.ngopulse.org)
- Yang, C.L., Hang, R.H. & Lee, Y.C. (2014). Building a performance assessment Model for social enterprises-views on Social value creation, *Science journal of Business and Management*, 2(1):1-9.
- Yang, C.L., Huang, R.H. & Lee, Y.C. (2014). Building a performance assessment model for social enterprises-views on social value creation. *Science Journal of Business and Management*, 2(1):1 -9.
- Yates, B.T.& Marra, M. (2017). Social return on investment (SROI): Problems, solutions and is SROI a good investment? *Evaluation and Program Planning*, 64:136-144.
- Yin, R.K. (2003). *Case study research*. Thousand Oaks. CA: Sage.
- Yin, R.K. (2011). *Qualitative Research, From-Start- to- Finish*. New York: Guilford P
- Yin, R.K. (2012). *Application of case study research*. Thousand Oaks, CA: Sage.
- Yunus, M., Moingeon, B. & Lehmann-Ortega, L. (2010). Building social business models: Lessons from the Grameen experience. *Long range planning*, 43(2-3):308-325.
- Zadek, S. & Radovich, S. (2006). Governing Collaborative Governance: Enhancing Development Outcomes by Improving Partnership Governance and Accountability. *AccountAbility and the corporate social responsibility initiative, working paper no. 23*. Cambridge, MA: John F. Kennedy School of Government, Harvard University.
- Zellweger, T.M., Nason, R.S., Nordqvist, M.& Brush, C.G. (2013). Why do family firms strive for nonfinancial goals? An organizational identity perspective. *Entrepreneurship Theory and Practice*, 37(2): 229-248.
- Zikmund, W. G., Babin, B. J., Carr, J. C.& Griffin, M. (2013). *Business research methods*. Toronto: Cengage.

## APPENDICES

### APPENDIX A: CPUT ETHICS APPROVAL CERTIFICATE



P.O. Box 1906 • Bellville 7535 South Africa • Tel: +27 21 4603291 • Email: fbmsethics@cput.ac.za  
Symphony Road Bellville 7535


|  |  |
|--|--|
| Office of the Chairperson<br>Research Ethics Committee | Faculty: <b>BUSINESS AND MANAGEMENT<br/>SCIENCES</b> |
|--|--|

At a meeting of the Faculty's Research Ethics Committee on **20 February 2018**, Ethics Approval was granted to **Jacques Mbambi Mabiala (208107150)** for research activities of **MTech: Business Administration** at the University of the Cape Peninsula University of Technology.

|                                       |   |
|---------------------------------------|---|
| Title of dissertation/thesis/project: | EXPLORATION OF SOCIAL RETURN ON INVESTMENT<br>OF SELECTEDED SHELTERS OF HOMELESS PEOPLE<br>IN CAPE TOWN, SOUTH AFRICA<br><br>Lead Researcher/Supervisor: Dr. M twum-Darko |
|---------------------------------------|---|

Comments:

Decision: **APPROVED**

|   |                           |
|---|---------------------------|
| <br>Signed: Chairperson: Research Ethics Committee | 17 April 2018<br><br>Date |
|---|---------------------------|

Clearance Certificate No | 2018FBREC514



## APPENDIX B: INTERVIEW COVERING LETTER

Individual Consent for Research Participation

Topic of the study: Exploration of social return on investment measurement of selected charities in Cape Town, South Africa

Name of researcher: MJ Mabilia

Contact details: email: [mabialaj@gmail.com](mailto:mabialaj@gmail.com)

phone: 0722732331

Name of supervisor: J Barnes

Contact details: email: [farmerbarnes@gmail.com](mailto:farmerbarnes@gmail.com)

Phone: 0724241812

*Purpose of the study:* To explore the various methods of calculating social return on investment (SROI) in use in selected charities in Cape Town, and to investigate the feasibility of designing a SROI method that embraces the South African context.

*Confidentiality:* I have received assurance from the researcher/student that the information I will share will remain strictly confidential unless noted below. I understand that the contents will be used only for M Tech Thesis and that my confidentiality will be protected by creating a code for each learner.

Anonymity will be protected in the following manner (unless noted below).

*Conservation of data:* The interviews will be recorded (with your permission) digitally. The recording will be kept electronically, and only the researcher and supervisor will have access to the data. The interviewee may at any time be given access to the data or be given a report or information session if needed. The data will be collected and stored as per research method fully described by the researcher especially for audit purposes.

*Voluntary participation:* I am under no obligation to participate. If I choose to participate, I can withdraw from the study at any time and/or refuse to answer any questions, without suffering any negative consequences. If I choose to withdraw, all data gathered up to the time of withdrawal will be disregarded.

