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**"SUSTAINABILITY REPORTS AND SOCIAL IMPACT EVALUATION
FOR NPOs: THE CASE OF FONDAZIONE PATAVIUM ANFFAS"**

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ABSTRACT

An increasing attention is posed on the role of nonprofits' social accountability, consequently to the spread of sustainability and corporate social responsibility (CSR) concepts also in non-business fields. As demonstrated by various authors (Gazzola & Ratti, 2014; Manetti & Toccafondi, 2014; Ebrahim, 2016), NPOs do face a higher accountability demand from external stakeholders, due to their specific nature. Such demand is partially met through the implementation of sustainability reports, as tools of disclosure and transparency. Concurrently, NPOs are also subject to a growing pressure to demonstrate their performance and efficacy in quantitative terms. This has conferred a particular relevance to the practice of Social Impact Evaluation (Vanclay, 2003b), as a measurement process grasping the social value generated by these organizations. In the Italian context, these instruments have gained a primary significance in particular starting from 2019, with the issue of specific guidelines for the drafting of third sector entities' social reports and social impact assessment.

However, while the request for implementing SIE is high, there is still a lot of *uncertainty* on how it should be performed. The absence of a unique definition of social impact leads to a great level of subjectivity in conducting SIE, and to the existence of many different methods for its measurement. This reduces their validity and comparability, increasing the difficulties involved in the process. Furthermore, little empirical research has been conducted to explore approaches to social impact, specifically for foundations. In the Italian context, the recent introduction of the aforementioned guidelines makes SIE a new field that still needs to be explored, and which is characterized by a few examples on how to implement it practically.

In an attempt to contribute to reducing the existing gap in knowledge and practice, the *purpose* of the present paper is to conduct the Social Impact Evaluation of Fondazione Patavium Anffas Onlus, an Italian foundation operating in support of people with disabilities. On the basis of the theoretical concepts of stakeholders' salience, impact, and materiality, the study elaborates a specific approach for assessing the foundation's social impact. Three distinct *objectives* are addressed, each corresponding to a research question. The first seeks to map the foundation stakeholders' salience according to their power, urgency and legitimacy. The second aims at exploring the social impact generated by the foundation on its internal stakeholders and users. The third investigates the material topics for the foundation and the efficacy of the latter in these areas of activity. The objectives are achieved through the conduction of a survey on the foundation's stakeholders structured in three sections, each tackling one research objective. The methodology involves three section-specific levels of analysis. The first enables the construction of three indicators (one of importance, one of urgency, one of legitimacy) and of

a synthetic index of relevance. The second is based on the conduction of frequency analysis, ANOVA and t testing, and correlation and regression analysis. The third leads to elaborating the materiality matrix and the “efficacy matrix”, proposed as a tool for assessing social impact. The thus structured study is *relevant* both in literature and practice. Firstly, it helps addressing the current lack of empirical research regarding foundations’ impact assessment, and the uncertainty around which approach they should prefer. Furthermore, it brings new evidence on SIE in the Italian nonprofit context, setting an example for third sector entities with similar size and nature operating under the same legislation. In addition, it might guide other organizations working in support of people with disabilities, in the selection of proper indicators. The value of the adopted methodology lies also in the proposal of new instruments to be used for social impact assessment (such as the relevance indicators and the efficacy matrix), and in the stakeholders’ engagement during the various steps of the process.

The paper is structured in three chapters. The first offers a broad overview of the sustainability reporting practice. It investigates the concepts of sustainability and CSR, the specificity of nonprofits’ accountability, the sustainability report as an accountability tool, and the main sustainability reporting initiatives. Also, it focuses on the relevance of the nonprofit sector in Italy and on the description of the Third Sector Reform. The second chapter is dedicated to the practice of social impact evaluation. The notion of SIE is introduced, by exploring its origins, definition and core values. Following, the impact value chain and other methods used for measuring social impact are illustrated, together with barriers and challenges to evaluation. The chapter then focuses on describing the Italian guidelines for conducting the social impact assessment of third sector entities. Finally, the theoretical basis for the development of the empirical analysis is provided, by delineating the stakeholders’ salience theory and the materiality principle. The third chapter is dedicated to the description of the empirical analysis conducted. Firstly, the history and purpose of Fondazione Patavium are addressed. Then, the gap in knowledge which the analysis aims to fill is outlined, together with the investigated research questions. The following paragraph concerns the methodology followed in the elaboration of the analysis. It illustrates the project planning, the research design, the study population identification and the structure of the questionnaire, explaining the different sections composing it. The fourth paragraph provides an overview of the social report elaborated for the foundation, and then it exposes the results obtained from the analysis, divided by section. The fifth paragraph is dedicated to the interpretation of results: it discusses the main findings and the related implications, providing an answer to the research questions. The chapter concludes by addressing the limitations of the analysis, which represent the basis for identifying the recommendations for future research.

CHAPTER 1: SUSTAINABILITY REPORTING IN THE NONPROFIT SECTOR

This chapter is dedicated to a broad overview of the sustainability reporting practice, with a particular focus on its relevance in the nonprofit sector. The chapter is structured in four main parts.

Firstly, the concept of sustainability will be investigated, describing its origins and the different definitions elaborated over the years. The increasing awareness of social and environmental issues translates in the idea of corporate social responsibility, which will be illustrated together with its relation to the concepts of stakeholder, triple bottom line, and shared value creation.

Secondly, the chapter will move to the application of these theories in the nonprofit field. The definition of nonprofit organization will be explored, by reviewing three major contributions in literature, which all grasp the specific nature of nonprofits. Then, the peculiarity of nonprofit accountability will be discussed, concluding that NPOs have a higher pressure on being socially responsible and accountable. This will be explained by investigating three aspects: to whom they are accountable, for what, and how.

Thirdly, sustainability reporting as an accountability instrument for NPOs will be described. The discussion will call the attention to its definition, the important steps in its history, and the trends in its adoption. The second paragraph will focus on the reasons and advantages why NPOs should implement sustainability reporting practices, providing numerous arguments in favor of its adoption. The third paragraph will offer an overview of three sustainability reporting initiatives that are known internationally and are particularly relevant for nonprofits: the Global reporting Initiative, the International Standard Organization, and AccountAbility.

Lastly, the chapter will consider the Italian perspective on social reporting practices in the nonprofit sector. The first paragraph will analyze the increasing relevance of the nonprofit sector in Italy through the most recent statistics. Afterward, the Third Sector Reform, consisting in a set of rules aimed at reorganizing the Italian nonprofit sector, will be discussed in detail. The conclusive paragraph will be dedicated to the description of the guidelines for drafting the social report of third sector entities.

1.1 – Sustainability and Evolution of CSR concept

In the past decades, the concept of sustainability has become increasingly important. At present, more than ever, this term has gained a primary significance in the global call to action toward the Sustainable Development Goals¹. In order to understand its relevance, an overview of its origins and evolution follows.

The idea of sustainability started to emerge from a rising awareness, on the part of the public and the society, of the damages that businesses could cause to the environment, and consequently to people's health. The occurring of various industrial disasters, mostly in sectors such as the energy and chemical one, led to a higher monitoring of these sectors and to the introduction of recommendations for contrasting the negative impacts deriving from environment exploitation (Jones & Mucha, 2014).

The first written contribution to the sustainability movement was given by the Brundtland report, published in 1987 by the World Commission on Environment and Development (WCED), which defines sustainable development as “development that meets the need of the present without compromising the ability of future generations to meet their own needs” (see United Nations, 1987, p.37). Ever since, the terms ‘sustainability’ and ‘sustainability development’ were associated to hundreds of different definitions, depending on the specific discipline of interest (Johnston et al., 2007).

For example, Brown et al. (1987) examine the concept of sustainability in various fields (such as agriculture, energy, society and economy), and recognize six essential elements to define it. These highlight the importance of the stability and maintenance of resources, populations, and ecosystems over time. Robèrt et al. (2002) extend the Brundtland definition and further specify it in “Four System Conditions” for social and ecological sustainability. These conditions are necessary for a sustainable society, and consist in: avoiding the increase in the accumulation of the substances extracted from Earth and produced in society; avoid degradation of the environment; fulfilling human needs. White (2013), by means of a data visualization tool, grasps the essence of sustainability by generating a visual evidence (“tag cloud”) of the elements characterizing past definitions of sustainability. The result once again points out the three fundamental features of sustainability: the environmental, social and economic one.

Particularly interesting for the purpose of this paper is the meaning that the concept of sustainability has assumed in the field of business practices, and, later on, in the nonprofit

¹ The Sustainable Development Goals (SDGs) consist in 17 interconnected global goals that were adopted by the United Nations in 2015 with the aim of ending poverty and inequalities, protecting the planet and ensuring peace by the year 2030 (United Nations Development Programme, 2021).

sector. The increasing awareness regarding social and environmental matters has in fact translated in a profound transformation in the conduction of businesses, which is reflected in the concept of the Corporate Social Responsibility (CSR). For a corporation, being socially responsible entails setting broad goals such as long-term growth, fair employment conditions, and durable social and environmental protection (Conley & Williams, 2005). Consequently, a firm should take into account numerous stakeholders in its decision-making process, instead of acting in the sole interest of its shareholders.

This idea is at the basis of what Freeman originally stated in 1984 with the Stakeholder Theory. In his book *Strategic Management: A Stakeholder Approach*, Freeman defines a stakeholder as “any group or individual who can affect or is affected by the achievement of the organization’s objective” (Freeman, 1984, p.46). Therefore, a firm that acknowledges the key role played by each of its stakeholders, will aim at creating value for all of them. The realization of being exposed to the influence of different actors, transformed the way firms set their strategies and deal with collective issues (Gazzola et al., 2017).

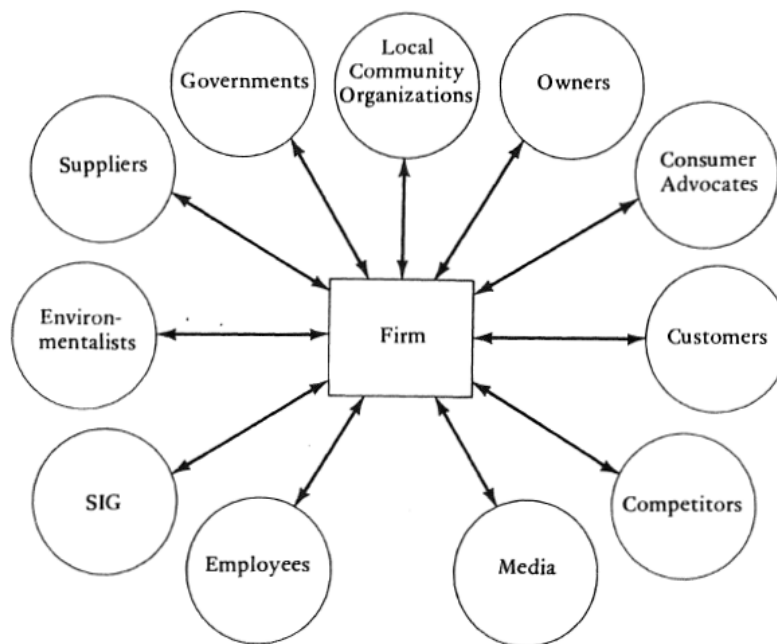


Figure 1: Stakeholder View of Firm. Source: Freeman (1984)

Stakeholder theory was the first step in the evolution of CSR in the business sector. Over the years, other two fundamental steps contributed to building the CSR concept as it is known today.

One step is represented by the so-called ‘Triple Bottom Line’ (TBL), a term coined in 1997 by the author and entrepreneur John Elkington, which refers to an accounting framework that aims at measuring performance along three dimensions: financial, social, and environmental (Slaper

& Hall, 2011). This framework aspires to measure sustainability, and it detaches from traditional frameworks in the fact it does not limit to the measurement of profit as indicator of value created for shareholders, but it incorporates two additional measures (environmental and social), for a comprehensive overview of the corporate performance. A positive TBL indicates a company is generating value, that is constituted by its profitability as well as its environmental and human capital (Andrew Savitz, 2006). As Elkington affirms (2013), this framework is also referred to as the ‘3Ps’, in the sense it takes into account people, planet and profits.

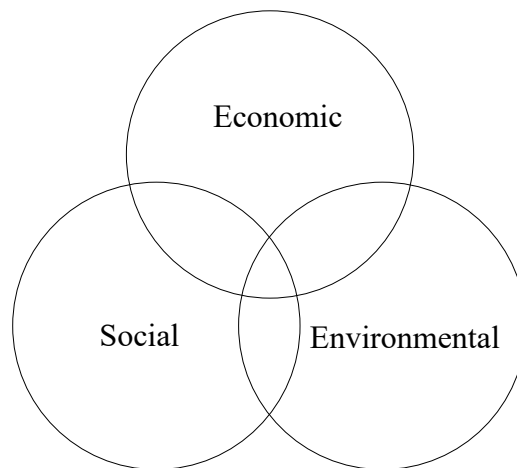


Figure 2: Triple Bottom Line framework. Personal elaboration.

The third and last step consists in a shift from the concept of CSR to the concept of creation of shared value (CSV). In their article *Creating Shared Value* (2011), Porter and Kramer move beyond the traditional separation of business and society as two distinct entities, and explain shared value as the connection between societal and economic needs. The company can in fact “create economic value by creating societal value” (p.7) by transforming products and the value chain in a way it meets societal needs, and by leveraging the power of clusters, intended as firms’ geographic networks. This allows firms to exploit the strong connections existent between them and external societal concerns, such as environmental impact or workers’ health and safety, by embedding these needs into economic objectives.

1.2 – Accountability in the Nonprofit Sector

The aforementioned concepts call the attention to the importance of being accountable along different dimensions (financial, social, environmental) and, as a consequence, toward the needs of different actors (shareholders, customers, communities, suppliers, environmentalists, etc).

Up to now, these were discussed particularly in relation to business practices: Freeman takes into consideration the mutual relation existing between an individual and the *firm* (Freeman, 1984); Elkington, when conceiving the term triple bottom line, was striving to find a proper way to measure sustainability in American *corporations* (Slaper & Hall, 2011); Porter and Kramer (2011) stressed the importance, for *companies*, to integrate societal needs into their economic objectives, through the creation of shared value. Therefore, the debate over sustainability and CSR has been associated to the for-profit sector for a long time.

However, these theories have deeply influenced studies not only of corporations, but also of other types of organizations. Especially, they gained strong importance in the nonprofit sector, in which concepts such as social responsibility and accountability acquired a particular meaning because of the characteristics and specificity of nonprofit organizations (NPOs).

Being the latter the actual focus of this paper, moving from the definition of NPOs, the remaining part of this paragraph will dive deeper into nonprofit accountability and the application of CSR in the nonprofit field.

1.2.1 – Nonprofit organizations definition

Based on the interpretations on the matter, various definitions of nonprofit organization and of the third sector can be identified. In the following part, three major contributions to the definition of NPOs will be reviewed.

The first relevant contribution is given by Hansmann (1980), that defines an NPO as an organization that is constrained from distributing its profits to any individual exercising power over it. This should not be confounded with the belief a nonprofit organization cannot earn a profit. Indeed, NPOs are able to generate net earnings. What they cannot do is distribute profits: these must be committed to financing the organizations' services and activities. Hansmann calls it "nondistribution constraint" (1980, p.838).

Furthermore, the author provides a categorization of nonprofit organizations, depending on the way they obtain financing and how they are controlled.

As for financing, nonprofits can be identified as "*donative*" or "*commercial*". Among the first type, are to be found nonprofits mostly or totally financed through donations or grants. On the other hand, commercial nonprofits finance themselves in great part by charging a price for their services. These should be considered two extreme categories, between which there are several different cases.

When considering the controlling of nonprofits, Hansmann identifies "*mutual*" and "*entrepreneurial nonprofits*". The former consists in those organizations which are controlled

by their source of financing (donors in the case of donative nonprofits, customers in the case of commercial nonprofits, or both). In fact, donors and customers are among those in charge of electing the directors. The latter are those nonprofits which are chiefly free from being formally controlled by their source of financing, and are instead characterized by a board of directors which is self-perpetuating. Even in this case there might be other nuances in between these extremes.

By crossing these categories, four types of nonprofit organizations are obtained: donative mutual, donative entrepreneurial, commercial mutual and commercial entrepreneurial.

Another major contribution toward a general definition of NPOs was elaborated by Salamon and Anheier. The two authors directed the *Johns Hopkins Comparative Nonprofit Sector Project* (JHCNSP), which was launched in 1990 in an attempt to analyze in an extensive and comparative way the role, structure and scope of the nonprofit sector across nations (see Morris, 2000). In their article “*In search of the non-profit sector. I: The question of definitions*” (Salamon & Anheier, 1992) the authors, after identifying four different definitions of third sector (legal, economic/financial, functional and structural/operational), select the one that according to them is the most useful, particularly in relation to comparative research.

The result was the broadly known structural-operational definition of nonprofit sector, which highlights the structure and operation of organizations and determines five essential elements an entity must have in order to be considered part of the nonprofit sector. The five criteria are (Salamon & Anheier, 1992, p.135):

1. *Formal*: the organization must be structured to some extent, be it through formal incorporation or through a regularity in their meetings, procedures and organization;
2. *Private*: the organization is a private institution, meaning it is separated from government and does not involve a majority of government executives in its board;
3. *Non-profit-distributing*: the organization should not distribute the generated profits to the owners or the board of directors. Instead, the profits must be reinvested in the organization mission. In this sense, the existence of nonprofit organizations is not driven by the generation of profits.
4. *Self-governing*: the organization is capable of controlling its activities: the internal procedures are owned, not controlled by outside parties.
5. *Voluntary*: the organization involves some degree of voluntary involvement, in the conduction of activities or in managing its affairs. For instance, the existence of a voluntary board is enough to give an organization the qualification of voluntary.

