

# Evaluating the impact of Social Entrepreneurs: from deductive to inductive methods

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## Abstract

This paper discusses current impact evaluation strategies in the sector of Social Entrepreneurship claiming that common practice deductive approaches to research limit learning and understanding about social impact. Using the example of a Knowledge Transfer Partnership project with UCL and UnLtd, we demonstrate how integrating GIS with qualitative methods encourages a more inductive approach to researching impact which in turn can help develop a comprehensive and critical understanding of Social Entrepreneurs and the impact they make.

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In 2002 the Department of Trade and Industry defined Social Enterprise as businesses ‘with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community’ (DTI, 2002, p.13). A rise in the number of social enterprises and people working within what has been named the ‘third sector’ has been linked to growing discontent with market and state provision of solutions to increasing social, political and economic crises from within and across the borders of the nation-state. The term ‘third sector’ identifies a landscape of socially beneficial activity that serves to replace the ‘gap’ between the market and the state. Last year the Office of the Third Sector released its strategy for involvement with the sector in which it promotes innovation exchange, capacity building and increased measurements of success through evaluation (see Cabinet Office, 2006).

Evaluations conducted by practitioners, funders and policy makers use markers of success to gather evidence-based information about impact. Common practice measures of success provide sufficient evidence to secure funding and formulate strategy. In the case of UnLtd (the Foundation for Social Entrepreneurs) data gathered on the location of each of their award winners was plotted against Indices of Multiple Deprivation using computer mapping techniques. The exercise has helped the organisation attract investment and support because it has been able to demonstrate that 40% of awards are given to people in top 20% most deprived areas.

After briefly reviewing current strategies and approaches to impact evaluation within the sector and discussing how current methods are limiting to what can be learned about social impact, this paper outlines how and why a Knowledge transfer Partnership project between UCL and UnLtd will be adopting an inductive approach to evaluating impact. We also discuss how Geographic Information Science and Systems (GISc and GIS respectively) will be used alongside qualitative methods to create a more comprehensive and critical framework for evaluation.

### **Current strategies for impact evaluation**

Today, there are several organisations who are focusing on nurturing social enterprise and social entrepreneurs. Each organisation has a different approach and philosophy toward the definition of social enterprise and to the support that is offered to those who are involved in it.

Due to the more complex nature of social enterprises in comparison to common business ventures, evaluation is challenging. At the most basic level, business venture can be evaluated in financial terms, whereas a social enterprise has a range of economic, social and environmental goals that need to be taken into account.

While it is beyond of the scope of this short paper to cover the evaluation practice of the Third Sector, in what follows we focus on 2 organisation which are most relevant for the work of UnLtd – Ashoka and the Schwab Foundation.

#### ***Ashoka***

Ashoka, the global association of the world's Social entrepreneurs ([www.ashoka.org](http://www.ashoka.org)), believe Social Entrepreneurs are “individuals with innovative solutions to society's most pressing social problems” (ibid.). As a result Ashoka view the meeting of social needs as a priority measure of success over any other outcomes such as trading viability.

Ashoka emphasise the use of standardized tool in measuring impact in the form of a self-response questionnaire sent to all fellows (those who have received Ashoka support). The multiple choice questionnaire uses proxy indicators as a measurement of success. These indicators focus on sustainability and replicability of projects as a way of measuring success.

As well as the questionnaire Ashoka conduct in-depth interviews with a cross-section of fellows. These are use to compensate for any “richness” (ibid.) of data lost through quantitative research methods. The interviews also help identify beneficiaries and the nature of change that results from a project.

#### ***The Schwab Foundation***

The Schwab Foundation focus on Social Entrepreneurship rather than Social Entrepreneurs. Social Entrepreneurship describes approaches that are sustainable, practical and innovative and meet the needs of marginalised people, particularly those identified as poor ([www.schwabfoundation.org](http://www.schwabfoundation.org)).

Similar to Ashoka, the Schwab Foundation gathers evidence for particular markers of award success and effectiveness as a measure of social impact. Their evaluation also favours the use of qualitative methods which are designed around existing assumptions about the value of Social Entrepreneurship.