*Additional consent:* I make the following stipulations (please tick as appropriate):

|                       | In thesis | In research publications | Both | Neither |
|-----------------------|-----------|--------------------------|------|---------|
| My image may be used: |           |                          |      |         |
| My name may be used:  |           |                          |      |         |

|  |  |  |  |  |
|--|--|--|--|--|
| My exact words may be used:<br>(anonymously) |  |  |  |  |
| Any other (stipulate):                       |  |  |  |  |

Acceptance: I, (print name)

\_\_\_\_\_ ,

Representing the organisation

\_\_\_\_\_ ,

agree to participate in the above research study conducted by MJ Mabilia studying in the Faculty of Business and Management Sciences, Graduate Centre for Management at the Cape Peninsula University of Technology, which research is under the supervision of J Barnes.

If I have any questions about the study, I may contact the researcher or the supervisor. If I have any questions regarding the ethical conduct of this study, I may contact the secretary of the Faculty Research Ethics Committee email [WaltersC@cput.ac.za](mailto:WaltersC@cput.ac.za).

Participant's signature: \_\_\_\_\_ Date:

\_\_\_\_\_

Researcher's signature: \_\_\_\_\_

## **APPENDIX C: INTERVIEW GUIDE**

### **INTERVIEW QUESTION 1**

Please describe what your business does and how do you do it?

### **INTERVIEW QUESTION 2**

How do you assess the SV of your NPO?

### **INTERVIEW QUESTION 3**

How is this SV report used? For example is it used internally, sent to donors and sponsors, or used in an annual report or prospectus?

### **INTERVIEW QUESTION 4**

What are the attitudes of your sponsors to the measurement and communications of SV?

### **INTERVIEW QUESTION 5**

Do your sponsors have any specific modes of measuring and communication SV that they require you to use?

### **INTERVIEW QUESTION 6**

Are you aware of any existing methods for measuring/assessing social value in financial terms?

### **INTERVIEW QUESTION 7**

The current recognised methods for assessing SV are Euro-centric. Do you think there is a need for Africa-specific models?

### **INTERVIEW QUESTION 8**

Any other comments or questions?

## APPENDIX D: Certificate of authentication



[laurakleinhans1@gmail.com](mailto:laurakleinhans1@gmail.com)  
[ChickPeaEnglish@gmail.com](mailto:ChickPeaEnglish@gmail.com)  
ChickPea Proofreading & Editing

49A York Close, Parklands, 7441  
Western Cape, South Africa

### *Certificate of Authenticity*

**CERTIFICATE:** COA311022RDLH

11 November 2022

To Whom It May Concern

This is to certify that “**EXPLORATION OF SOCIAL RETURN ON INVESTMENT OF SELECTED SHELTERS OF HOMELESS PEOPLE IN CAPE TOWN, SOUTH OF AFRICA**” by Jacques Mbambi Mabiala, for the Faculty of Business and Management Sciences at the Cape Peninsula University of Technology (CPUT), under the supervision of Dr Retha de la Harpe, has been professionally edited by Dr. Laura Budler Kleinhans of ChickPea Proofreading and Editing Services for Students and Professionals.

| Job Number | Document Title  |
|------------|---|
| 311022RDLH | <b>EXPLORATION OF SOCIAL RETURN ON INVESTMENT OF SELECTED SHELTERS OF HOMELESS PEOPLE IN CAPE TOWN, SOUTH OF AFRICA</b> |

Dr. Laura Budler Kleinhans  
CEO ChickPea Proofreading & Editing

ChickPea Proofreading and Editing Services for Students and Professionals

*Bringing excellence in English to South Africa and around the world*

ChickPea Proofreading and Editing

## APPENDIX E: Similarity Report

Methods of measuring Social Return on Investment (SROI) in selected charitable organizations in Cape Town

### ORIGINALITY REPORT

|                  |                  |              |                |
|------------------|------------------|--------------|----------------|
| <b>11</b> %      | <b>9</b> %       | <b>8</b> %   | <b>0</b> %     |
| SIMILARITY INDEX | INTERNET SOURCES | PUBLICATIONS | STUDENT PAPERS |

### PRIMARY SOURCES

|          |  |                |
|----------|--|----------------|
| <b>1</b> | Francesco Perrini, Laura A. Costanzo, Mine Karatas-Ozkan. "Measuring impact and creating change: a comparison of the main methods for social enterprises", Corporate Governance: The International Journal of Business in Society, 2020<br>Publication | <b>2</b> %     |
| <b>2</b> | <a href="https://link.springer.com">link.springer.com</a><br>Internet Source   | <b>1</b> %     |
| <b>3</b> | <a href="https://hdl.handle.net">hdl.handle.net</a><br>Internet Source   | <b>1</b> %     |
| <b>4</b> | <a href="https://www.open-access.bcu.ac.uk">www.open-access.bcu.ac.uk</a><br>Internet Source   | <b>1</b> %     |
| <b>5</b> | <a href="https://ssir.org">ssir.org</a><br>Internet Source   | <b>1</b> %     |
| <b>6</b> | <a href="https://researchonline.gcu.ac.uk">researchonline.gcu.ac.uk</a><br>Internet Source   | <b>1</b> %     |
| <b>7</b> | <a href="https://cwww.intechopen.com">cwww.intechopen.com</a><br>Internet Source   | <b>&lt;1</b> % |