The third reviewed contribution to the definition of NPOs is provided by the United Nations in the *Handbook on Non-profit Institutions in the System of National Accounts* (2003, p.17), in which the nonprofit sector is defined as comprising: “organizations that are not-for-profit and, by law or custom, do not distribute any surplus they may generate to those who own or control them; are institutionally separate from government; are self-governing; and are non-compulsory”. In the same way as Salamon & Anheier’s definition, this one also identifies five basic requirements for an organization to belong to the nonprofit sector, namely (United Nations, 2003):

1. *Organization*: corresponding to the first criteria by Salamon & Anheier;
2. *Not for profit and nonprofit distributing*: corresponding to the third criteria by Salamon & Anheier and to the nondistribution constraint by Hansmann;
3. *Institutionally separate from government*: corresponding to the second criteria by Salamon & Anheier;
4. *Self-governing*: corresponding to the fourth criteria by Salamon & Anheier;
5. *Non-compulsory*: meaning that membership and support in terms of time and money are not a condition of citizenship, since they are not demanded by law.

The following table aims at summarizing the definitions of NPOs which were reviewed above, providing insight on the key elements connecting them. The symbol ✓ indicates there is an element in common between the definitions, and the number of times it is reported indicates how many of the reviewed definitions contain that element:

Hansmann (1980)	Salamon & Anheier (1992)	United Nations (2003)	
organization	formal	organization	✓✓✓
nondistribution constraint	non-profit-distributing	not for profit and nonprofit distributing	✓✓✓
	private	institutionally separate from government	✓✓
	self-governing	self-governing	✓✓
	voluntary	non-compulsory	

Table 1: Key elements in NPOs definitions. Personal elaboration.

1.2.2 – The specificity of Nonprofit accountability

As discussed above, nonprofit organizations, by definition, have a specific nature. This is reflected in the way they approach to CSR.

The definition of stakeholder proposed by Freeman through the stakeholder theory (1984) strongly affected NPOs. The idea of taking into account all the actors “who can affect or is affected” by an organization assumes there is a bilateral interrelation between the stakeholders of an organization and the organization itself (Manetti & Toccafondi, 2014). In other words, NPOs’ actions have an influence on several groups of actors, which at the same time influence those actions through their judgment. Therefore, NPOs should be *stakeholder oriented*, which entails giving attention “to each of their stakeholder groups” (Greenley & Foxall, 1997, p.263), such as customers, employees, donors.

The concept of stakeholder orientation is particularly relevant in nonprofit organizations, given their specificity. In particular, the pressure on being socially responsible and accountable to a variety of individuals is higher in NPOs, for the following reasons:

1. In nonprofit organizations, there are no shareholders as traditionally intended in firms. Their absence implies they cannot pose their control in guiding the organization’s actions. Therefore, “*non-shareholders stakeholders*” assume greater importance in driving NPOs’ accountability, since the governance acknowledges their interests (Collier, 2008, p.935).
2. For nonprofit organizations it is fundamental to secure long-term survival through the satisfaction of all the stakeholders, since accountability is strictly connected to their institutional end (Manetti & Toccafondi, 2014). In fact, the *purpose* of NPOs is something characterizing these institutions, and should be taken into account when discussing NPOs’ social responsibility. Nonprofit organizations are mostly entities working to provide some sort of benefit to the communities. Therefore, they hold the responsibility to be accountable and transparent to the outside world (Gazzola & Ratti, 2014). This kind of responsibility resembles what Carroll defines as “philanthropic responsibility” (1991, p.42), which constitutes one of the four components of CSR and entails the promotion of acts contributing to the well-being of the community. For nonprofit organizations, the core of social responsibility lies in the consistency between their actions and their social mission, be it human, environmental, concerning health or assistance (Gazzola et al., 2017). Accordingly, this is reflected in the need to be accountable for these actions, that directly influence those stakeholders involved.

3. Another aspect to consider is the *absence of a profit-making goal* in nonprofit organizations. Since profit maximizing is not the primary aim of NPOs, their accountability is far from being focused exclusively on the economic dimension. Instead, it takes into consideration several other dimensions, which place on the organization higher expectations to be transparent (Dawson & Dunn, 2006).

The foregoing calls attention on the importance, for nonprofit organizations, of identifying “wider and more ethically concerned constituencies”, and of recognizing the NPO responsibility toward each of them (Simmons, 2004, p.604). Social accountability in NPOs is in fact a complex process that involves the measurement and reporting of the organization performance to numerous stakeholders (Costa & Goulart da Silva, 2019). Moreover, it has become a critical matter for those organizations operating in the third sector, that have been challenged with changes, in the public sector and in the society, concerning the subcontracting of public services and a decrease in public trust, partly due to scandals (Manetti & Toccafondi, 2014; Ebrahim, 2003a).

The peculiarity of NPOs accountability is deeply explored by Ebrahim (2016), who discusses it in three aspects:

1. NPOs accountability to multiple actors (“*Accountability to Whom?*”)
2. NPOs accountability for different expectations (“*Accountability for What?*”)
3. The mechanisms of NPOs accountability (“*Accountability How?*”)

Before delineating each of these, it is useful to provide a general definition of accountability. There are various definitions existing in the nonprofit literature. Owing to its completeness, this paper adopts the definition proposed by Ebrahim (2003b, p.194), according to which accountability is: “the means through which individuals and organizations are held *externally* to account for their actions and as the means by which they take *internal* responsibility for continuously shaping and scrutinizing organizational mission, goals, and performance”.

This definition makes clear how accountability is characterized by a dual dimension: the external one, seen as the duty to fulfill certain standards and norms; and the internal one, intended as a commitment that arises internally from the organization (Ebrahim, 2016).

The concept of accountability might be further extended through the identification of four primary components (Ebrahim & Weisband, 2007): 1. *Transparency*: gather information and make it accessible to the public; 2. *Answerability*: decisions and actions should be reasoned and justified; 3. *Compliance*: keep track of courses of action and their results, and report them; 4: *Enforcement*: predict sanctions for lack of transparency, answerability or compliance.

Given this general understanding of accountability, the discussion can now delineate its specificity in nonprofits organizations. The first aspect of NPOs accountability anticipated above (*Accountability to Whom?*) concerns the fact that nonprofits need to respond to the demands of different actors more intensely in respect to for-profit firms (Ebrahim, 2003a). NPOs are in fact accountable to multiple stakeholders simultaneously: their patrons, their clients, and their own mission. This is reflected in the existence of multiple accountabilities: the relation to donors, funders and governments is referred to as “*upward accountability*”, and concerns the way in which the upward funds are spent. The relationship with the beneficiaries of NPOs services is referred to as “*downward accountability*” and might comprise individuals as well as communities affected by the organization activities. Lastly, “*internal accountability*” is about being responsible to the internal purpose of the organization and to the people working inside it, such as governance and employees (Ebrahim, 2003a, p.814; Ebrahim, 2016, p.104; Edwards & Hulme, 1996, p.967).

Accountability to multiple stakeholders might pose a problem of *resource dependence*. The resource dependence theory proposed by Pfeffer and Salancik (see Hillman et al, 2009) states that at the center of the relationship between an organization and the external environment there is the control of critical resources, and thus a relation of power. In this sense, the organization is constrained by interdependencies with other entities. Following this concept, accountability might differ according to the actor involved. When the relationship with stakeholders is asymmetric, accountability might be unbalanced toward the interests of the one holding more power in terms of resources (Ebrahim, 2016). In NPOs, asymmetries in resources characterize especially the relationship with donors, resulting in an excessive dependence toward them and in a higher focus on upward accountability (Ebrahim, 2003a).

The second aspect to be considered when discussing NPOs accountability is that nonprofits need to be accountable in different areas, since they face different expectations (*Accountability for What?*). These can be divided in four categories: finances, governance, performance and mission (Ebrahim, 2016).

The *finance* expectation follows the occurrence of accounting scandals both in the for-profit and nonprofit sector, and calls for increased transparency on transactions, employment of funds and their supervision by directors (ibidem). This entails disclosure requirements and an accountability regime which is “coercive” and “punitive”, and reliant on legislative authority (Ebrahim, 2009, p.887).

The *governance* expectation concerns the duties of the board of directors. Traditionally, boards cover a supervision role focused on organizational compliance and internal oversight.

Nevertheless, they are increasingly asked to be responsible for the broader organizational matters such as mission, performance and strategic decisions (Ebrahim, 2016).

The *performance* expectation requires organizations to account for their results. This type of accountability is based on performance measurement tools that measure progress toward specific objectives and rely on technical expertise (Ebrahim, 2016; Ebrahim, 2009).

The *mission* expectation focuses on displaying the steps towards the achievement of the organizational mission. It emphasizes long-term learning through mission internalization, monitoring and adaption in view of external changes. The accountability regime is “strategic” and “adaptive” and reliant on the integration of values with performance learning systems (Ebrahim, 2016; Ebrahim, 2009, p.887).

The third aspect discussed by Ebrahim (2016, p.108) is the so-called “*Accountability How?*”, and describes five mechanisms of accountability that are employed by nonprofits. These are divided into “tools” and “processes”. The former are those mechanisms that are tangible, repeatable, and used for definite periods. The latter are less time-constrained and more complex and might be composed by a certain number of tools.

The following table introduces each of the five mechanisms, specifying whether they are considered tools or processes, and describing them through examples:

Mechanism	Tool/process	Examples
<i>Reports and disclosure statements</i>	tool	disclosure on tax status, financial reporting, organizational pattern
<i>Evaluations and performance assessments</i>	tool	different types of evaluation: external by funders or internal by the nonprofit
<i>Industry self-regulation</i>	tool/process	behavioral and performance standards/norms
<i>Participation</i>	process	four levels of participation: consultation of public; involvement of public through contributions; public involvement in decisions; public movements and initiatives
<i>Adaptive learning</i>	process	opportunities for reflecting, analyzing and improving to achieve organizational mission

Table 2: Mechanisms of NPOs accountability. Personal elaboration based on Ebrahim (2016).

1.3 – Sustainability Reporting for Nonprofits

After having discussed the importance of being accountable for a nonprofit organization, this paper moves into analyzing a specific instrument of accountability for NPOs, the sustainability report. The following paragraphs will firstly introduce this document, and then explain its relevance specifically for nonprofits. Ultimately, the mostly used sustainability reporting standards will be described.

1.3.1 – History and Trends in Sustainability reporting

Sustainability reporting can be defined as “the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development” (GRI, 2011, p.3). Through a sustainability report, an organization should report on its environmental, social and economic contributions to a sustainable development, including both positive and negative ones (GRI, 2016, p.3).

In literature, documents having this purpose have been denominated in different ways: “social reports”, “environmental reports”, “corporate social responsibility reports” are a few examples (Junior et al., 2014). In this paper, both the terminologies “sustainability reporting” and “social reporting” will be used in order to refer to this typology of reports, as defined above.

The importance of sustainability reporting is strongly connected to the evolution of CSR. Since the introduction of the concept of “corporate social responsiveness” (Frederick, 1994, p.154) social reporting activities started to spread and have been growing over the years, parallel to the number of organizations publishing a sustainability document (Secchi, 2006).

In particular, some waves in this phenomenon can be recognized (Junior et al., 2014). The first wave of sustainability reporting dates back to the 1970s and was located in Europe and in the USA. After this first impact, the publication of social reports escalated in different sectors and geographical areas, and in the 1980s there was a high pressure for businesses to commit to sustainability. By the 1990s, some influential organizations decided to engage in a voluntary disclosure of their environmental impact.

One dominant step in the increasing attention to sustainability reporting matters was the *European Directive 2014/95*, adopted by the European Parliament and the Council on the 22nd of October 2014. This Directive has significant importance since it requires the introduction of non-financial information in the management report of large firms with more than 500 employees on average, and that are public interest entities. The non-financial disclosure should concern the environmental, social and employment spheres, as well as human-rights, bribery,

and anti-corruption information². The non-financial statement should also include: 1. the firm's business model; 2. the policies adopted to achieve the required matters, and the related due diligence; 3. their outcomes; 4. the main risks deriving from the firm's operations and in relation to the matters, and how these risks are managed; 5. the relevant non-financial indicators of performance. The power of this Directive lies in the fact it makes the drafting of the social balance mandatory for certain companies (Gazzola et al., 2017).

What is clear is the shift from a concept of corporate balance to the one of social balance. The former represents a firm from a financial point of view, highlighting its economic aspects; the social balance discloses the social results of an organization, other than its economic achievements, and it constitutes the final result of the social reporting process (Gazzola et al., 2017). In this sense, the traditional annual report, including financial statements and yearly highlights, is limited in its ability to provide access to a complete overview of the organizational performance. Therefore, shifting to sustainability reporting would allow for higher informative power and transparency (Jones & Mucha, 2014).

As to which kind of entities report their sustainability performance, the research conducted by Secchi (2006) demonstrates that the majority of organizations adopting this practice are privately owned corporations. These are followed by cooperatives with commercial purposes; and lastly, third sector organizations, among which foundations, associations, banks, cooperatives with social purposes, and firms providing services to the community. Thus, sustainability reporting is indeed becoming relevant in recent times, but it is still not a predominant trend, particularly among nonprofits. Even among companies, those that produce social reports are mainly multinationals and firms operating in high-visibility industries such as oil, mining, insurance and banking (Jones & Mucha, 2014).

As mentioned above, NPOs are just slowly embracing the use of sustainability reporting, mainly because they perceive this practice as being costly and requiring excessive effort in terms of time (ibidem). Nevertheless, reporting social performance is key for nonprofit organizations. In the past it was enough to have the title of nonprofit in order to fulfill the collective expectations. Today, nonprofits need to take into account their value is associated to the ability of being effective communicators to their stakeholders, which is critical for their growth in the long term (Gazzola et al., 2017). NPOs are invested with a specific socio-economic function (discussed in paragraph 1.2.2) that cannot be explained through the same communication tools used by businesses. Instead, it is necessary to implement a tool which integrates the different social

² Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups

needs of these organizations (Gazzola & Ratti, 2014). The following paragraph will explain the reasons why it is important for them to perform sustainability reporting activities.

1.3.2 – Why should NPOs adopt Sustainability Reporting?

The literature offers numerous arguments in favor of the implementation of sustainability reporting practices by nonprofit organizations. Gazzola et al. (2021) provide an extensive list of these reasons:

- i. *Increasing reputation*: disclosing a sustainability report is a way for NPOs to improve their public image, by building trust among their stakeholders.
- ii. Sustainability reporting allows NPOs to *measure and improve their social, economic, and environmental impacts on the society*. By communicating them to external and internal stakeholders, nonprofits inspire others to engage in similar courses of action and achieve the same improvements, and simultaneously they *commit to the demand of sustainability disclosure* (Jones & Mucha, 2014; Gazzola et al., 2021).
- iii. Nonprofits are closely linked to companies, since they fill the gap in market needs by offering services that firms have no economic interest in producing. Therefore, NPOs act as partners to businesses, and by promoting sustainable initiatives they are able to *strengthen their relations with other for-profit entities* guiding them in being more sustainable.
- iv. Although profit-making is not their primary objective, *NPOs need to be financially sustainable*. Sustainability reporting means disclosing metrics related to cost savings from reduction of wastes, recycling, and use of energy. This motivates nonprofits to improve their efficiency, positively impacting the long-term viability.
- v. Nowadays, brilliant human resources are interested in those organizations that are doing good, not only those well performing from a financial point of view. This holds both for corporations and nonprofit entities. Through sustainability reporting, NPOs can *attract talented volunteers and workers* willing to offer their competencies to the organization.
- vi. For nonprofit organizations, also *attracting donors* is of fundamental importance. Donors receive demands for donations by many organizations that “compete” in order to obtain financing. Therefore, publishing a sustainability report helps NPOs to positively influence the perception of donors, by disclosing the manners in which their donations are employed.

- vii. *Meet the expectations of employees*: employees are critical stakeholders in the social accountability process, therefore issuing a sustainability report increases their loyalty and engagement.
- viii. NPOs objectives differ from those of its stakeholders. The reporting process is an occasion for listening to stakeholders and allowing to *enhance stakeholders' dialogue* and commitments.

Jones and Mucha (2014) contribute to the aforementioned arguments by highlighting the *advantages* that sustainability reporting implies for NPOs. Producing a sustainability report enables the organization to expose operating inefficiencies and to exhibit important improvements, thus offering the chance to constantly progress. Also, a social report contributes to show the value produced by the organization that is not reflected in an annual report. This also allows for more innovative types of funding, such as social impact bonds.

Manetti & Toccafondi (2014) identify three additional reasons in favor of NPOs social reporting, focusing on the internal advantages it implies. The first one consists in the possibility of monitoring performance, which is useful for internal management, particularly for those organizations lacking an environmental and social information system. Secondly, the perspectives of stakeholders can be integrated in revising organizational goals and in building performance indicators. Lastly, these perspectives have also the potential to improve internal planning and learning by being included into decision-making processes.

Summarizing, sustainability reporting can be viewed as a tool with a double function, an internal one and an external one (Gazzola et al., 2017). *Internally*, the sustainability report is an instrument for strengthening the internal management of the organization, as well as its mission. This can be done through a comparison of the resources used against the results obtained, followed by a formulation of the strategy. It also allows testing the coherence between the values guiding the entity and the actions it performs. *Externally*, this document is a vehicle for both disclosing information and building an image. Stakeholders are in fact informed about the organization's performance at a social, economic and environmental level, which increases awareness on the social role played by the organization. Consequently, the latter benefits from a heightened reputation.

This paragraph highlighted the importance of adopting a sustainability reporting process for a nonprofit organization. The following one will explain *how* this can be done, by describing the mostly used sustainability reporting guidelines that can be adopted by NPOs in producing their report.