Ashoka and the Schwab Foundation are leading support organisations within the sector of Social Entrepreneurship. A review of their impact evaluations reveals that strategies rely heavily on deductive logic (see Neuman, 2006). When approaching impact evaluation this kind of approach to research means that hypotheses about impact are a result of the underlying interpretations of what social entrepreneurs are, and what the differences they

make in society are. These hypotheses are then used to design frameworks for research which prioritise impacts over others. Gathering evidence to measure existing assumptions about impact therefore limits organisational learning about social entrepreneurs, the changes they make and the support they require.

### **Evaluating impact inductively: integrating GIS with qualitative methods**

An alternative to the logic being used within existing impact evaluations is an inductive one. Here theories about impact are only developed once empirical data has been gathered and analysed. We argue that this approach encourages organisations to learn from those who experience social impact rather using predefined assumptions about the value of Social Entrepreneurs.

Through a Knowledge Transfer Partnership (KTP) with UCL, UnLtd are combining qualitative methods with spatial analysis to evaluate the impact being made as a result of their support packages. Conducting a spatial analysis of qualitative data gathered will uncover the socio-spatial contexts in which impact is created. Thus encouraging a more inductive and holistic view of the work being carried out by Social Entrepreneurs.

GIS are computerised systems designed to store, analyse and display geographically referenced data and provide the tools for conducting a spatial analysis of impact. GIScience is the field of study that focus on the principles of analysing geographical information, and provide the grounding for GIS. Historically, GIS has been positioned within the positivist and quantitative camp because it was known for its specialist and scientific processes of analysis. More recently a field of debate known as 'critical GIS' and led by feminist geographers (see Kwan, 2002; Kwan, 2007; McLafferty, 2002) argues that GIS can be used to compliment qualitative research and uncover the way that people understand, interpret everyday and approach everyday life.

Feminist geography in particular has focused on one of GIS's major advantages; to work with any kind of data that has a spatial component. This to feminist geographers means that GIS can be used in research that encourages a more inductive and reflexive approach to research that seeks to uncover the complex and subjective experiences of everyday life.

In one example in which GIS has been incorporated into these inductive research practices, Sarah McLafferty discusses a group of women who began investigating the causes behind a cluster of incidents of breast cancer in their neighbourhood. GIS was used by the group to map the incidents of breast cancer against the environmental, social and economic make-up of their surroundings. In doing so, McLafferty (2002) claims that the women were able to understand their own worlds.

This example demonstrates the way in which GIS can be used alongside qualitative methods to uncover impact inductively. However it is important to recognise that the technology can be problematic. Although GIS is different to cartographic maps in the way that it allows for analyses to take place (Schuurman, 2004), we still have to be aware that any depiction of the work of social entrepreneurs assumes a geographical

relationship. Producing maps of social entrepreneurial activity can result in essentialist claims being made about the impact of space on trends and experiences of the individual. An impact study should therefore incorporate other analyses in order to consider broader issues – including gender, age and ethnicity – that may not be seen through a map.

