Social Impact Assessment (SIA) for Hong Kong

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You can’t manage what you don’t measure.

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— Peter Drucker
Father of Modern Management

We need more companies to measure and value their impacts and dependencies on natural capital, and collaborate to reduce them.

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— Huffington Post

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— Paul Polman
CEO, Unilever

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— Janet Voûte
Chairman of Creating Shared Value Council, Nestle

Photo Source: Catalyst.org, Inc. and Bupa
Relationship between SIA and CSV

1. Initial Idea of business strategy
2. Use SIA to appraise the idea
3. Implementation
4. Use SIA to monitor the process
5. Adjustment of the existing strategy

Source: HM Treasury
Importance of Social Impact Assessment

By incorporating SIA into public policies, our government can:
• Help examine the cost of dealing with potential social problems, and;
• Allow greater transparency of public policies

By measuring the tangible benefits, SIA can help nonprofits/social enterprises to:
• Provide proofs to stakeholders e.g. government and investors regarding their impacts on society

By combining the values generated to both the company and the community, SIA can help corporates to:
• Develop profitable business strategies with social benefits
• Achieve both ‘Corporate Social Responsibility’ and ‘Creating Shared Value’
Common Frameworks Available in HK

- BACK Model of The Hong Kong Jockey Club
- Social Impact Measurement of Fullness Social Enterprises Society
- Social Enterprise Endorsement Scheme
- B Impact Assessment
- Social Return on Investment
- Total Impact Measurement and Management of PwC
- True Value Model of KPMG
- SIA Framework of The Hong Kong Council of Social Service
BACK Model of The Hong Kong Jockey Club

Knowledge

Condition

Attitude

Behavior

Satisfaction
Social Impact Measurement of Fullness Social Enterprise Society (FSES)

Kirkpatrick Model of Training Evaluation

- Satisfaction on Activities
- Change of Attitude and Skills
- Change of Behavior
- Investment Return and Results
Social Enterprise Endorsement Scheme (SEE Mark)

- Incubating
- Start-up/Small Scale
- Intermediate
- Advanced
Social Return on Investment (SROI)

The Seven Principles of Social Value

- Involve Stakeholders
- Understand What Changes
- Value the things that matter
- Only include what is material
- Do not over-claim
- Be transparent
- Verify the results
Total Impact Measurement and Management of PwC

Option 1: Import Barley

Option 2: Grow and source locally
True Value Model of KPMG

- Economic Revenue/Cost
- Social Revenue/Cost
- Environmental Revenue/Cost
SIA Framework of HKCSS

**Individual**
- Quality of Life
- Self Esteem

**Social/Community**
- Social Participation
- Social Capacity Building and Empowerment

**Project/Organization**
- Sustainability
- Skills Enhancement
Comparison of Frameworks

Value Creation Process

Activities → Produce → Outcomes → Improve → Wellbeing

The SIA Process

(A1) Understanding Change & Outcome Mapping
Judgements

(A2) Relative Importance of Outcomes
Judgements

Guiding Principles for Making Professional Judgements

(B1) Stakeholder Engagement
(B2) Benchmarking
(B3) Materiality
Comparison of Frameworks

A1  Mapping Outcomes and Understanding Change
Pre-determined KPI V.S. Encouraging Tailor Assessment

A2  Ascertaining the Relative Importance of Outcomes
Benchmarking with scoring system V.S. Partial Monetization V.S. Full Monetization

B1  Stakeholder Engagement
Explicitly Required V.S. Not Explicitly Required, but Encouraged

B2  Benchmarking and Do Not Over-claim
Explicitly Mentioned V.S. Not Explicitly Mentioned

B3  Materiality
Reflected in the Scope V.S. Guideline Provided