1.3.3 – Sustainability Reporting Standards

Over the years, numerous sustainability reporting frameworks, guidelines and standards have been developed by local, national, and international entities. This paragraph will review three internationally known sustainability reporting initiatives that are particularly relevant for the production of social reporting documents by nonprofit organizations: the Global Reporting Initiative (GRI), the International Standard Organization (ISO) and AccountAbility.

Global Reporting Initiative

The GRI is an international organization born in 1997 in Boston with the aim of developing a mechanism of accountability that helps organizations to follow environmentally, socially and economically responsible practices³. In this sense, their reporting guidelines follow the concept of *triple bottom line* proposed by Elkington in 1997, previously discussed in this paper (Girella et al., 2019). In 2000 the organization released the GRI Guidelines (G1), which constituted the first sustainability reporting framework internationally. In 2002 the GRI G2 guidelines were published as an update of the prior ones. The third milestone was represented by the launch of G3 Guidelines in 2006, followed by their expansion and improvement in 2013 (G4). Finally, after a long process of reformulation, in 2016 the *GRI Standards* were born, and at present they represent the most used and widely known sustainability reporting standards worldwide.

In their latest version, the GRI Standards are structured in four series (GRI, 2016): 100, 200, 300 and 400.

The 100 series corresponds to the *Universal Standards*, which are:

- GRI 101: Foundation. It describes two groups of Reporting Principles, those related to the content of the report (stakeholder inclusiveness, sustainability context, materiality and completeness), and those related to its quality (accuracy, balance, clarity, comparability, reliability and timeliness).
- GRI 102: General Disclosures. It guides the reporting of that information regarding the organization and its reporting practices (such as organizational strategy, governance, and reporting process)
- GRI 103: Management Approach. It is useful to report the way an organization manages each meaningful (or material) topic in a sustainability report.

The 200, 300 and 400 series concern the *Topic-specific Standards*, that are used to report respectively on the economic, environmental and social topics of an organization (GRI, 2016).

³ Global Reporting Initiative. (2021). *Our mission and history*. <https://www.globalreporting.org/about-gri/mission-history/> [Accessed 27 November 2021]

International Standard Organization

ISO is a non-governmental and independent organization born in 1946 and consisting of a network of 165 national standard bodies, each representing the international organization at a country level⁴. At present, ISO has developed more than 24 thousand International Standards covering those activities involved in the creation of a product or in the delivery of a service, from quality management standards to environmental standards.

As to social responsibility, the most famous standard is the *ISO 26000*, which was launched in 2010. It helps organizations belonging to different countries and industries in translating the overall social responsibility need into smaller organizational practices, for a higher effectiveness (Girella et al., 2019). Differently from other ISO standards, the ISO 26000 provides guidelines instead of requirements, hence it is not externally certifiable, which might represent a limitation (Jones & Mucha, 2014). Nonetheless, ISO 26000 is linked to the Agenda 2030 initiative, thus contributing to the achievement of the UN Sustainable Development Goals.

AccountAbility

AccountAbility is an international consulting firm that helps investors, businesses, governments and organizations to engage in social responsibility practices in order to achieve opportunities and performance in the long term.

AccountAbility's AA1000 Series of Standards offer practical frameworks that guide organizations in all the stages of a reporting process, from planning, reporting to engaging stakeholders (Jones & Mucha, 2014). They include⁵:

- AA1000 AccountAbility Principles, for the development of sustainability practices following the principles of inclusivity, materiality, responsiveness and impact.
- AA1000 Stakeholder Engagement Standard, supporting entities to adopt a stakeholder engagement approach.
- AA1000 Assurance Standard, used to evaluate in which measure an organization is sticking to the AccountAbility Principles mentioned above.

In addition to these three sustainability reporting initiatives, a few others should be mentioned for their relevance: the United Nations Global Compact, the Sustainability Accounting Standard Boards (SABS), and the OECD Guidelines for Multinational Enterprises. However, these might represent a more appropriate alternative for for-profit entities.

⁴ ISO. (n.d.). *About Us*. <https://www.iso.org/about-us.html> [Accessed 27 November 2021]

⁵ AccountAbility. (2021). *Standards*. <https://www.accountability.org/standards> [Accessed 27 November 2021]

1.4 – The Italian Perspective

In Italy, the discussion on Social Reporting in the Nonprofit sector is particularly lively and dynamic, given the increasing relevance of the third sector in the country and its rapid expansion over the last years. In this regard, Italy has recently been the protagonist of a massive reform (“Third Sector Reform” of 2016), consisting in the introduction of a set of rules aimed at disciplining the nonprofit sector and the social enterprise.

This paragraph will firstly describe the importance of the nonprofit sector in Italy (the so called “Terzo Settore”) on the basis of the most recent statistics, and afterward it will discuss in detail the main contents of the Third Sector Reform, with a focus on the guidelines for the drafting of the Social Report (in Italian “Bilancio Sociale”) of third sector entities.

1.4.1 – The Nonprofit Sector in Italy

The nonprofit sector is assuming an increasingly fundamental role in the Italian economy, and it is now becoming a driving force in the development of the country, showing a growing tendency both in numbers and activities.

An interesting study developed by Srm⁶ (2020) demonstrates that the third sector in Italy has an economic value of 80 billion euros, corresponding to 5% of the national GDP. This sector contributes to provide jobs for the community, employing 1,14 million workers and 5,5 million volunteers. Moreover, through its activities, it meets the needs of more than 1/3 of the Italian population. From a financial point of view, the total income deriving from the active nonprofit institutions in Italy amounts to 70 billion euros, while the total expenditure is worth 61 billion euros. However, what distinguishes this sector goes beyond its economic dimension: as pointed out by the study, the third sector delivers goods and services to the community by valuing different social dimensions, favoring relations and the spread of values, supporting the needs of society. The main sectors involved are culture, sport and recreation (64% of the institutions), social assistance and civil protection (9%), trade union relations and interest representation (6%), education and research (4%) (Srm, 2020).

The Italian National Institute of Statistics (ISTAT) published in October 2021 a report on the structure and profiles of the nonprofit sector in Italy up to 2019. As illustrated in the document, the number of nonprofit institutions in Italy has been growing constantly from 2011 to 2019, as well as the employees of non-profit institutions. In particular, as of 31 December 2019, the

⁶ Srm is the center of studies and researches of the Group Intesa San Paolo and supported by “Compagnia di San Paolo” Foundation, specialized in southern Italy and islands economy. For more information: <https://www.srm.it/p/chi-siamo.htm> [Accessed 29 November 2021]

active non-profit entities in Italy were 362.634, as compared to the 359.574 of 2018 and 350.492 of 2017. The growth between 2018 and 2019 amounts to 0,9% and it is lower than the one recorded between 2017 and 2018, which was 2,6% (Istat, 2021). Overall, the total growth in the number of active nonprofit institutions from 2011 to 2019 is significant, and it amounts to 20,4%. Looking at the number of employees working in such entities, in 2019 it amounts to 861.919, as compared to 2018 (853.476) and to 2017 (844.775). In both years, the increase in the number of employees remains around 1% (ibidem). The total growth from 2011 to 2019 amounts to 26,6%, which is higher than the growth in the number of nonprofit institutions. The figure below summarizes these data graphically:

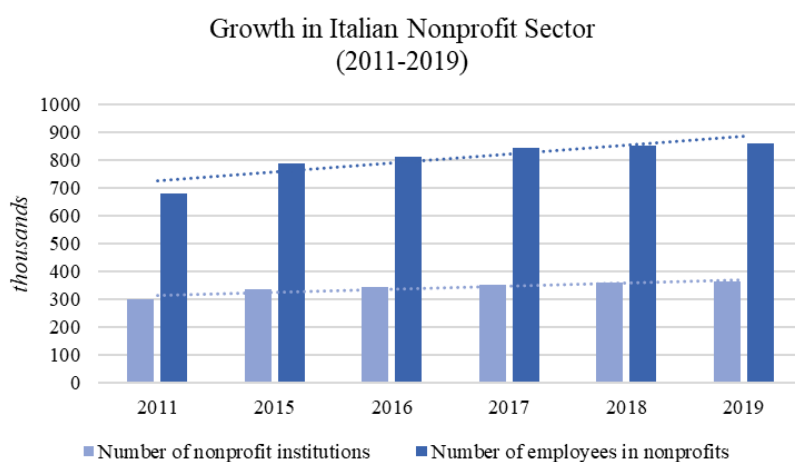


Figure 3: Growth in Italian nonprofit sector. Personal elaboration based on Istat (2021)

In order to conclude the nonprofit panorama in Italy, another interesting insight concerns the composition of the Italian nonprofit sector based on the organizational forms defined by the legislation. As of 31 December 2019, 10% of the non-profit institutions are voluntary organizations; 5,4% are social promotion associations; 4,5% social enterprises, while 3,8% are Onlus⁷. The remaining 76,3% is represented by other non-profit institutions (Istat, 2021).

1.4.2 – The Third Sector Reform

As anticipated in the brief introduction, starting 2016 there has been a profound reorganization in the civil and fiscal regulations of the Italian third sector, that brought to a simplification and higher harmonization of the latter.

⁷ Acronym of “Organizzazione non lucrativa di utilità sociale” which means non-profit organization of social utility (see Legislative Decree 460/1997, art. 10). This qualification has been eliminated by the Third Sector Reform, according to which those organizations registered in the ONLUS register have to adapt their statutes to one of the new forms introduced by the new legislation. The Third Sector reform will be discussed in more detail later.

In particular, the Third Sector Reform has involved the succession of three main steps, which can be summarized as follows:

1. Law 6 June 2016, n. 106, “*Delegation to the Government for the reform of the Third Sector, of the social enterprise and for the regulation of the universal civil service*”: this Law has initiated the process of reform of the nonprofit sector, by delegating the Government to adopt the Legislative Decrees (one or more) necessary for the reorganization of the sector.
2. As a consequence of the L. 106/2016, the Italian Government has adopted four Legislative Decrees, regarding the matters of delegation:
 - Legislative Decree 6 March 2017, n. 40, “*Institution and regulation of the universal civil service, in compliance with article 8 of Law 6 June 2016, n.106*”: this decree aims at revising the regulations on the national civil service⁸ according to the principles and standards established by the delegated Law.
 - Legislative Decree 3 July 2017, n. 111, “*Regulation of the institution of the ‘cinque per mille’ of the income tax for individuals in compliance with article 9, clause 1, letters c) and d) of Law 6 June 2016, n.106*”: the decree regulates the measures of economic support in favor of third sector entities, with specific reference to the ‘cinque per mille’⁹ institute.
 - Legislative Decree 3 July 2017, n. 112, “*Revision of the rules on social enterprise, in compliance with article 1, clause 2, letter c) of Law 6 June 2016, n. 106*”: the decree revises the existing regulation regarding the social enterprise, from its notion, activities and scope to its internal structure and fiscal measures.
 - Legislative Decree 3 July 2017, n. 117, “*Third sector Code, in compliance with article 1, clause 2, letter b) of Law 6 June 2016, n. 106*”: this decree represents the core of the Third Sector Reform, since it establishes the “Third Sector Code” as the regulatory instrument aimed at delineating all the rules concerning nonprofit entities, and since it defines, for the first time, the entities that are part of the “Third Sector”.
3. The third step consisted in the issue of two Ministerial Decrees by the Italian Minister of Labor and Social Policies, containing specific guidelines for third sector entities:

⁸ The national civil service (“Servizio Civile Universale”) consists in the voluntary choice of offering service for a limited period (usually some months) for the defense of the Italian nation, for the education, peace and the promotion of values at the basis of the Italian Republic, by acting in the territory and the community. Source: Dipartimento per le Politiche Giovanili e il Servizio Civile Universale. (2021). *Cosa è il Servizio Civile Universale*. <https://www.serviziocivile.gov.it/> [Accessed 30 November 2021]

⁹ According to Italian Law, taxpayers are allowed to allocate part of their income tax (IRPEF), and specifically 5 per thousand, to third sector entities in order to support them (Gazzola & Ratti, 2014).

- Ministerial Decree 4 July 2019, “*Adoption of the guidelines for the preparation of the social report of third sector entities*”: the decree, in compliance with the Law 106/2016 and with the two Legislative decrees 112/2017 and 117/2017, specifies the guidelines regulating the production of the social balance for third sector entities.
- Ministerial Decree 23 July 2019, “*Guidelines for the realization of systems for the assessment of the social impact of the activities conducted by third sector entities*”: following the instructions of the delegated Law (106/2016), this decree aims at delineating the guidelines for implementing the social impact assessment of the activities carried out by nonprofit entities.

Concluding the description of the various steps building the Third Sector Reform, it is important to mention that starting the 23rd of November 2021¹⁰ the “*Registro Unico Nazionale del Terzo Settore*” (RUNTS), provided for by art. 45 of the Decree 117/2017, is active. This register is intended to replace the registers of social promotion associations, voluntary organizations and of the Onlus according to the previous regulations, through a transfer process of these entities in the new system.

With reference to the two Ministerial Decrees, the *social balance* of third sector entities will be explored later in this chapter by further analyzing the Decree 4 July 2019, while the second chapter will be entirely dedicated to the discussion of the *social impact evaluation* for nonprofit organizations, which is the basis for the conduction of the empirical research.

The paper now moves into discussing more in detail Law 106/2016 and the Legislative Decree 117/2017, by focusing on the contents strictly concerning third sector entities, and in particular their characterization and the duties deriving from it. The following table specifies the legislative source, the article and the related topic under examination:

Law 6 June 2016, n. 106	
Art. 1	It defines the <i>Third Sector</i> as being constituted by those private entities with civic, solidarity and social utility purposes and conducting activities of general interest through actions that are voluntary and free or mutual or related to the production and exchange of goods and services.
Legislative Decree 3 July 2017, n. 117	

¹⁰ The activation date of the RUNTS has been specified by the Directorial Decree 26 October 2021, n. 561.

Art. 4	It lists the <i>Entities</i> belonging to the Third Sector: voluntary organizations, social promotion associations, philanthropic entities, social enterprises (including social cooperatives), network of associations, mutual aid societies, associations, foundations, other private entities that are not companies. It also identifies which entities are <i>not</i> considered third sector: public administrations, political formations and associations, trade unions, professional associations and representatives of economic categories, employer associations, and the entities subject to their management or control.
Art. 5	It states that third sector entities ¹¹ conduct, either exclusively or principally, <i>activities of general interest</i> (one or more) with civic, solidarity and social utility purposes. It also provides a list of the activities that are considered of general interest.
Art. 6	It specifies third sector entities can conduct activities which are not listed in Art. 5 if the charter or statute allows it. These activities are considered <i>secondary</i> or instrumental to the activities of general interest.
Art. 8	It concerns the destination of third sector entities assets (revenues, income, proceeds): these should be used to conduct the statutory activities. It is not possible to distribute any surplus to funders, associates, workers, collaborators and directors.
Art. 14	It states the obligation, for third sector entities with revenues/income/proceeds exceeding 1 million euros, of preparing the Social Report in accordance with the specific guidelines (see Ministerial Decree 4 July 2019), of filing it with the RUNTS and of publishing it in their website. Also, those entities with revenues exceeding one hundred thousand euros per year must publish in their website the emoluments or considerations conferred to directors, managers and associates.
Art. 45	As anticipated above, this article provides for the establishment of the “ <i>Registro Unico Nazionale del Terzo Settore</i> ” (RUNTS). The register is public and it is managed locally in collaboration with Regions and Autonomous Areas.
Art. 46	The article defines the <i>Structure of the RUNTS</i> , which is composed by seven sections corresponding to the different typologies of third sector entities: voluntary organizations; social promotion associations; philanthropic

¹¹ Social enterprises and social cooperatives are excluded for the purpose of this article

	organizations; social enterprises (including social cooperatives); network of associations; mutual aid societies; other third sector entities.
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Table 3: Third Sector Entities in the Italian legislation. Personal elaboration.

1.4.3 – Ministerial Decree 4 July 2019

The Ministerial Decree 4 July 2019 is of great importance since it specifically deals with the preparation of the Social Report (in Italian “Bilancio Sociale”) for third sector entities. Therefore, the issue and adoption of this Decree is not just a regulatory obligation, but demonstrates the awareness of the role played by a tool such the social report within the reality of nonprofits.

The guidelines define the social report as a “tool for reporting the responsibilities, behaviors and the social, environmental and economic results of the activities carried out by an organization”¹². Also, they highlight its informative role, which is destined to all the interested subjects, and which goes beyond the economic information accessible through the financial statements. This definition contains a clear reference to two key notions that were discussed previously in the paper. The first one is the concept of *triple bottom line*, suggesting the triple dimension of performance: social, environmental and economic (see paragraph 1.1). The second notion underlying this definition is that of *accountability* (see paragraph 1.2), which can be further specified through two other concepts: *transparency* and *compliance*. The former understood as the access to complete information, the latter as the compliance with the rules (Ministerial Decree 4 July 2019).

The Decree makes explicit who are the *entities* in charge of preparing the social report, namely: third sector entities with revenues exceeding 1 million euro, service centers of volunteering, social enterprises including social cooperatives, and groups of social enterprises. Furthermore, it specifies the drafting of the social report can represent a voluntary commitment toward the stakeholders of the entity, in order to keep them informed on the organizational results realized over time.

The content of the Decree also identifies the *recipients* of the social balance, meaning those subjects to which the document is addressed. Generally, the social report constitutes a public document, therefore it satisfies the interest of all those people concerned with getting information about the organization and evaluating its ability to fulfill the needs of its stakeholders. More specifically, the text refers to some specific categories: the workers, the decision makers and administrators, the associates, institutions (administrative and political),

¹² Ministerial Decree 4 July 2019

the existing and potential donors (Ministerial Decree 4 July 2019). Once again, the influence of the stakeholder theory by Freeman is emphasized.