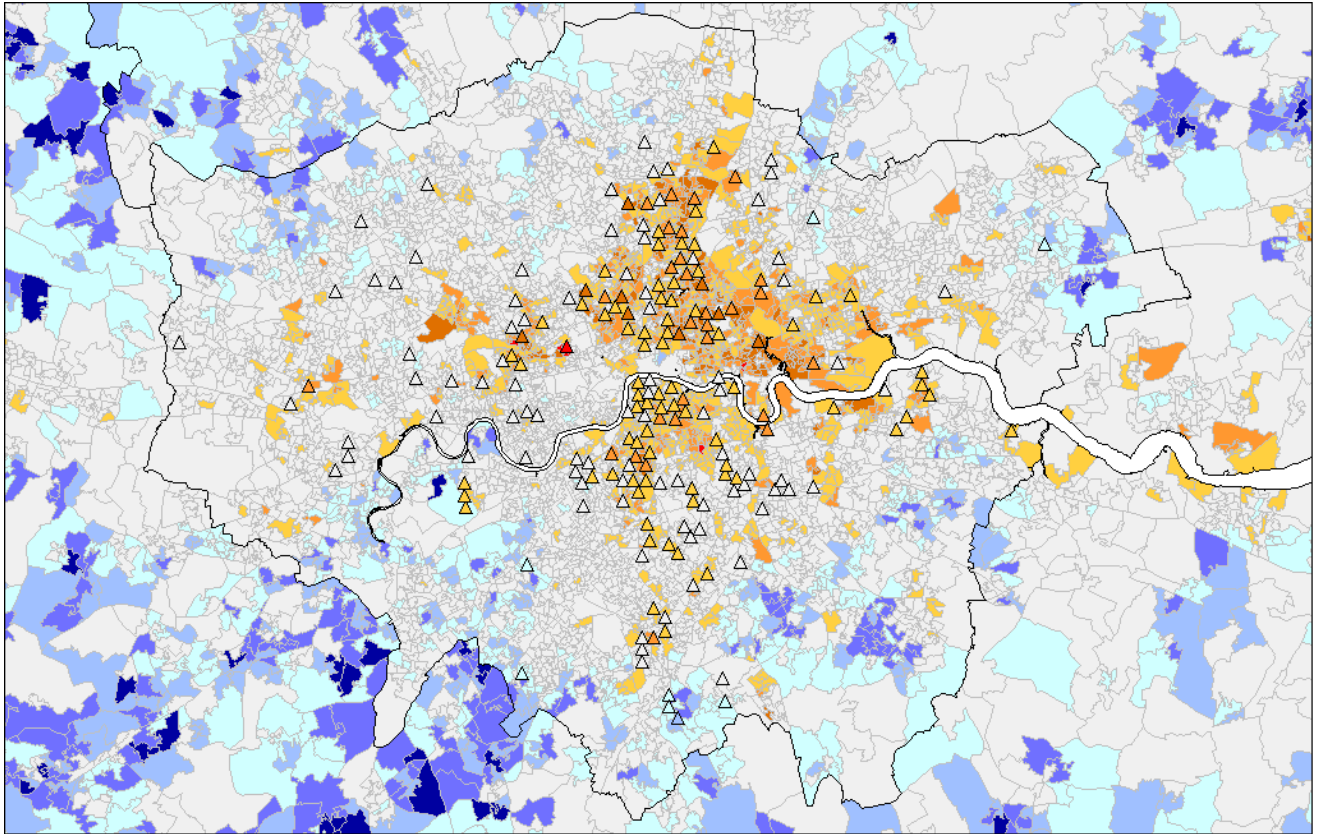
Another difficulty in using GIS during evaluation is associated with the technology. Pavlovskaya (2006) claims that most GIS users only have access to basic techniques. Even though GIS can readily integrate qualitative and quantitative data (McLafferty, 2002), the depth of analysis is dependent not only on the kind of package used but on the users ability to use the software. To uncover the complex experiences and relationships between social entrepreneurs and their surroundings a user will require specialist knowledge to be able to use the technology in efficient ways.

Nevertheless, the use of maps as visual aids during impact evaluation contributes to a more inductive approach where Social Entrepreneurs can be included during parts of the analysis. Similar to the Long Island example, organisations who adopt the use of GIS can involve Social Entrepreneurs in the process of identifying and understanding social impact.

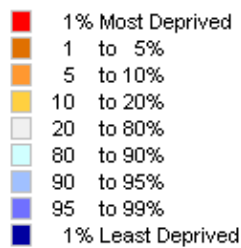
### **Mapping impact**

In order to explain how maps and the technologies that are used to make them can be used in an impact evaluation, we refer to the spatial analysis conducted by UnLtd in 2005.

