

Accounting as Empowerment

Professor Alex Nicholls MBA

Professor of Social Entrepreneurship
Fellow in Management
Harris Manchester College, Oxford

Alex.Nicholls@sbs.ox.ac.uk

Social Impact



*Material change made to key populations
in alignment with (organizational) social
mission objectives*

Social Impact Reporting



- Social impact reporting captures the relative importance of outcomes where the full value is not adequately captured in conventional (financial) accounting systems
 - Social impact reporting captures value that is 'left out'
 - Value that often matters to otherwise disempowered populations
- Social impact reporting broadens the range of actors who determine the value of an outcome beyond those who have financial interests and resources
 - Power determines normative statements of value (Lukes, 1974)

Nicholls J. (2013)

Theories of Accounting



- Positivist
 - Reporting data represents empirical reality (Whittington, 1986)
- Critical Theorist
 - Reporting data enacts power mechanisms (Chua, 1986; Power and Laughlin, 1996; see also Lukes, 1974)
- Interpretive
 - Reporting data acts as a symbolic mediator for discussion between organizational practice and stakeholders (Ryan et al, 1992; Gambling et al, 1993)

Nicholls (2009)

Critical Framework

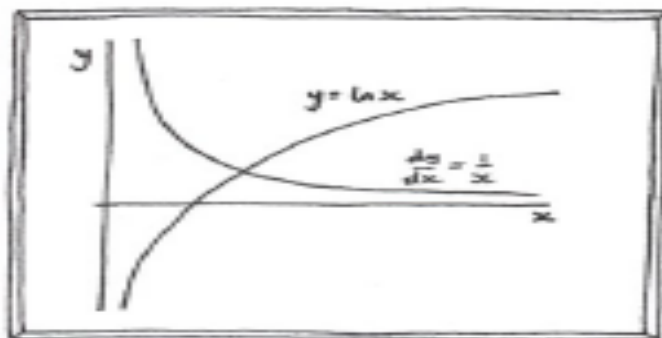


- Why measure?
 - Blended Value Accounting
- Who measures?
 - For whom?
- What to measure?
- When to measure?
- How to measure?
 - Metrics that embody 'what', 'why' and 'who'

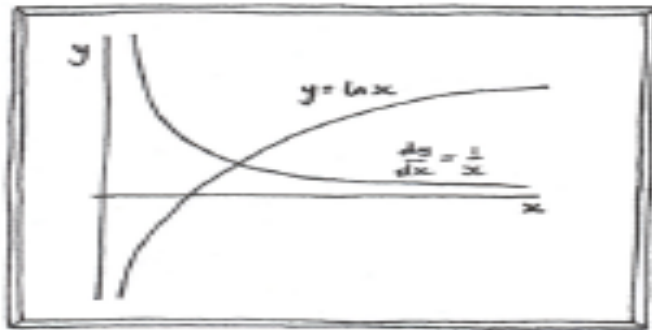
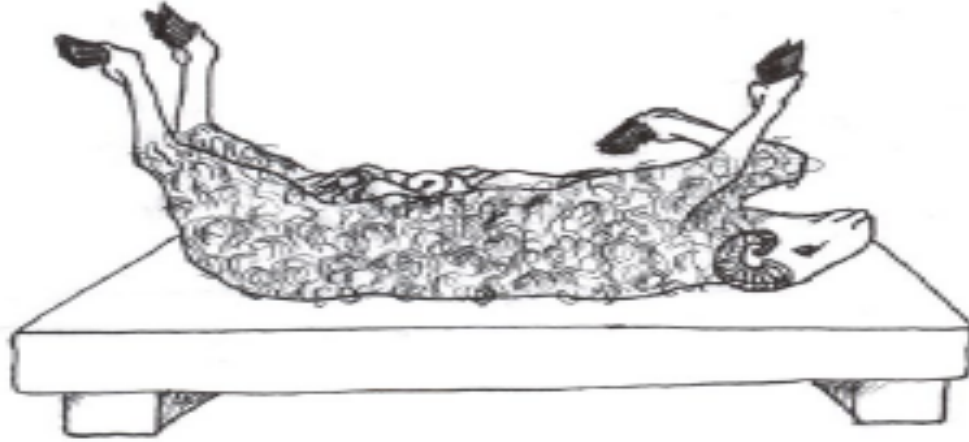
SROI Principles



- Involve stakeholders
- Understand change
- Value things that matter
- Only include things that are material
- Recognize your contribution as part of the system



Hornsby (2012)



Materiality