Another important section of the Decree is the one introducing the ten *principles* that third sector entities should follow in drafting their social report. These are: relevance, completeness, transparency, neutrality, accrual-based accounting, comparability, clarity, truthfulness and verifiability, reliability, and autonomy of third parties.

Lastly, the Decree defines the *structure and content* of the social balance, indicating what is the (minimum) information a social report must contain, to be divided into different sections depending on the dimension of the organization of interest. A social report should address:

1. The *methodology* used for the drafting of the document: the adopted reporting standards, changes in measurement methods in respect to previous reporting periods, other information related to the reporting process.
2. *General information* on the organization: denomination, fiscal code, VAT number, legal form and qualification, address of the main office and other offices, areas of operation, values and mission, statutory activities and secondary activities, third sector entities networks.
3. Organizational structure, *governance*, administration: consistency and composition of the members and associates, governance and control system, responsibilities and composition of internal organs, internal democracy aspects and members participation in the institution, stakeholders mapping and engagement.
4. *People* working for the entity: type and composition of employees and volunteers, training and development activities, employment contract, nature of volunteers' activities, fees/salaries/reimbursements to volunteers; emoluments/fees/considerations for directors, managers and associates, ratio maximum/minimum gross remuneration, regulation procedures for volunteers' reimbursements, total annual reimbursements and number of beneficiary volunteers.
5. *Objectives and activities*: information about the actions conducted in the various areas of activity, the beneficiaries, outputs deriving from the activities and their effects on the main stakeholders, quality certifications.
6. *Economic and financial situation*: origin of economic resources, information on fundraising activities and their purposes, tools used to inform the public about the collected resources and their destination, any critical issues emerged and actions to mitigate their negative effects.
7. *Other information*: information on disputes (if relevant), environmental information (if relevant to the organizational activities), other non-financial information of social

nature, meetings of bodies responsible of approving the balance, number of participants and decisions taken.

8. *Monitoring conducted by the supervisory body*: implementation and results.

1.5 – Conclusions

The increasing awareness of the importance of social and environmental issues other than economic ones has led to the emergence of the sustainability concept, transforming the way companies conduct businesses and how they report about it.

This transformation has characterized the for-profit as well as the nonprofit sector, in which there is evidence that concepts such as social responsibility and accountability assume a particular meaning, because of the intrinsic nature of nonprofit organizations. The accountability pressure appears to be higher for NPOs, because of their institutional purpose, the lack of a profit-making goal, and the absence of shareholders, which poses higher importance on the other organizational stakeholders.

This accountability need can be fulfilled through the implementation of sustainability reporting practices, which NPOs are just slowly embracing but that offer numerous advantages in terms of strengthened internal management of the organization, higher disclosure of information and increased reputation. The presence of numerous sustainability reporting frameworks might support NPOs in the drafting of sustainability reports, facilitating the spread of this practice.

The Italian Third Sector Reform represents a massive step toward the recognition of the importance played by third sector entities, and thus the need of regulating them from a normative point of view. This might set a good example for further initiatives in this direction.

CHAPTER 2: SOCIAL IMPACT EVALUATION

Following the first chapter, focused on the importance of sustainability reporting for nonprofit organizations, this chapter discusses social impact evaluation (or social impact assessment)¹³, as a response to the growing pressure on nonprofits to demonstrate their performance and as a practice constituting an integrated part of many sustainability reports. The chapter is structured in four different sections.

The first one will introduce the concept of social impact evaluation, exploring its origins, the steps in its growing understanding, and its relevance for both research and practice. Also, its definition will be provided, together with a definition of social impact. The second paragraph will be dedicated to the description of SIA's core values, principles and guidelines, as stated by the International Principles for Social Impact Assessment.

The second section will concern the measurement of the social impact produced by nonprofits. The concept of impact value chain will be illustrated, by explaining the different elements constituting it. Afterwards, an overview of some of the methods most commonly used for evaluating social impact will be presented. The section will conclude with a description of some of the barriers and challenges experienced by nonprofits when performing SIE.

The third section will focus on the Italian scenario, and in particular on the significance acquired by the social impact assessment of third sector entities in the national regulation. Moving from an overview of the rules addressing social impact evaluation from past to present, the section will then discuss in detail the contents of the specific guidelines for conducting the SIE of third sector entities.

Finally, the last section will be dedicated to delineating, from a theoretical point of view, two concepts fundamental for the comprehension of the empirical part of the paper: one being the importance of stakeholders' identification and salience, the other being the materiality principle.

The aim of the second chapter is therefore to provide the theoretical basis for the development of the empirical analysis conducted, which is presented in the next chapter. This is done by introducing the context (first three sections) and the theoretical frame (last section) behind it.

¹³ For the purpose of this paper, the terms "social impact evaluation" and "social impact assessment" will be used in an interchangeable way. They will be referred to also through their respective abbreviations "SIE" and "SIA".

2.1 – Defining Social Impact Evaluation

Over the last years, the concept of social impact has been spreading throughout different fields, gaining relevance both in for-profit and non-profit contexts, and extending from a regional to an international setting. In particular, social impact assessment has become relevant in relation to the growing pressure on nonprofits to demonstrate their performance and their efficacy in responding to social needs. This pressure is led by the requests of different stakeholders: for the most part donors, followed by governments and citizens (Ricciuti & Calò, 2018; Polonksy et al., 2016). Therefore, SIA serves as a tool for evaluating the performance of an organization and addressing the accountability requirement by giving this information to the interested stakeholders. This tool is even more significant in the case the NPO is a foundation: because of their status, foundations face a special demand for being accountable, since they directly respond to their trustees, while producing outcomes that affect the whole community (Ricciuti & Calò, 2018). The following paragraph will try to clarify what is social impact evaluation by discussing its origins, evolution and definition.

2.1.1 – Origins and Definition

In origin, the concept of social impact assessment was narrow in scope. It was considered either a part of the EIA (environmental impact assessment), as the method for anticipating social impact, or an independent process, in relation to national prescription. Accordingly, SIA potentially first emerged in the 1970s in conjunction with EIA, responding to the requirements deriving from the US National Environmental Policy Act of 1969 (Esteves et al., 2012). Due to this, SIA represented a sort of emulation of EIA.

Over time, SIA detached from the environmental assessment, acquiring its own meaning, as a consequence of the increasing awareness that SIA is about managing social issues, which do not coincide with biophysical issues. An essential difference between the two practices is that while the traditional approach is about identifying and *mitigating negative impacts*, the focus of SIA is to *enhance the benefits* originating from projects and impacting communities, which is fundamental in order for a project to be socially legitimated to operate (Vanclay et al., 2015).

The development of social impact evaluation was characterized by the publishing of two significant documents, aimed at formulating SIA's latest developments and best practices. The first document dates back to 1994 and consisted in the *Guidelines and Principles for social impact assessment*. The paper was prepared by the Interorganizational Committee on Guidelines and Principles for social impact assessment, a group of US organizations studying

how to assess social impact. These guidelines, even though based on US regulations, were fundamental in setting a general understanding of SIA, which could guide also other jurisdictions (Esteves et al., 2012). The need to develop principles with an international validity led to the establishment of two dedicated committees in 1997, in occasion of the International Association for Impact Assessment (IAIA) conference in New Orleans. The final result consisted in the *International Principles for Social Impact Assessment*, released in 2003 (Vanclay, 2003a).

Nowadays, SIA has its own relevance in both research and practice. Numerous are the scholars and professionals interested in this field and collecting knowledge and insights on theory and practical tools for impact evaluation. Their values and shared understanding of SIA are contained in the related literature and in the aforementioned International Principles for Social Impact Assessment. Also, the International Association for Impact Assessment represents a professional community for SIA researchers and practitioners. Furthermore, SIA can be thought of as a methodology or framework to be used in different contexts. For example, to help the development of communities, to elaborate efficient policies or projects, to support regulation and approval of projects. In this sense, SIA is to be considered a multidisciplinary social science which comprises many fields (Esteves et al., 2012).

After having outlined the origins of SIA and its evolution over time, it is fundamental to provide its *definition*, as presented in the International Principles for SIA (Vanclay, 2003b, p.6): “Social Impact Assessment includes the processes of analyzing, monitoring and managing the intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change processes invoked by those interventions. Its primary purpose is to bring about a more sustainable and equitable biophysical and human environment”. At the core of this definition there is the understanding that social impact assessment concerns the evaluation of any impact affecting humans, and the mechanisms by which individuals interact within their social, biophysical and economic environment (Vanclay, 2003b). As Wolf affirms (1982), SIA “is about people impacts” (p.9) deriving from programs, projects or policies, and inevitably every impact has a social dimension. Therefore, the intrinsic motivation for applying SIA is to address social issues, posing attention to their causes and consequences (Wolf, 1982).

The next step required in order to have a complete overview of the topic is to define what it is meant by *social impact*, since it is SIA’s primary concern. An important aspect to bear in mind is that social impacts cover a broader range in respect to the issues addressed in environmental impact assessment, such as employment or demographic matters. The International Principles for social impact assessment hold that everything affecting individuals, in a direct or indirect

way, should be considered social impact (Vanclay, 2003b). In particular, a social impact is what is felt perceptually or physically by a person, a family, a social group or a community: as long as it is something concerning a stakeholder group, anything can be defined as social impact, therefore it should be addressed by SIA (Vanclay et al., 2015). If foundations are specifically taken into consideration, then social impact is the contribution to attain the foundation's mission, or the social values at its basis (Ricciuti & Calò, 2018).

A comprehensive understanding of social impact is obtained by regarding it as a *change*, to one of the following aspects (Vanclay, 2003b):

- People's way of living;
- People's culture: beliefs, values, language;
- People's community;
- People's political system: level of participation to decisions and democratization;
- People's environment: its quality, food availability, level of risk and noise, safety, access to resources;
- People's health: physical, social, psychological;
- People's rights: personal and related to property;
- People's fears and ambitions for the future.

2.1.2 – Values, Principles and Guidelines

The International Principles for Social Impact Assessment delineate the core values inspiring the SIA community, and the principles and guidelines to be followed in practice, with the aim of providing a basis for the development of sector-specific and national-specific guidelines.

There is a clear distinction between values, principles and guidelines, since the latter derive from principles, which in turn derive from values, suggesting there is a specific order in their development (Vanclay, 2003a).

The three concepts are defined as follows (Vanclay, 2003b):

- *Core Values* can be described as statements on beliefs that are fundamental, enduring and firmly held. They are referred to as “is-statements”;
- *Principles* are macro statements indicating a general understanding or guide about the course of action that should be followed. They are referred to as “ought-statements”;
- *Guidelines* are statements that provide specific instructions for planning a certain course of action: they indicate what to do and how to do it. They are referred to as “action-statements”.

The following tables summarize the core values of SIA and the fundamental principles for development, as described by the International Principles for social impact assessment document (Vanclay, 2003b):

Core Values of SIA	
1	There are basic human rights which are equal across cultures and gender
2	There is the right to protect these human rights by means of law, in a way which is equal and fair to all
3	Individuals have the right to live in circumstances that promote health and quality of life, and that encourage the development of individuals' potential
4	The environment's social dimensions are relevant for the health and quality of life of individuals
5	Individuals have the right of participating to decisions related to planned actions which affect them
6	Knowledge and experience can help improving planned actions

Table 4: Core values of SIA. Personal elaboration.

Fundamental Principles for Development	
1	All actions should be done in respect of human rights
2	Equity, democratization, and the consideration of impact on disadvantaged people should be a central concern in assessment
3	Diversity among cultures and among stakeholder interests should be identified and valued
4	Decision making needs to be impartial and transparent, and decision makers should be responsible for their decisions
5	Projects must take into consideration the communities that are impacted by these projects
6	Decisions about planned actions should not be based solely on the judgment of experts
7	Development should focus primarily on positive outcomes
8	The expression 'environment' should include the social dimension

Table 5: Fundamental Principles for Development. Personal elaboration.

As to the *Guidelines*, since they represent specific action-statements, they are dependent on the context and the audience they are targeting. Therefore, guidelines are elaborated jointly with

the interested parties, in a way they are felt as an option rather than an imposition. The potential interested parties are (Vanclay, 2003b):

- Practitioners
- Regulatory agencies
- Policy and program developers
- NGOs and impacted people
- Developers (proponents)
- Development agencies (aid organizations)

2.2 – Measuring the Social Impact

All organizations produce an “added value”, which might have an economic, social, environmental relevance, or a combination of the three. The impact produced by nonprofit organizations in particular assumes a certain importance, since it goes beyond the mere economic sphere, by driving a social change on the impacted community. Therefore, being able to measure the value generated by an NPO is fundamental, and it implies the possibility of increasing the efficacy of operations by allocating resources on those activities producing higher impact (Zamagni et al., 2015).

Nonprofit organizations are agents of change, since they have the ability of producing minor short-term changes which eventually build up leading to a major change in the long term: the *impact*. Therefore, social change consists in a transformation of systems (of thoughts, of relations, of social structures) which occurs over time.

Social impact is generated in relation to the fact it involves people. The different groups of stakeholders should be in the position of recognizing and validating the impact produced by the organization’s actions. Consequently, understanding stakeholders’ needs is the key for defining organizational objectives and for being consistent with them (ibidem).

In order to better understand how organizations produce an impact, the concept of *impact value chain* will be introduced and delineated in the following paragraph.

2.2.1 – The Impact Value Chain

The impact value chain is a framework that represents the various steps involved in the creation of an organizational impact. Specifically, the elements necessary for the production of a long-term change (impact) are, in sequence: inputs, activities, outputs and outcomes. The figure below provides a graphical representation of the impact value chain:

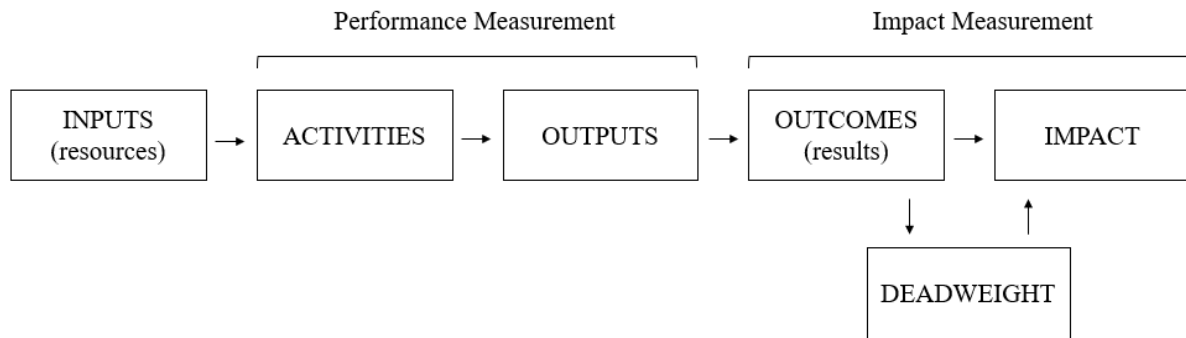


Figure 4: The Impact Value Chain. Personal elaboration based on Zamagni et al. (2015)

Inputs are those resources (such as money, people skills, competencies and time, fixed assets) that are necessary in order to carry out *activities*, which achieve a final result through the utilization of resources.

Outputs are the products and services deriving from an intervention. In other words, they represent the direct consequences of the activities performed by the organization. In this sense, they constitute short-term results which can be controlled by the organization itself at the time they occur. The aim of output indicators is therefore to measure the quantity and quality of the outputs, but also the efficiency (not the efficacy) of the organization's interventions, programs or projects (Zamagni et al., 2015).

Outcomes refer to those effects (meaning changes that are social, behavioral or institutional) that are achieved in the medium to long term (up to 10 years) and deriving from the outputs of an intervention. Their indicators evaluate intermediate results, verifying the occurrence of the predicted positive changes. Differently from outputs, these results are beyond the organizational control, since they are affected by external elements that should be taken into account when building the outcome indicators. Examples of external factors are the beneficiaries' economic and social status, or cultural influences. It follows that indicators might differ depending on whether they are built at a community level, organizational level or program level (ibidem).

Impact is a more complex concept. It can be described as the sustainable change occurring in the long term, which can be either positive or negative. This change is reflected in the life of individuals or in the environment's conditions which are impacted by the intervention and by other exogenous factors. The concept of impact takes also into account the so-called *deadweight*, which is what would have occurred in absence of the interventions. Hence, impact indicators calculate the quantity and quality of long-term effects of an action or program, also considering the influence of external variables (ibidem).

The following *example* clarifies the functioning of the impact value chain in a practical case. The intervention might be the realization of a language course for foreign people. The inputs will be the resources (such as money and the competencies of a professor) which are necessary in order to realize the intervention. The activities consist in teaching and the related tasks which make the course viable. The outputs are the number of individuals signing up for the course. The outcome is the number of people actually attending the course and subsequently showing an improvement in the use of language. The impact is the positive effect occurring in the community where the individuals who took part in the course work or live.

2.2.2 – Methods for Evaluating Social Impact

In literature, it does not exist a generally agreed definition of the notion of impact or social value. Depending on the context or sector being analyzed, it might assume a different meaning. Because of this, the approaches employed for evaluating social impact might be extremely subjective, with organizations using a high level of discretion in selecting the indicators best matching their necessity (Ricciuti & Calò, 2018). As for nonprofit organizations specifically, there is no consensus on which tools should be used in evaluating their performance, but there is a broad list of the various methods available. When focusing on foundations, there is uncertainty on whether their impact assessment should be based on quantitative indicators or on qualitative ones (ibidem).

This ambiguity is intensified by the plurality of objectives pursued when deciding to observe the social impact produced by an organization: the decision might be driven by an accountability need to external parties, or by the will of better management of internal activities. In addition to this, plurality is also referred to the high number of stakeholders that are interested in learning about impact measurement, which makes it harder for the organization to adopt a standard tool (Zamagni et al., 2015).