Figure 1: UnLtd Level 1 Awards and Indices of Multiple Deprivation (Tom Hales, 2005)



Rank of Index of Multiple Deprivation (Percentiles)

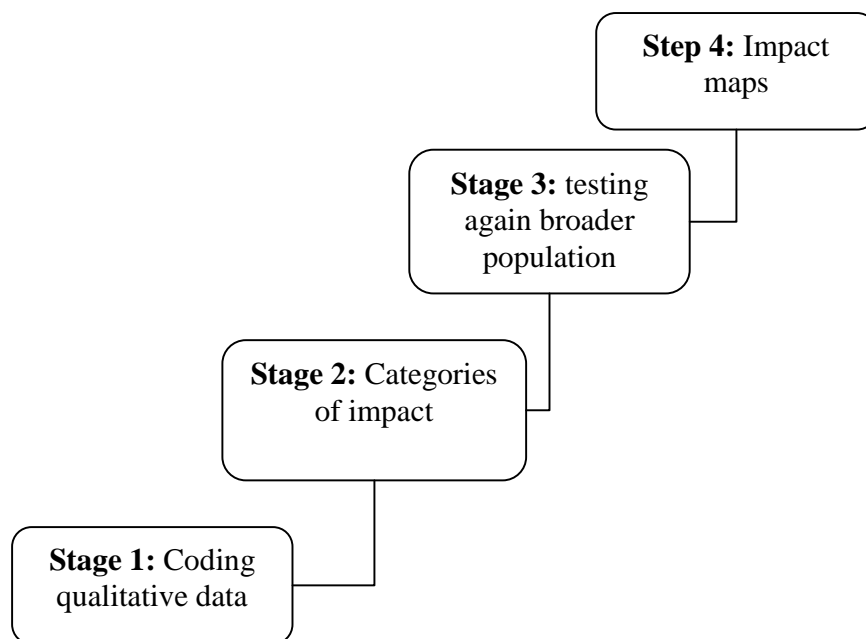


This map of London, above, shows that UnLtd awards go to people who lived in deprived communities. Importantly, UnLtd did not carry out deliberate outreach activities on the basis of the national Index of Multiple Deprivation, so this analysis has demonstrated that the UnLtd is managing to reach these communities. However, through their deductive approach to this impact evaluation the assumption is being made that provided funding and support go to these areas of the UK, social impact will be made. With a more inductive approach to mapping UnLtd will be able to investigate whether different kinds of social impact are meeting the needs of different conditions of deprivation i.e. employment, crime, health and income deprivation. As a result the organisation will be able to identify where support is enabling social change in deprived communities.

## Project method and stages

The research for the KTP project began in early 2007 with a pilot study with a sample of award winners. Here open ended questions were used to understand how UnLtd award winners understand and experience social impact. This revealed that award winners identify social impact changes to attitude or behaviour, removing barriers to social inclusion, reducing rates of crime and the provision of new skills. Further interviews with a cross section of 60 award winners will use similar methods to uncover social impact as a result of projects. Figure 2 displays the stages of analysis beginning with the coding of qualitative data using software packages including Atlas.ti. The coding will help to expose different categories of impact which can then be tested on the broader population of award winners using online survey methods. The last stage of analysis will be where the data is uploaded into a GIS producing a series of impact maps.

Figure 2: Stages of analysis



## Conclusion: Evaluating the impact of Social Entrepreneurs inductively

This paper has outlined the common practice methods in impact evaluation amongst support organisations in the sector of Social Entrepreneurship. We argued that the use reliance on deductive logic when designing and implementing evaluation strategies limits the potential for learning and developing a comprehensive approach to supporting Social Entrepreneurs. Using our current evaluation project we have demonstrated the way in which an inductive approach can help develop a holistic approach to impact. The use of research methods in a way that encourages Social Entrepreneurs to open up about their

experiences of impact means that organisations can develop support packages that focus on capacity building.

Albeit briefly, we explained how GIS can be incorporated with qualitative methods to encourage a more inductive approach to evaluating impact. The project pioneers the use of spatial analysis of qualitative data in order to locate where UnLtd is helping to make a difference and reveal how these differences can continue to be made across the UK.

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### **Acknowledgement**

The KTP project is funded by the DTI and the Economic and Social Research Council (ESRC) under KTP programme 1681.

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