In light of these considerations, the following part has the purpose of presenting some of the methods most commonly used for measuring the social impact of organizations. These are distinguished based on their measurement level, which indicates whether they measure singularly outputs, outcomes and impacts or they are able to measure them in combination (ibidem). In the presented table (Table 6), “OP” stands for output, “OC” stands for outcome and “I” stands for impact:

Method of Evaluation	Description	Measurement level
Cost-Benefit Analysis (CBA)	The tool measures the present value of the social benefits generated, net of costs. It includes potential positive or negative externalities. It is used for assessing the impact of public projects of social relevance.	OP + OC + I
Social Return on Investment (SROI)	It calculates the costs, benefits and the negative consequences deriving from an intervention in monetary terms, reporting the project's effects. It is widely used and promoted, and it helps decision making processes, but it has been criticized for attributing economic lenses to social outcomes (Ricciuti & Calò, 2018).	OP + OC
Balanced Scorecard	The tool, which derives from the for-profit sector, bases the performance measurement of an organization on 5 criteria: finances, clients, processes, growth, social impact. It's a complete and flexible instrument.	OP + OC + I
Social Impact Assessment (SIA)	The method is based on SROI guidelines and limits the analysis to 3 main outcomes. The evaluation involves: 1. Identifying the social impact value proposition; 2. Identifying the 3 indicators used to monitor the 3 chosen outcomes; 3. Identifying the social value the organization plans on generating over the next 10 years, in monetary terms.	OP + OC + I
Randomized Controlled Trials (RCT)	The tool identifies the impact deriving from an intervention, net of what would have occurred even without the intervention. It is based on the comparison between two groups of individuals randomly selected: one group experiences the intervention, while the other group does not.	OC + I

Table 6: Methods for evaluating social impact. Personal elaboration based on Zamagni et al. (2015).

2.2.3 – Barriers and Challenges to Evaluation

The first issue emerging when considering social impact evaluation performed by nonprofits was anticipated earlier in this paper, and it is related to the absence of a clear definition of social impact. This gives room for NPOs to hide certain information or to control its content in a way which is most beneficial for them. Another issue is linked to the pressure felt by nonprofits in performing rigorous impact evaluation by external stakeholders: evaluation as a “control” is a source of discomfort and anxiety for the organization being controlled, since it limits its autonomy. This is experienced even internally in the organization, because of the contrasting priorities measurements present to the internal staff (Arvidson & Lyon, 2014).

Other barriers to evaluation are recognized in the high costs involved with certain evaluation methods (such as SROI and RCT), the time commitment required, the lack of expertise and skills, data unavailability, the identification of benchmarks and the absence of a guiding framework. Furthermore, the emphasis on quantitative results might diminish the relevance of NPOs’ social values and mission. Finally, the use of short-term financial metrics may present difficulties in linking them to the long-term nature of NPO’s activities (Polonsky et al., 2016; Ricciuti & Calò, 2018).

2.3 – An Italian Focus

As anticipated earlier in this paper when discussing sustainability reporting, the Italian scenario is characterized by an increasing attention for issues concerning the third sector, which has translated in an expansion of the regulation governing this sector. The Third Sector Reform of 2016 brought awareness to the importance of moving toward the identification of rules enabling a certain formalization of social reporting activity, at a level equal to that of economic reporting (Randazzo et al., 2019).

This is reflected in particular in the introduction of the guidelines regulating social reporting of third sector entities and of those regulating their social impact assessment. While the former were deeply discussed in the previous chapter of this paper, the latter will be the focus of this chapter.

Social impact assessment (in Italian “Valutazione di Impatto Sociale” or VIS) of Italian third sector entities has gained its own significance in the national regulation, to the point that the legislator has issued a precise definition of the concept of “Valutazione di Impatto Sociale”, and it has demanded the preparation of specific guidelines concerning the social impact assessment of nonprofits.

The resulting product is the Ministerial Decree 23 July 2019 (“Guidelines for the realization of systems for the assessment of the social impact of the activities conducted by third sector entities”), which delineates the guidelines for implementing the social impact evaluation of third sector entities activities. The following paragraphs will firstly provide an overview of the relevance of social impact assessment in the Italian regulation and its definition, and then will dive into the contents covered by the Ministerial Decree.

2.3.1 – Regulatory Overview

In the past, prior to the issue of the Decree 23 July 2019, the concept of evaluation was already present in the Italian regulation, even though a clear definition of social impact evaluation was lacking.

The first reference is the Law 8 November 2000, n. 238 (*“Law for the implementation of the integrated system of social interventions and services”*), which draws attention to evaluation processes several times, by referring to the adoption of a method for planning interventions, resources and for verifying the effectiveness of the services (see Art. 3). Also, it alludes to the monitoring and evaluation of interventions’ costs and results (see Art. 20).

Another step toward a definition of social impact evaluation is represented by the document attached to the Ministerial Decree 24 January 2008 (*“Adoption of the guidelines for the preparation of the social report by the organizations that perform the social enterprise”*), which considers the quantitative and qualitative evaluation of the achieved results and of the impact generated by the realized interventions on the social context of interest.

The last step coincides with the Law 6 June 2016, n. 106 (*“Delegation to the Government for the reform of the Third Sector, of the social enterprise and for the regulation of the universal civil service”*) which for the first time provides an accurate definition of the notion of social impact evaluation in the context of third sector entities. This *definition* can be found at Art. 7, which specifies that “by social impact assessment is meant the qualitative and quantitative assessment, in the short, medium and long term, of the effects of the activities carried out on the community of reference with respect to the identified objective”¹⁴.

It is important to note that this definition includes both qualitative and quantitative factors in measuring the social impact. Also, it gives relevance to the short term consequences of the activities, but also to the medium and long term effects, which constitute the changes generated in the community.

¹⁴ Law 6 June 2016, n. 106

In this sense, the social impact evaluation is an instrument for third sector entities to communicate the creation of social and economic value to their stakeholders, thus meeting their expectations and at the same time increasing the interest of external donors in funding the organization.

2.3.2 – Ministerial Decree 23 July 2019

The Decree 23 July 2019, in compliance with Law 106/2016, specifies the guidelines for conducting the social impact evaluation of third sector entities. Firstly, it clarifies that public administrations might request third sector entities to perform SIE for: medium to long term interventions (minimum 18 months), with an economic value exceeding 1 million euro, developed in interregional, national or international context. The Decree also identifies the *recipients* of the SIE process, meaning those categories of stakeholders interested in understating the impact generated by the organization. These subjects are: actual or potential funders and donors; the beneficiaries of the intervention, together with the local community, workers, users; the organization's employees, collaborators, partners and volunteers; the citizens; and the public subjects. Finally, the Decree describes the *elements* characterizing the process of social impact measurement, with an important specification: third sector entities have a high degree of autonomy in the selection of the approach to use for evaluating their impact, which might differ based on the entity's nature, dimension, and legal form. Nevertheless, some minimum requirements should be respected:

- The SIE process should be inspired by the following *principles*: intentionality, relevance, reliability, measurability, comparability, transparency and communication.
- The *purpose* of a SIE process is to highlight and communicate: the social added value deriving from the intervention; the generated social changes; the sustainability of the social action. Therefore, the entities performing SIE should collect both quantitative and qualitative data and make use of both monetary and non-monetary indicators.
- The *elements* the analysis should make explicit are: the process of stakeholders participation in defining the relevant dimensions of the impact evaluation; activities; services; projects; inputs; outputs; outcomes.
- The *steps* constituting the process of social impact measurement are five:
 1. Analysis of the context and the needs, through stakeholders participation;
 2. Planning of the impact objectives;
 3. Analysis of the activities, and selection of the measurement's methodology, tool and timing based on the intervention's objectives and features;

4. Evaluation, understood as conferring meaning to the results obtained through the measurement process;
5. Communicating the results of the evaluation. These will be the basis for the definition of new strategies and objectives for the future.

2.4 – Theoretical Frame for the Empirical Analysis

The previous paragraphs have discussed the existence of different methods for the evaluation of the social impact of an organization (see Zamagni et al., 2015). In particular, the nonprofit sector is characterized by the absence of a single standard framework of SIE, with a consequent wide discretion in the choice of the metrics and indicators to use (see Ricciuti & Calò, 2018; Arvidson & Lyon, 2014). In Italy, the measurement of SIE for third sector entities is quite a new concept, with the definition of SIE being introduced by the Third Sector Reform in 2016 (see Law 106/2016). Moreover, as highlighted when discussing the Decree 23 July 2019, the approach selected in the measurement of SIE varies depending on the dimension and nature of the entity. Thus, there is not a unique way to perform SIE, and a lot of experience and knowledge has still to be gained in this field. Given this premise, the next chapter will present the approach to SIE that *this* paper has adopted for assessing the social impact of an Italian Foundation. Thus, the aim of this paragraph is to delineate, from a theoretical point of view, two concepts which constitute the basis for the development of the empirical research, and thus are fundamental for the comprehension of the analysis conducted. One is the importance of *stakeholders'* identification and salience; the other is the notion of *materiality*. Both are addressed below.

2.4.1 – Stakeholder's Salience

As discussed in the previous chapter, stakeholders hold an essential role in an organization, and for the latter it is fundamental to take into account its relationship with the different categories of stakeholders. This represents a central issue especially in nonprofit organizations, considering their higher accountability requirements.

Recalling one more time Freeman's definition, a stakeholder "is any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984, p.46). Accordingly, stakeholders are those individuals that influence and are influenced by an organization, or in different words, that *impact* and *are impacted* by it. Therefore, they represent those parties directly affected by the *social impact* produced by an organization. Because of

this, in a Social Impact Evaluation process it becomes essential to analyze their relationship with the organization performing the SIE.

This means recognizing and mapping them, but also making sure to engage them in the SIE process. Mapping the stakeholders consists in identifying them: this can be done by distinguishing them in primary and secondary stakeholders (Clarkson, 1995), and by assessing their relevance (Mitchell et al., 1997). Engaging stakeholders is a consequence of their identification and consists in taking their views and expectations into account, through participation in the reporting process. This is at the base of the *stakeholder inclusiveness* principle required by the GRI (GRI, 2016). The following part will better explain these concepts.

According to Clarkson (1995, p.106), a primary stakeholder “is one without whose continuing participation the corporation cannot survive as a going concern”. Thus, the organization is highly dependent on them. Secondary stakeholders are instead those that are not fundamental for the survival of the organization, and they do not engage in any transaction with the latter. The organization’s continuation does not depend on them (Clarkson, 1995). This distinction is useful to understand the division between internal and external stakeholders, which is slightly different, and will be the one adopted for the purpose of the paper. *Internal stakeholders* are those without which the organization cannot exist (and therefore they are primary stakeholders), but holding formal roles within the organization, and they are generally related to it through a contract. Some examples are employees, shareholders, and managers of an organization. *External stakeholders* are not a constituent part of an organization, meaning they do not work within it. Nevertheless, they can still be essential for the organization’s survival. Some examples are clients, suppliers, and institutions.

In addition to distinguishing stakeholders between internal and external ones, another important step is to identify them in order of priority, since not all subjects have the same level of relevance for the organization. To do so, Mitchell et al. (1997) elaborated the *stakeholder salience model*, which categorizes stakeholders based on their ownership of one or more of three features: power, legitimacy and urgency. *Power* can be distinguished based on the resources employed to exercise it: coercive, if based on restraint or violence; utilitarian, if based on financial and material resources; normative, if based on symbols such as prestige. Therefore, power is the extent to which a stakeholder can access these resources to impose its desires in a relationship (Mitchell et al., 1997). *Legitimacy* is the perception that an entity’s actions are “desirable, proper, or appropriate” according to the normative and social system (Mitchell et al., 1997, p.866). *Urgency* depends on the time sensitivity and criticality of a stakeholder’s relationship or claim. The former consisting in the degree to which a party accepts a delay in

the addressing of its claim, the second being the relevance of the claim according to the party. Therefore, urgency is “the degree to which stakeholder claims call for immediate attention” (p.867).

The theory highlights that these attributes can change over time, that they depend on perceptions and therefore are not objective, and that a party might not be conscious of owning them. These conditions support the dynamism of the theory. Furthermore, the level of salience of a stakeholder is ultimately determined by management’s perception of the three attributes: the parties perceived as being more salient will gain more attention.

Central to the theory is the proposition that the salience of a stakeholder depends positively on the number of attributes owned. The parties with no attributes are not salient, hence they are not stakeholders. The parties with one or more attributes are categorized in three classes of stakeholders:

1. Those possessing only one attribute: low salient or “latent stakeholders”.
2. Those possessing two attributes: moderately salient or “expectant stakeholders”.
3. Those possessing all three attributes: highly salient or “definitive stakeholders”

Based on the type of attributes involved, the first two classes can be further distinguished in three more categories, for a total of seven classes. The figure below clarifies the different *stakeholder typologies* identified by the theory:

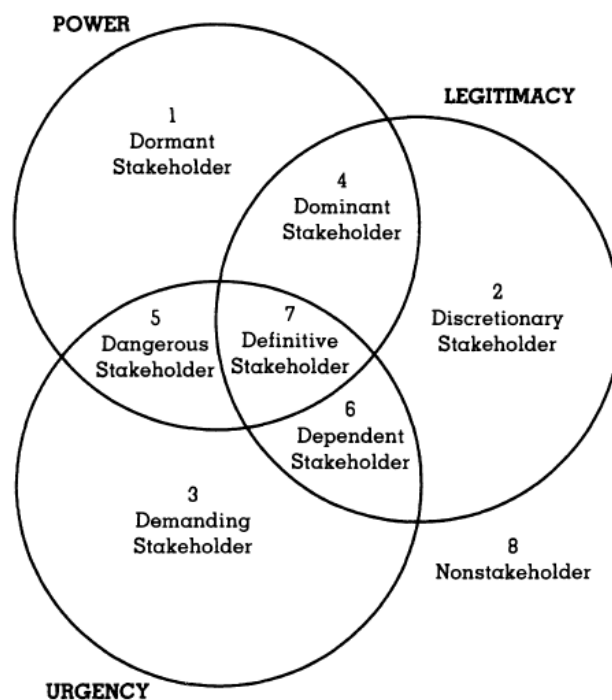


Figure 5: Stakeholder Typologies. Source: Mitchell et al. (1997)

2.4.2 – Materiality

In a SIE process, not only it is fundamental to assess stakeholders' relationships, but also to determine which are those *focus areas* that are impacted by an organization's action, and that affect stakeholders' judgment. This idea is at the base of the 'Materiality Principle', which constitutes one of the four GRI reporting principles for defining report content, that were discussed in paragraph 1.3.

The origins of materiality's concept arise from financial reporting, where materiality means ensuring to filter only information providing a correct representation of the organization's financial conditions. Recently, the concept acquired a meaning also in sustainability reporting, where it guarantees information is selected to reflect those topics that are material to an organization (Calabrese et al., 2019). Therefore, according to the principle, it is important to determine which topics are essential to be reported, and since not all material topics have the same relevance, the analysis should reflect their priority. *Materiality analysis* is therefore the process for identifying and prioritizing topics that should be included in the report (ibidem). The topics that are considered *material* are those that: 1. "reflect the reporting organization's significant economic, environmental, and social impacts"; or 2. "substantively influence the assessments and decisions of stakeholders." (GRI, 2016, p.10). It is then clear that a topic can be assessed as material based on *two different dimensions*: an internal one, that is the organization's perspective, or an external one, which represents the stakeholders' perspective. In order to comply with the principle, material topics should be identified accordingly to these two dimensions (GRI, 2016). It follows that both the organization and its stakeholders are essential to identify an organization's risks and opportunities related to sustainability issues. In this way, an organization can better address stakeholders' needs and improve its accountability towards them. Indeed, stakeholders' involvement helps achieve an objective representation of the organization's performance (Calabrese et al., 2019). This is in line with the GRI stakeholder inclusiveness principle mentioned above.

The tool proposed by the GRI guidelines (2016) for performing the materiality analysis is the so called "*materiality matrix*". This matrix has the purpose of ordering sustainability topics according to their relevance to the organization and their relevance to stakeholders. The resulting priorities should find confirmation in the reporting process: the higher the topic's priority, the higher will be its coverage in the sustainability report.

The figure below (Figure 6) provides an *example* of materiality matrix, in which the horizontal axis is the level of relevance of each topic according to the organization, while the vertical axis is the level of relevance of each topic according to the stakeholders. The topics that should be

prioritized are the ones with a high level of relevance in both dimensions (upper-right area of the matrix). These are followed by medium priority topics, corresponding to those with high relevance in only one of the two dimensions, or medium relevance in both dimensions (central area of the matrix). The low priority topics will be those with low relevance in both dimensions (lower-left area of the matrix).

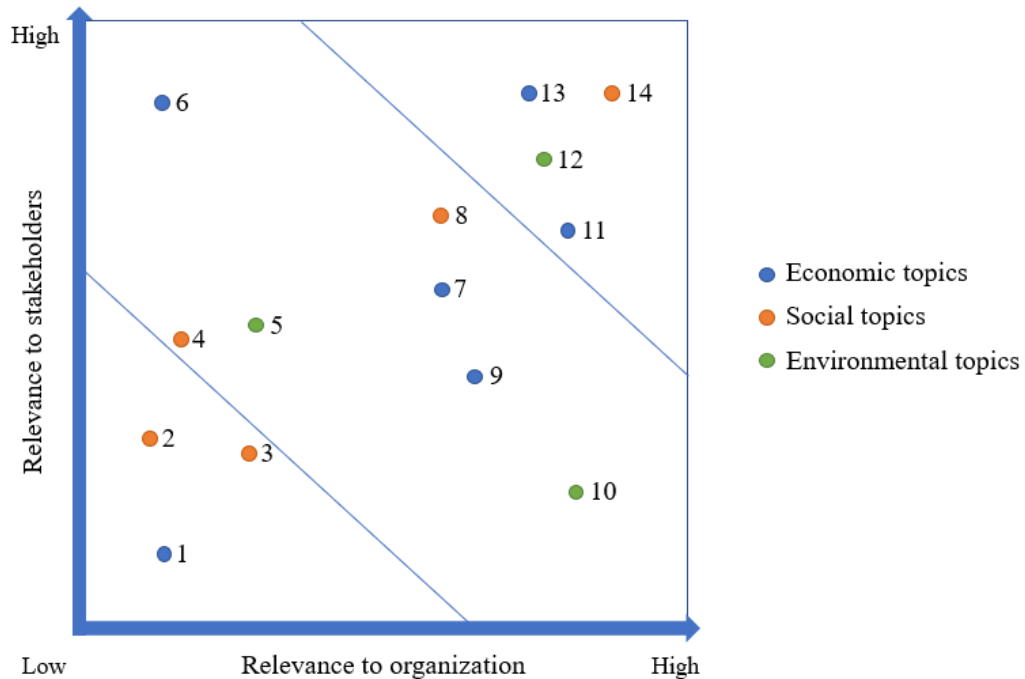


Figure 6: Example of Materiality Matrix. Personal elaboration.

2.5 – Conclusions

The growing pressure on nonprofits to demonstrate their performance and efficacy has conferred a particular relevance to the practice of social impact evaluation, as a tool that helps nonprofits in addressing this need. The measurement of social impact is then fundamental for grasping the social value produced by nonprofits, and for identifying the long term change they generate through their actions.

Various frameworks and methods for social impact evaluation have been elaborated, such as the impact value chain or the SROI. Nevertheless, the absence of a unique standard definition of social impact reduces the power, validity and comparability of such methods, while increasing the difficulties in choosing the right metrics to be used.

The Italian introduction of specific rules guiding the measurement process of nonprofits' SIE constitutes a reference point supporting third sector entities in the SIE calculation, but it does not specify which approaches or indicators they should use.

This aspect, together with the recent adoption of the guidelines, makes SIE quite a new field for nonprofits, in which a lot of experience and knowledge has still to be gained. At the same time, it also suggests the need for the creation of sector-specific shared approaches to impact measurement.

This paper contributes to the building of such experience and knowledge by addressing a single case study, which consists in the social impact assessment of an Italian third sector entity, namely a Foundation. In this way, it proposes a specific approach to the calculation of social impact.

This chapter has provided the theoretical basis for the development and understanding of the empirical analysis conducted. This, together with the related research questions, will be presented in the next chapter.

CHAPTER 3: EMPIRICAL ANALYSIS

The first two chapters were fundamental in providing a theoretical basis for the conduction of the empirical analysis. Specifically, the first chapter offered an overview of sustainability reporting and nonprofit accountability. The second chapter focused on the practice of Social Impact Assessment, and introduced the conceptual frame guiding the analysis. This chapter is dedicated to the description of the empirical analysis elaborated, from its planning to its implications.

The first paragraph will introduce the case study addressed by the analysis, by describing Fondazione Patavium Anffas Onlus's history, its purpose and objectives, and the activities it carries out.

The following paragraph will firstly consider the areas of uncertainty and the gap in knowledge in relation to the addressed topic, and it will then explain in which ways the study will contribute to filling this gap. It will conclude with the statement of the general goal of the research and the formulation of the three investigated research questions.

The third paragraph will concern the methodology followed for conducting the analysis, by describing its various steps. First, the project planning phase and the construction of the research team will be presented. The following part will address the research design of the study. The chosen data collection method, consisting in the survey, will be illustrated. After that, the study population and the logic followed for its identification will be specified. Lastly, the structure of the questionnaire will be described. The conclusive part of the paragraph will deal separately with each section of the questionnaire, explaining their objectives and the related analysis performed.

The fourth paragraph will expose the results derived from the analysis. Firstly, it will provide an overview of the main sections of the social report elaborated for the foundation. Then, it will focus on the questionnaire outcomes. The sample composition will be described, followed by a thorough analysis of the results of each section of the survey, with some preliminary conclusions.

The fifth paragraph will interpret the results previously presented, by discussing the main findings and their implications, thus providing an answer to the research questions.

The chapter will conclude with a final paragraph addressing the limitations of the analysis, which will constitute the basis for the identification of recommendations for future research, described in the conclusion of the paper.

3.1 – Fondazione Patavium Anffas Onlus

The aim of this paragraph is to introduce the case study which was addressed in the conduction of the empirical research. As anticipated, the analysis consists in the measurement of the social impact generated by an Italian nonprofit organization: Fondazione Patavium Anffas Onlus, which for the sake of simplicity will be also referred to as “Fondazione Patavium” or “foundation”.

This foundation is appropriate for the research’s purpose as it fulfills two essential requirements. First of all, it falls within the definition of ‘third sector entity’ according to the Italian legislation: as discussed in paragraph 1.4, the Legislative Decree 117/2017 clarifies which entities belong to the Third Sector, including among the others the foundations¹⁵. Secondly, according to Art. 14 of the same Decree, the foundation is required to prepare the social report in compliance with the specific national guidelines, since it generated a value exceeding 1 million euros in the year 2020. Therefore, Fondazione Patavium has decided to undertake a process for the development of its first edition of social reporting and of the related social impact assessment, thus becoming a suitable case for the analysis of SIE in the nonprofit sector. Given this premise, the foundation will now be presented.

Fondazione Patavium Anffas Onlus is an Italian foundation actively operating in the Veneto region, and in particular in the province of Padua (north-east of Italy), where its registered office and its operating structures are located. The *purpose* of the foundation lies in the promotion and support of interventions aimed at facilitating the development and the social inclusion of people with intellectual and/or relational disabilities. Hence, the core of its mission is to ensure that the right for disadvantaged individuals to live autonomously and to realize their potential is always respected. The *objectives* of the foundation are in line with its purpose, and consist in: enhancing the quality of life for people with disabilities through personalized interventions; supporting their families; promoting the recognition and respect of people with disabilities in the community.

As to its history, Fondazione Patavium was established in 2008 by the will of Associazione Anffas Onlus Padova, hence it is part of the Anffas national network, which stands for: “National Association of Families of People with Intellectual and Relational Disabilities”. Its birth originated from the need of the association Anffas Onlus Padova to separate the activities related to the promotion of disabilities from those related to the management of the social and health services, in order to improve the coordination of internal resources and to guarantee a

¹⁵ Art. 4 of Legislative Decree 3 July 2017, n. 117

better organization. At present, association and foundation work in collaboration for initiatives of common interest, but constitute two distinct identities. While the former protects, listens, and represents people with disabilities and their families, raising awareness on disability in the territory, the foundation is in charge of providing the fundamental services for supporting the daily lives of these individuals.

Therefore, the statutory aims of the foundation find confirmation in the realization of educational, assistance and rehabilitative *activities* which are carried out in specific structures differentiated based on the users' age and needs. Fondazione Patavium offers two main services: day centers and housing communities. The day services host therapeutic, educational and recreational activities, which are aimed at adolescents and adults with various autonomy profiles. The foundation manages five of these centers, hosting about 120 users. The residential services promote interventions dealing with personal, social, and domestic autonomy as well as behavior and relations, and are aimed at people with disabilities who either have no parents, or whose parents are aged or in difficulty in responding to their needs. The foundation manages three housing communities, hosting 23 users. Through the conduction of these activities, it employs more than 90 people¹⁶.

3.2 – Literature Gaps and Research Questions

This paragraph aims at explaining in which ways the empirical research conducted adds value to the existing knowledge and evidence regarding social impact assessment in nonprofits. Moving from the consideration of the current debate in relation to the topic, the areas of uncertainty, and the gaps in knowledge, the paragraph will then state which are the objectives of the empirical analysis and how this contributes to increasing the actual know-how on nonprofits SIE, by investigating three specific research questions.

The first aspect to take into consideration is the already discussed increasing pressure, for organizations, of *being accountable* toward their external stakeholders. This is especially true for NPOs, which are subject to a higher accountability need, since they respond to multiple actors and for different expectations due to their specificity (see Ebrahim, 2016). This accountability need translates not only in the request for drafting a social report, but also in the growing demand on NPOs to demonstrate their social impact and to measure their performance in quantitative terms (Arvidson & Lyon, 2014; Polonsky et al., 2016). In particular, NPOs are

¹⁶ The presented data refer to the date 31/12/2020. Information on the history, purpose and activity of the foundation was retrieved from its Statute and Service Charter, which are not available online in their latest version.

asked to show their efficacy in responding to social needs, through the practice of social impact assessment. And this is more significant in the case of foundations, since they respond to their trustees directly, yet producing an impact that affects the whole community (Ricciuti & Calò, 2018).

While there is a high demand for performing social impact measurement, there is a lot of *uncertainty* on how to perform it, which is the second relevant aspect. Chapter 2 discussed the absence of a standard definition of social impact, which leads to a high level of subjectivity in performing SIE and to the lack of consensus on which tools should be used. Especially foundations are uncertain on whether they should perform a qualitative or quantitative assessment (*ibidem*). The direct consequence of this is the existence of many different methods for SIE (see Zamagni et al., 2015), which reduces their validity and comparability and increases the difficulties in measuring the social impact.

Furthermore, to this date, *little empirical research* has been conducted to explore which approaches to social impact are specifically adopted by foundations. As pointed out by Ricciuti & Calò (2018), some research has taken place in Germany, Spain and in the UK, but they were not focused on foundations. This enlarges the uncertainty and the knowledge gap around the issue.

With reference to the *Italian context*, which constitutes the focus of the paper, social impact evaluation has gained primary importance in the national regulations, through the issue of specific guidelines for the implementation of SIA for nonprofits (see Ministerial Decree 23 July 2019). Nevertheless, these guidelines confer third sector entities a great autonomy in selecting the approach for measuring their impact, without specifying the most appropriate indicators to use. In addition, the recent issue of the Ministerial Decree makes SIE a new field that is still to be explored and for which, at present, there are few examples on how to perform SIA practically. Most of the analyzed nonprofit organizations with similar size and nature as Fondazione Patavium do not perform SIE, or they limit it to materiality assessment and satisfaction questionnaires.

Two further aspects should be considered when analyzing the Italian situation. The first one is the increasing importance of foundations in the national territory: their number has been growing by more than 154% from 2001 to 2011 (see Ricciuti & Calò, 2018), and by 1,9% from 2018 to 2019 (Istat, 2021). Moreover, Italy is characterized by two important realities for foundations: one is *Acri*, an association representing banking-origin foundations and composed

by 107 members¹⁷; the other is *Assifero*, an association connecting 124 members including private foundations and other philanthropic entities¹⁸.

The second aspect is the existence of various organizations operating for the protection of people with disabilities in Italy, where individuals suffering from severe limitations constitute 5,2% of the population (Istat, 2019). It is therefore important to provide a point of reference on how to perform SIE for those nonprofits operating in a context which is based on services and relations with people.

Taking all of the aforementioned aspects into consideration, this paper *contributes* to filling the discussed gap in knowledge and practice by conducting the Social Impact Evaluation of a nonprofit organization (and specifically a foundation), operating under the Italian legislation, and offering services for people with disabilities. Thus, the aim of the empirical analysis is to investigate the SIE of an Italian foundation as a response to: the increasing accountability need; the uncertainty on how to perform SIA; the lack of empirical research concerning foundations' impact evaluation; the Italian regulation concerning social reporting and SIE; the relevance of foundations associations in the territory, and the presence of organizations operating in the disability context in Italy.

This will be done in two steps. Firstly, an overview of the main sections of Fondazione Patavium social balance will be illustrated, drafted in compliance with the national regulatory requirements. The social balance represents the “preliminary step” in the building of the SIE, since it identifies the organization's stakeholders and it delineates the foundation's activities and outputs, which are elements at the base of impact evaluation (see paragraph 2.2.1). The second step is the actual focus of the empirical research, and it will consist in measuring the *social impact* generated from these activities and outputs. The measurement takes into account the size and nature of the foundation (as required by the Italian guidelines), together with the fact it is a first edition of SIE, therefore it represents a starting point that will be extended and integrated over the years. Moreover, it was built considering the relevance of two concepts previously discussed in the paper: mapping stakeholders' salience and identifying topics material to the foundation. For both, it is fundamental to engage stakeholders in the measurement process.

Summarizing these considerations, the *general goal* of the research can be stated as: “Performing the social impact measurement of Fondazione Patavium Anffas Onlus”. This broad aim can be further divided into three distinct objectives, which address three dimensions

¹⁷ Acri is the “Associazione di Fondazioni e di Casse di Risparmio Spa”. Source: Acri. (2022). *Chi Siamo*. <https://www.acri.it/chi-siamo/> [Accessed 14 January 2022]

¹⁸ Assifero is the “Associazione Italiana Fondazioni ed Enti Filantropici”. Source: Assifero. (2022). *Chi Siamo: Assifero*. <https://assifero.org/chisiamo/assifero/> [Accessed 14 January 2022]

of impact: *who* is impacted, *how* they are impacted, and in *which areas*. Each objective corresponds to a specific research question. The three resulting *research questions* are defined as follows:

- R.q.1: What is the degree of salience of Fondazione Patavium stakeholders, according to their power, urgency and legitimacy?
- R.q.2: What is the social impact generated by Fondazione Patavium on its internal stakeholders and on its users?
- R.q.3: What are the material topics for Fondazione Patavium, according to its stakeholders? And what is the efficacy of Fondazione Patavium activity, with respect to these topics?

3.3 – Methodology

After having outlined the general goal of the research and stated its specific objectives, the purpose of this paragraph is to describe, in a comprehensive way, all the steps that have been followed in the conduction of the empirical analysis, in order to answer the three research questions formulated in the previous paragraph. Firstly, the project planning phase will be presented. This will be followed by an illustration of the research methods used. Lastly, the specific sections of the analysis will be covered.

3.3.1 – Project Planning

As it was previously anticipated, this research addresses the case study of Fondazione Patavium Anffas Onlus, which, as a response to the national guidelines introduced for third sector entities' social reporting, undertook the path for the development of its 2020 social report and social impact assessment.

To do so, the first step was the building of a *project team* that would provide its active support to Fondazione Patavium in achieving its goal. The team was created by putting together the knowledge of a group of individuals with different backgrounds, that jointly worked for a definite period of time to attain this task. In particular, the group involved:

- a local accounting firm, that brought its experience in the development of third sector entities and social enterprises' reports;
- the author of this paper, who took part in the project as part of her university research thesis, by carrying out an internship at the above-mentioned local accounting firm;

- the collaboration of a psychologist, who assisted the team in the development of the study.

The result was therefore the creation of a heterogeneous group of people belonging to both the professional and university field, who shared their competencies for a common objective.

This research group operated in two parallel directions. On one hand, it defined a system of internal organization, through the creation of a virtual workspace accessible to all members, and containing relevant documents, data and normative sources, together with the drafts in elaboration. Also, a detailed timetable outlining the important stages of the project and the related deadlines was generated and constantly updated. On the other hand, alongside the internal organization, the team maintained a constant dialogue with the foundation, through emails, calls, and various meetings for a continuous exchange of information and advice.

Following this *modus operandi*, the project team elaborated the foundation's social balance and social impact assessment in the period between July 2021 and January 2022, accomplishing the task.

3.3.2 – Research Design

After building the project team, the next step in the conduction of the empirical research was the definition of the design of the study, consisting in the research methods used for collecting the necessary data and analyzing them. This paragraph will specifically focus on the data collection and analysis process developed in order to perform the social impact measurement of Fondazione Patavium, which represents the heart of the empirical analysis. As for the foundation's social report, this will be briefly illustrated in the results section, through an overview of its main sections, leaving aside the details of the methodology followed to draft it. Firstly, the data collection method will be presented, while the data analysis method will be described later.

Data collection method:

The gathering of data was conducted through primary research, and in particular by means of a quantitative methodology, the survey. *Primary data* are those which are directly collected by a researcher for a precise research issue, in a way that best fits that issue. In this sense, primary data are “new” data, which are then at the disposal of other researchers: once they are reused, they become secondary data (Hox & Boeije, 2005). The advantage of collecting primary data is the possibility to tailor the research design to the research questions, therefore guaranteeing a coherence between the objective of the study and the collected information. On the other side, this process might be time-consuming (*ibidem*).

In this paper, primary research was conducted to gather *quantitative data*, that is information which can be expressed through variables representing a range of different values (ibidem). Creswell (see Sukamolson, 2007, p.2) affirms that quantitative research aims at “explaining phenomena by collecting numerical data that are analyzed using mathematically based methods”. Therefore, the availability of numerical data allows the researcher to perform empirical evaluations on that data.

One of the main data collection techniques characterized by this feature is the *survey*, which enables to get measurable data on a wide number of individuals that represent a study population (Bryman, 2003). From a formal point of view, survey research is about collecting information from a sample representative of a population, by asking them questions. This is often done using questionnaires (Krosnick et al., 2014). In this way, individuals are asked standardized questions and their responses fall within standardized categories. Carrying out surveys might be useful to get insights on subjective information of the respondents, such as their feelings, opinions or attitudes, but also to gather objective information. This double function is one of the advantages of this methodology. Instead, some criticalities may derive from the sample’s representativeness and the responses’ validity (Hox & Boeije, 2005).

In light of these considerations, the survey was selected as the preferred data collection method because of: the possibility of obtaining a high number of responses along various variables; the low cost involved in developing a questionnaire; the reliability deriving from the anonymity of the collected data. Being the first edition of SIE for the foundation, these aspects were fundamental in avoiding slowness or complexities in the processes. The discussion will now proceed with the description of the studied individuals.

The study population:

The study population refers to the categories of people to which the survey was addressed, meaning the total number of potential respondents. The logic followed in the identification of the respondents is related to the concept of social impact introduced in chapter 2 (see paragraph 2.1.1). What is important to recall is that social impact is about affecting individuals. Therefore, in order to assess the social impact of Fondazione Patavium, its stakeholders were considered suitable respondents, as they represent those parties impacted by the organization’s actions. A *choice* had to be made in selecting which categories could be included in the research. On one hand, the analysis aimed at being as simple and lean as possible, due to the fact the 2020 SIE was the foundation’s first edition. For this reason, it would have involved only some targeted respondents. On the other hand, the type of proposed study asked for a certain level of representativeness. The three defined research questions required the inclusion of at least two

categories of stakeholders: an internal one and an external one. This would have increased the completeness of the analysis.

The initial list of possible stakeholders was based on the categorization performed in the social balance, and comprised: the governance; employees and volunteers; people with disabilities; their families; public institutions; suppliers; other “Anffas” bodies; private donors. The result of the selection process delineated in accordance with Fondazione Patavium led to the identification of three categories of respondents:

- Governance: it includes the foundation’s President, Board of Directors, and Board of Auditors. The foundation’s governance is considered an *internal* stakeholder¹⁹.
- Employees and Volunteers: it includes those people working and collaborating for the foundation. They are considered *internal* stakeholders.
- Families/guardians/support administrators of people with disabilities: it includes individuals representing people with disabilities, which are users of the foundation’s services. They are considered *external* stakeholders.

The categories which were excluded from the selection (most of the external stakeholders) might be considered in the next SIE editions.

In conclusion, the study population is represented by the total number of members belonging to each of the three categories, as follows:

- Governance’s members (7)
- Employees and volunteers (110), of which 95 employees and 15 volunteers
- Family members/guardians/support administrators (109)

for a total of 226 potential respondents.

The questionnaire:

Once the study population was defined, the next step was the development of the questionnaire. This was elaborated through the survey software Google Forms, and it was structured in three main sections, which will be better detailed later. The description, purposes and methodology of the research were specified. Respondents were also informed about the processing of personal data, by guaranteeing the anonymity of the collected information in compliance with the Italian and European regulation regarding personal data protection (see Legislative Decree 196/2003 and UE GDPR 2016/679). The responsible for the research and of the data collection, processing and storage was introduced, and the useful contact details were specified. In order to take part in the research, respondents were asked to give their consent to participate in the survey.

¹⁹ The distinction between internal and external stakeholders is defined in paragraph 2.4.1.

The questionnaire comprised a total of 26 questions, including those regarding informed consent and socio-personal data. Some questions were common to all stakeholders, some others differed according to the respondent’s category. All questions were closed-ended, with two types of possible answers: multiple-choice and 7-point Likert scale. In the latter case, the meaning of the options corresponding to the minimum, maximum and median value of the scale was specified (for example: in a scale from 1 to 7, 1 means “not satisfied”, 7 “extremely satisfied” and 4 “on average satisfied”). The Likert scale enables to measure attitudes in a validated and reliable way, by asking respondents to express their feelings on a certain issue. The 7 point scale was selected since, in respect to the original 5 point scale, it provides more options thus allowing the respondent to pick the one closest to his preference (Joshi et al., 2015; Nemoto & Beglar, 2014).

As to the *medium and timing* to reach the respondents, the foundation firstly planned some meetings with families and employees between the end of October and the beginning of November 2021, to inform them they would have taken part in the research project. After that, an email was sent to all respondents, containing the project description and a video presentation. Starting the 5th of November 2021, a second email was sent, containing the link to access the online format questionnaire. In order to facilitate the process, the questionnaire was made available also in printed format, for elderly respondents and for those lacking an email account. These were delivered and collected by the foundation. The platform used for data collection was Google Forms, that automatically recorded the incoming responses in a specific excel sheet. Printed questionnaires’ responses were manually entered into the database. On 30th November 2021, the acceptance of responses was closed.

Structure of the questionnaire:

The questionnaire was structured in three main sections:

- Section 1: “Stakeholders Mapping”
- Section 2: “Impact on Stakeholders”
- Section 3: “Material Topics Mapping”

Each section was built in order to address one of the three study objectives, and therefore corresponded to a specific research question (see Table 8). Depending on the objective under analysis, the different sections involved some or all of the categories of respondents, as displayed below:

	Governance	Employees/Volunteers	Families/guardians/support adm.
Section 1	✓	✓	
Section 2	✓	✓	✓

Section 3	✓	✓	✓
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Table 7: Questionnaire sections and respondents. Personal elaboration.

The data gathered from each section allowed to perform a *section-specific data analysis* to meet the related objective. Consequently, the methodology followed to analyze data was a multiple research method, consisting in three sub-analyses specific to each objective. Their sum represented the answer to the general goal of the research, that is the foundation's SIE.

The different methodologies used to examine the three sections will be better illustrated in the next paragraph. Below, a table delineating the logic behind the structure of the questionnaire:

Goal of the research: Fondazione Patavium Social Impact Evaluation		
Objective	Research Question	Questionnaire Section
1. Mapping the foundation's stakeholders relevance on the basis of the stakeholder salience theory ²⁰ .	<u>R.q.1</u> : What is the degree of salience of Fondazione Patavium stakeholders, according to their power, urgency and legitimacy?	<u>Section 1</u> : Stakeholders Mapping
2. Measuring the foundation's impact on its stakeholders, by analyzing their perceptions along different variables (e.g., the degree of satisfaction).	<u>R.q.2</u> : What is the social impact generated by Fondazione Patavium on its internal stakeholders and on its users?	<u>Section 2</u> : Impact on Stakeholders
3. Investigating which are the topics considered material ²¹ for the foundation, and at the same time what is the foundation's level of effectiveness in these areas of activity.	<u>R.q.3</u> : What are the material topics for Fondazione Patavium, according to its stakeholders? And what is the efficacy of Fondazione Patavium activity, with respect to these topics?	<u>Section 3</u> : Material Topics Mapping

Table 8: Questionnaire Structure. Personal elaboration.

The questionnaire questions are reported in Appendix A of the present paper.

²⁰ The theory is described in paragraph 2.4.1

²¹ According to the materiality principle explained in paragraph 2.4.2

3.3.3 – The Survey Sections

As anticipated in the previous paragraph, different methodologies were followed for analyzing data, according to the section into consideration. This allowed to investigate each research question separately, by fitting the analysis to the issue at hand. The result was the construction of three different outputs, that will later be detailed. The aim of this paragraph is to describe the three sections of the questionnaire, by delineating their objective and the related analysis performed.

Section 1 – Stakeholders Mapping:

The *objective* of the first section was to investigate and map the perceived relevance of the foundation's stakeholders, by evaluating three stakeholders' features proposed by the stakeholder salience theory: power, urgency and legitimacy (Mitchell et al., 1997). According to the theory, the level of salience is given by the managers' perception. The research team decided to take into consideration also the perception of the employees and volunteers, for two reasons: 1. considering only the governance would have led to a low significance in the result, given it is composed by 7 members; 2. including the opinion of who daily works for the foundation provided a more realistic representation of how the stakeholders are perceived. Therefore, the *respondents* of section 1 were identified in the governance and employees/volunteers. They were asked to assign a score from 1 to 7, or from "never" to "every day" (in the case of question 2) to each of the following questions:

1. *Based on your perception, how fundamental do you consider the relation between the Foundation and each of the following subjects?*
2. *How often do you believe that Fondazione Patavium enters into relation with each of the following subjects?*
3. *In your opinion, to what extent do the claims and expectations of the following subjects justify their involvement in the Foundation?*

The three questions aimed at measuring respectively the power, urgency and legitimacy of the main foundation's stakeholders. Where power was conceived in terms of how fundamental the stakeholder is; urgency in terms of frequency of the relation; legitimacy in terms of validity of the stakeholder claim. The *measured stakeholders* were identified in the following categories, based on the classification performed in the social balance:

- people with disabilities
- families of people with disabilities
- employees and volunteers

- public institutions (Municipality, Region, ULSS, Schools)
- suppliers of products or services (goods suppliers, consultant, banks)
- other “Anffas” bodies
- private donors

The assignment of a score to each question led to the final *output*, consisting in four elements: an indicator of importance, one of urgency, one of legitimacy, and a synthetic index of relevance. The first step was the conversion of frequencies into numerical values from 1 to 7. After that, the degree of importance, urgency and legitimacy of each stakeholder was calculated as the average of the scores assigned respectively to questions 1, 2 and 3. By sorting the stakeholders in descending order on the basis of their average score, the three indicators were obtained. The final synthetic index of relevance was calculated as the sum and average of the three indicators.

Section 2 – Impact on Stakeholders:

The *objective* of this section was to investigate the foundation’s social impact on its stakeholders, by exploring their perception along some selected variables. The *respondents* of section 2 were identified in three categories: on one hand, the foundation’s governance and its employees and volunteers, representing the internal stakeholders; on the other, families, guardians and support administrators, representing the final users and therefore the external stakeholders. This choice was made in order to gain insight on the different impact generated on internal and external stakeholders. Consequently, the two groups were asked to express their opinion along different variables, by assigning them a score from 1 to 7. The following table displays the investigated *variables* according to the respondent’s category:

Internal Stakeholders: Governance and Employees/Volunteers
Degree of perceived satisfaction
Degree of perceived valorization
Degree of perceived professional growth
Level of perceived health/well-being
Sense of belonging to the foundation
External Stakeholders: Families/Guardians/Support Administrators
Degree of user’s satisfaction
Degree of satisfaction of the person with disability
Level of received support
Quality of the services offered by the foundation

Table 9: Investigated variables in section 2 (by category of respondents). Personal elaboration.

These variables were chosen taking into consideration those aspects that strongly affect the relation between a stakeholder and the organization, in particular considering the nature of the latter, that is a foundation offering services for disadvantaged people. Therefore, the impact on internal stakeholders (workers) will depend on their general level of satisfaction, on whether they are considered valuable in the organization, on their professional path, but also on their health (physical and mental) and their identification to the organization's mission and values. On the other hand, aspects affecting families, guardians, and support administrators were recognized in their satisfaction in relation to their experience in the foundation, in the satisfaction of the person with disability, but also in how much they feel supported and in the quality of the services they use.

The assigned scores allowed to perform two levels of analysis. The *first level* consisted in analyzing each variable, by computing its frequency distribution (in absolute and percentual terms). The resulting distributions were then represented by means of histograms, so as to facilitate their understanding. Moreover, potential differences in perception within groups (among internal stakeholders and among users) were inspected by conducting an ANOVA test and two t-tests. The *second level* of analysis consisted in searching for a relation between variables. In particular, the purpose was to investigate the drivers of stakeholders' satisfaction, by considering the variable "satisfaction" as the dependent one, and the other variables as independent. Firstly, a correlation analysis was performed, by computing the Pearson's correlation coefficient for testing the strength and direction of the linear relation between satisfaction and each of the other variables. Next, a simple regression analysis was conducted, in order to understand how satisfaction varies depending on the independent variable considered. Multiple regression analysis was not performed in order to avoid a multicollinearity problem. Summarizing, section 2 produced the following *outputs*: frequency distributions, ANOVA test and t-tests, correlations between variables.

Section 3 – Material Topics Mapping:

The *objective* of the third section could be further divided into two sub-objectives. One was to determine which topics are considered material for Fondazione Patavium, on the basis of the materiality concept introduced in paragraph 2.4.2. At the same time, the efficacy of the foundation's activity in relation to the same topics was also investigated, in order to get insights on whether the topics which are considered most important by the stakeholders correspond to those in which the foundation is more effective. According to the materiality principle, a topic can be assessed as material based on two dimensions: an internal one (the organization's perspective), and an external one (the stakeholder's perspective). Therefore, the *respondents* of

section 3 were identified in: the foundation’s governance, employees and volunteers (for the internal dimension), and families, guardians, and support administrators (for the external dimension). Moreover, the principle defines as material the topics which meet two conditions: 1. they reflect the organization’s economic, environmental and social impact; and 2. they influence the decisions of stakeholders. Based on these considerations, *16 topics* were selected, such that they addressed social, economic or environmental sustainability and that were potentially relevant to the foundation’s stakeholders. The following table illustrates the resulting investigated topics:

Social
Wellness and care of guests
Training and development of employees and volunteers
Facilitation of the autonomy of people with disabilities (personal, relational, social)
Collaboration with local bodies and institutions
Individual educational project
Organization and management of cultural, artistic, recreational, tourist and sporting activities
Organization and management of activities of daily occupation, socialization and self-realization
Impact in the local community
Assistance and support for families of people with disabilities
Quality of the offered services
Health of employees and volunteers
Economic
Financial stability
Foundation’s ability to meet its economic commitments
Environmental
Promotion of actions of material reuse
Environmental management of waste
Cross-thematic (social, economic, environmental)
Solidarity exchange initiatives (goods, clothes, ...)

Table 10: Investigated topics in section 3. Personal elaboration.

Given these 16 themes, stakeholders were asked two *questions*, which required them to rate, on a scale from 1 to 7, the topics’ importance and the efficacy of the foundation’s activity in respect to each of them. In this way, by crossing the collected data, it was possible to obtain two *outputs*, and more precisely two matrices. The first developed matrix was the “*materiality matrix*”, which compares the importance attributed to each topic by internal stakeholders versus external stakeholders, with the purpose of prioritizing topics according to their perceived relevance. The

matrix was obtained by calculating the average score assigned to each topic by internal stakeholders, and then by external stakeholders. The former being the x-variable of the matrix, while the latter the y-variable. The second developed outcome represents a new matrix, which is proposed by the author as a tool for social impact assessment, and which has been labeled as “*efficacy matrix*”. Its purpose is to compare the importance attributed to each topic by all the three categories of stakeholders, with the level of effectiveness reached by the foundation in respect to the same topic. The final end is to assess whether the most effective areas of activities correspond to those perceived as the most important by stakeholders. The matrix was obtained by calculating the average score assigned to each topic in terms of importance by all stakeholders, and then in terms of foundation’s effectiveness. The former being the x-variable of the matrix, while the latter the y-variable.

The following table summarizes the questionnaire sections and the related outputs, which will be discussed in the next paragraph.

Section	Output
1. Stakeholders Mapping	<ul style="list-style-type: none"> • Indicator of importance • Indicator of urgency • Indicator of legitimacy • Synthetic index of relevance
2. Impact on Stakeholders	<ul style="list-style-type: none"> • Frequency distributions, ANOVA test, and t-tests • Correlations and regressions
3. Material Topics Mapping	<ul style="list-style-type: none"> • Materiality matrix • Efficacy matrix (new proposal)

Table 11: Questionnaire sections and related outputs. Personal elaboration.

3.4 – Results

The aim of this paragraph is to expose the outputs deriving from the empirical analysis conducted. As mentioned in paragraph 3.2, the project consisted both in the elaboration of Fondazione Patavium 2020 social report, and in the related social impact evaluation. Therefore, before illustrating the questionnaire’s results, an overview of the main sections of the elaborated social report will be presented, since it constitutes the first step in the conduction of the social

impact evaluation. In fact, the author recalls that, in line with the national guidelines, the social report should provide information on stakeholders' identification, on the activities conducted by the organization, and on the related outputs²², which are elements at the base of impact evaluation understanding. The results of the SIE itself will follow, according to the structure anticipated in Table 11.

3.4.1 – Social Report Overview

The table below summarizes the main sections of the elaborated Fondazione Patavium 2020 social report, as a preliminary step for the conduction of the related social impact assessment. The first column identifies the minimum contents required by the national guidelines for nonprofits social reporting, which were described in detail in paragraph 1.4.3. The second column highlights that the social report is in full compliance with the ministerial indications: each section in fact finds its own correspondence in the Decree requirements on the left.

Minimum information for Social Report (required by Decree 4 July 2019)	Main Sections of Fondazione Patavium Social Report 2020
1) Methodology followed in drafting the report	“Metodologia adottata per la redazione del bilancio sociale”
2) General information on the organization	“Informazioni generali sull’ente”
3) Organizational structure, governance, administration	“Struttura, governo e amministrazione”
4) People working for the organization	“Persone che operano per l’ente”
5) Objectives and activities	“Obiettivi e attività”
6) Economic and financial situation	“Situazione economico-finanziaria”
7) Other information	“Altre informazioni”
8) Monitoring conducted by the supervisory body	“Attività di monitoraggio dell’organo di controllo” (attached report by the control body)

Table 12: Fondazione Patavium Social Report – main sections. Personal elaboration.

It is important to point out that, in order to perform the social impact evaluation of Fondazione Patavium, the sections “struttura, governo e amministrazione” and “obiettivi e attività” (highlighted in blue) were of fundamental importance. The former contains the identification of the main organizational stakeholders, and their involvement in the foundation, which was an essential information in selecting which stakeholders would be measured in the first section of questionnaire. The latter clarifies which are the main activities carried out by the foundation,

²² Ministerial Decree 4 July 2019

their beneficiaries and their outputs, which were crucial elements in understanding what kind of impact the foundation generates in the community. This guided the selection of the most appropriate variables and topics to be investigated in sections 2 and 3 of the questionnaire.

Once conducted, the social impact evaluation became integral part of the social report, as a subsection of the paragraph “Obiettivi e attività”, and under the name “Valutazione di impatto sociale”. The following paragraphs present the results of the SIE conducted.

3.4.2 – Sample composition

The questionnaire was sent to 226 people, the study population. Some individuals were not reachable due to technical problems connected with their accounts, and during the process four questionnaires were excluded due to their incompleteness. Subtracting also the non-respondents, the total number of actual respondents was 142, which represents the sample for the conduction of the study. Flower (see Costa & Goulart da Silva, 2019) states that the response rate should not be lower than 20%, since it would provide weak results about the reference population. The respondents to the questionnaire indicate a response rate of 62,83%, which therefore can be considered a valid percentage. The table below indicates the sample composition based on the respondents’ category, and the related response rates:

Respondent category	Questionnaires sent (population)	Actual respondents (sample)	Response rate (%)
Governance	7	6	85,71
Employees/Volunteers	110	68	61,82
<i>of which employees</i>	95	56	58,95
<i>of which volunteers</i>	15	12	80,00
Families/guardians/support administrators	109	68	62,39
Total	226	142	62,83

Table 13: Sample composition by respondent category. Personal elaboration.

The majority of respondents were *female* (58%), while the remaining were either male (37%) or people who decided to not declare their gender. As to the *age*, a great part of respondents were mature people in the range 51 to 60 (42%), 61-70 (23%) or 41-50 (19%). The others were distributed between the ranges >70 (8%), 31-40 (5%), and 21-30 (3%). No respondents were younger than 20. Among the *employees and volunteers*, most of them were operators and

educators (65%), followed by volunteers (18%). The other workers belonging to this category were service coordinators (9%), administrative employees (6%) and auxiliary employees (3%).

3.4.3 – Section 1: Results

The analysis conducted with data from the first section of the survey aimed at mapping the stakeholders of Fondazione Patavium, by assessing their salience level according to three attributes: importance (power), urgency and legitimacy. The respondents of this section were 74 in total, that represents the sum of governance, employees and volunteers (i.e., the internal stakeholders). The following table illustrates the indicator of importance, urgency and legitimacy obtained from the analysis:

Stakeholder	Indicator of importance	Stakeholder	Indicator of urgency	Stakeholder	Indicator of legitimacy
Families of people with disabilities	6,16	People with disabilities	3,99	Families of people with disabilities	5,49
People with disabilities	6,03	Public institutions	3,69	People with disabilities	5,31
Employees and volunteers	5,77	Families of people with disabilities	3,62	Employees and volunteers	5,09
Public institutions	5,69	Other “Anffas” bodies	3,59	Public institutions	4,95
Other “Anffas” bodies	5,62	Suppliers	3,39	Other “Anffas” bodies	4,66
Private donors	5,14	Employees and volunteers	3,18	Private donors	4,34
Suppliers	4,92	Private donors	2,81	Suppliers	4,30

Table 14: Indicators of importance, urgency and legitimacy. Personal elaboration.

Each indicator expresses, in descending order, the relevance of the measured stakeholders according to their three critical attributes, as a number from 1 (min) to 7 (max).

When asked how *fundamental* the foundation’s relation with each of its stakeholders is, the respondents perceive that families of people with disabilities are the most crucial stakeholders, assigning them an average score of 6,16. These are followed by people with disabilities (6,03) and the people working in the organization (5,77). This rank is in line with the values of Fondazione Patavium, since people with disabilities and their families represent the

organizational mission, and the employees and volunteers support them daily through their service. Public institutions (such as municipalities and ULSS) and other Anffas institutions occupy an intermediate position in the classification, while private donors and suppliers are considered the least important by the respondents, with a score of respectively 5,14 and 4,92. Overall, there is a “distance” of 1,24 points between the first and last position, which is quite significant. However, it should be noted that regardless their position, all stakeholders obtained an average score higher than 4, which on a scale from 1 to 7 represents the central value. In this sense, all stakeholders are considered important.

As for the *urgency*, which indicates the frequency of the foundation relation with each of its stakeholders, the first aspect to take into consideration is the difference in the scale of scores, which is lower in respect to the importance indicator, ranging from 2,81 to 3,99. This might be due to the conversion of the frequencies (expressed in words in the questionnaire) into values, so that 1 means “never”, 4 “2-3 times a month”, and 7 “every day”. That said, the respondents expressed a different perception in classifying the stakeholders in respect to the previous case. People with disabilities shift to the first position (avg score 3,99), meaning they are considered the most urgent stakeholders. Interestingly, they are followed by public institutions (3,69), whose claims, according to the respondents, require a certain regularity in the relation with the foundation. Families of people with disabilities still maintain their relevance in the rank, being in the third position (3,62). In the last positions are to be found employees and volunteers (3,18) and private donors (2,81), meaning that according to the respondents their relationship with Fondazione Patavium is less time sensible and critical in respect to the other stakeholders. In Mitchell et al. words (1997, p.867): they do not “call for immediate attention”. In this case, the distance between the two extreme positions is lower than before, but still relevant, and equals to 1,18 points.

The last question submitted to the respondents concerned the *legitimacy* of the stakeholders, meaning the appropriateness of their involvement in the foundation. The opinions expressed by the respondents demonstrates they perceive the legitimacy of stakeholders is correlated with their importance. In fact, the stakeholders are ranked in the same way in both attributes. What slightly differs between the two indicators is the scale of the scores, which is lower in the legitimacy indicator. Families of people with disabilities and people with disabilities are considered the most legitimate stakeholders, with a score of respectively 5,49 and 5,31. Employees and volunteers follow, together with public institutions and other Anffas bodies. The least legitimate stakeholders are private donors and suppliers, which obtained average scores of respectively 4,34 and 4,30. Therefore, the distance between the most and least

legitimate stakeholder is 1,19 points. Once again, all stakeholders obtained an average score higher than 4, thus indicating their claims are appropriate.

In order to express the level of salience of each stakeholder through a single indicator, a final synthetic index of relevance was calculated, combining all the three investigated dimensions. The result was obtained as the sum and average of the three above mentioned indicators, by assigning each the same weight (see Table below):

	(3-21)	(1-7)
Stakeholder	Synthetic index of relevance (Sum)	Synthetic index of relevance (Average)
People with disabilities	15,33	5,11
Families of people with disabilities	15,27	5,09
Public institutions	14,33	4,78
Employees and volunteers	14,04	4,68
Other “Anffas” bodies	13,87	4,62
Suppliers	12,61	4,20
Private donors	12,29	4,10

Table 15: Synthetic index of relevance. Personal elaboration.

The index maps in synthesis the level of salience of Fondazione Patavium stakeholders, as perceived by the respondents. The salience reflects the score assigned to each stakeholder: the higher the score, the higher the stakeholder’s relevance for the foundation. Stakeholders are therefore listed in descending order from the most to the least relevant. By observing the table, it is clear that people with disabilities are perceived as the most salient stakeholders, with a score of 15,33 (sum) and 5,11 (avg). They are followed by their families (15,27 sum; 5,09 avg), which are also beneficiaries of the foundation’s services, thus representing a key stakeholder for Fondazione Patavium. Public institutions such as municipality, region, ULSS and schools are collocated in the third position, which might be driven by the high level of urgency. Nevertheless, when considering their “distance” from the first position, they are one point away from the latter in the sum-index (14,33). This means that the most salient area is represented by the stakeholders with a score higher than 15 (sum) or 5 (avg), which are the actual users of the foundations, i.e. people with disabilities and their families. Employees and volunteers and other Anffas bodies are in intermediate position. The least salient stakeholders are instead considered the suppliers (12,61 sum; 4,20 avg) and private donors (12,29 sum; 4,10 avg). This further confirms how they were perceived in terms of importance, urgency and legitimacy: in fact, in all three indicators, they were collocated in the lower part of the ranking. Nonetheless, by

looking at the average-index, it can be concluded that since all stakeholders obtained a score higher than 4 (central value), they all hold a certain level of salience for the foundation.

3.4.4 – Section 2: Results

The second section aimed at measuring the impact generated on internal and external stakeholders (users) of Fondazione Patavium. Impact was understood as the perception stakeholders have in relation to their “experience” in the foundation, which was inspected along specific variables (see Table 9). Two levels of analysis were conducted.

First level of analysis:

Firstly, the foundation’s impact on *internal stakeholders* was explored. The total number of respondents was 74. The asked questions and their related results are presented below.

Q1.1: How satisfied are you about your relationship with the Foundation?

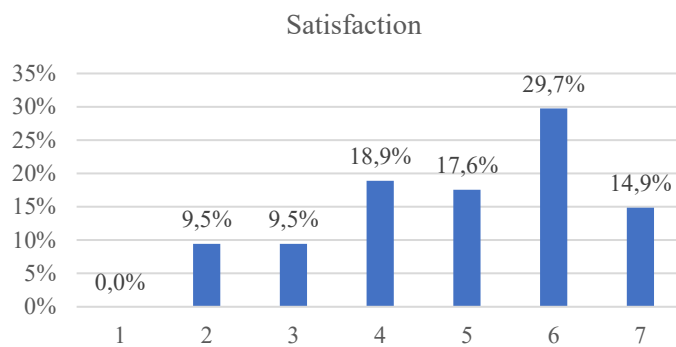


Figure 7: Degree of perceived satisfaction (internal stakeholders). Personal elaboration.

The graphic highlights that overall, there is a good level of satisfaction among internal stakeholders. More than 80% expressed scores equal or greater than 4, which corresponds to being “on average satisfied”. The percentage of people being very and extremely satisfied (score 6 and 7) represent almost half of the respondents (44,6%). 19% of the respondents are instead considered less satisfied, since they answered with a score of 2 or 3. None of the respondents feels “not satisfied”.

Q1.2: How valued do you feel within the Foundation?

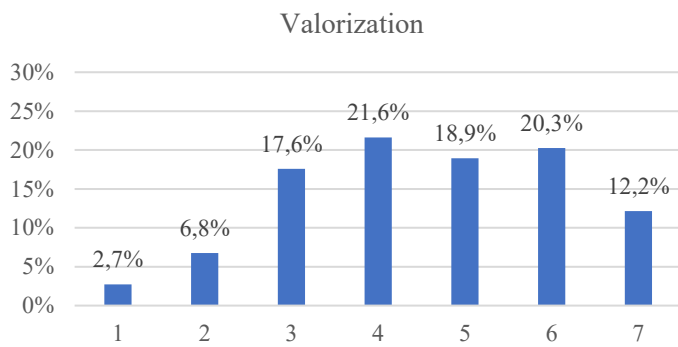


Figure 8: Degree of perceived valorization. Personal elaboration.

The majority of the internal stakeholders (73%) felt a certain level of valorization inside Fondazione Patavium, expressing a score equal or greater than 4. The remaining 27% on the other hand, fall within the range of values from 1 to 3, representing a relevant percentage of people who feel less or no valued at all.

Q1.3: How much have you grown professionally since you have served within the Foundation? (in terms of training received / skills acquired)

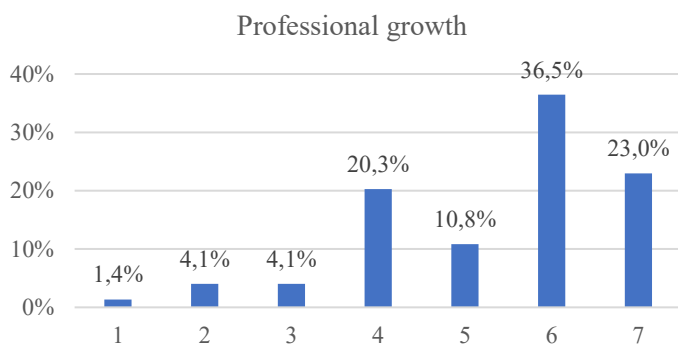


Figure 9: Degree of perceived professional growth. Personal elaboration.

Figure 9 shows that more than 90% of the respondents feel that to some extent they have grown professionally within the Foundation, attributing scores from 4 to 7 to the question. Almost 60% of internal stakeholders concentrate on the highest values (6 and 7), expressing a great and extreme satisfaction in relation to their professional growth. About 10% perceive little or no professional growth.

Q1.4: How do you assess your health/well-being status within the Foundation?

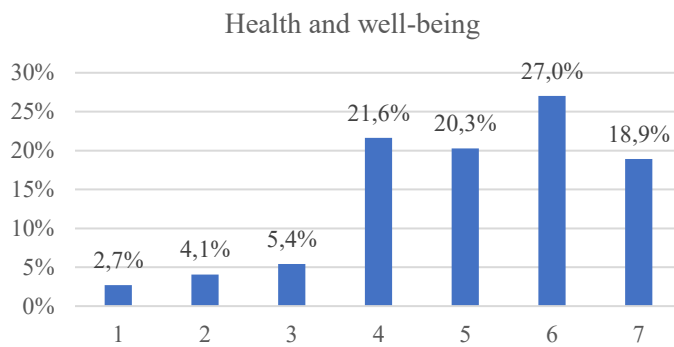


Figure 10: Level of perceived health/well-being. Personal elaboration.

Also in this case results show a satisfactory level of health and well-being within the Foundation, with almost 88% of respondents evaluating their health in the range of values from 4 to 7. Nearly 46% are extremely satisfied (score 6 and 7), while 12% expressed a low or absent level of health and well-being in the organization.

Q1.5: How much do you feel represented by the mission and values of the Foundation?

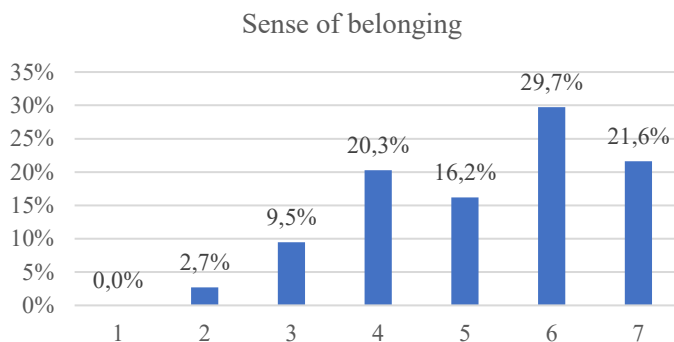


Figure 11: Sense of belonging to the Foundation. Personal elaboration.

Most of the internal stakeholders feel represented by the foundation’s values and mission, with 87,8% of them expressing a score between 4 and 7. More than half (51,3%) feel extremely close to the organizational identity (score 6 and 7), while 12,2% experience a low sense of belonging (score 2 and 3). No respondents perceive to be “not at all” represented.

Summarizing the results relating to the *impact on internal stakeholders*, it can be stated there is a high level of general satisfaction. Regardless of the variable considered, the 80-90% of respondents express scores equal or higher than 4. A minority indicate low or no levels of satisfaction, with the exception of the *valorization* variable, where 27% of respondents attributed scores from 1 to 3.

In order to inspect potential differences in perception *within* the group of internal stakeholders, a one-way ANOVA test was performed, to determine whether there was a significant difference

in the average perception of three groups of internal stakeholders, with respect to the investigated variables. The three considered groups were: governance and service coordinators and managers, meaning the “decision-makers”; internal employees (excluding the service coordinators); and volunteers. The null hypothesis is that there is no difference between the means of the three groups. The alternative hypothesis is that there is a difference between them: specifically, at least one mean differs from the others. The significance threshold was set at 5%. If the resulting p-value is lower or equal to 0,05 then the null hypothesis is rejected, indicating the presence of a difference in average perception. Firstly, the average perception of the three groups along the different variables is reported below.

<i>Internal stakeholders</i>			
Variables	Mean Decision Makers	Mean Employees	Mean Volunteers
Satisfaction	5,83	4,58	5,50
Valorization	5,42	4,14	5,50
Professional growth	5,58	5,26	5,58
Health and well-being	5,67	4,78	5,83
Sense of belonging	6,33	4,88	5,75

Table 16: Average perception internal stakeholders, by group. Personal elaboration.

The table suggests there is a difference in means, which might be driven by the lower scores assigned by internal employees along the explored variables. In order to understand whether the difference in means is statistically significant, the ANOVA test was conducted. Although this test does not specify the source of the difference (i.e., which groups differ from another), it serves as a preliminary overview to capture a potential non-homogeneity in perception within the group of internal stakeholders.

Variables	F-stat	P-value
Satisfaction	4,6633	0,0125
Valorization	6,5092	0,0025
Professional growth	0,3922	0,6770
Health and well-being	3,6284	0,0316
Sense of belonging	7,1858	0,0014

Table 17: ANOVA output. Personal elaboration.

The results confirm for the most part the preliminary conclusion deriving from the Table 16. The null hypothesis is rejected for the variables “satisfaction”, “valorization”, “health and well-being” and “sense of belonging” (p-value < 0,05), indicating there is an actual difference in the

average perception of the three groups, along these variables. However, the test does not tell which group is different. On the other hand, the null hypothesis is accepted for the variable “professional growth”. Therefore, there is no difference in the average perception of the groups with respect to this variable. In conclusion, although the foundation impact was investigated on internal stakeholders as a homogeneous group, the reader should be aware of internal differences in perception with respect to the majority of variables.

After investigating the opinions of internal stakeholders, the foundation impact on its *users* (families, guardians, support administrators) was explored. The total number of respondents was 68. Questions and results are detailed below.

Q1.6: What is your degree of satisfaction in relation to the activities and services offered by the Foundation?

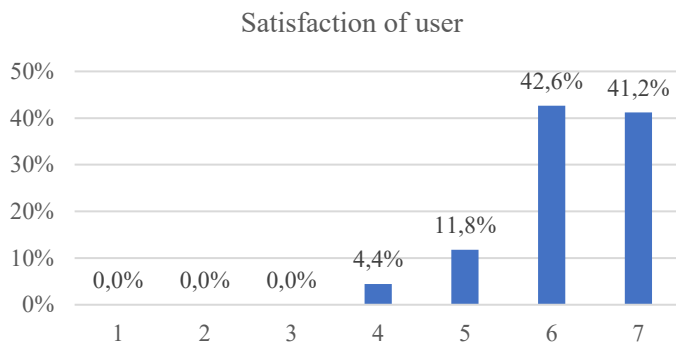


Figure 12: Degree of user’s satisfaction. Personal elaboration.

All respondents assigned scores equal or higher than 4, indicating an overall high level of satisfaction. Nearly 84% of users are very and extremely satisfied with the services offered by the organization (score 6 and 7), while none of the respondents expressed their satisfaction as low or absent.

Q1.7: What do you think is the degree of satisfaction of the person with disabilities of which you are a relative, guardian or support administrator?

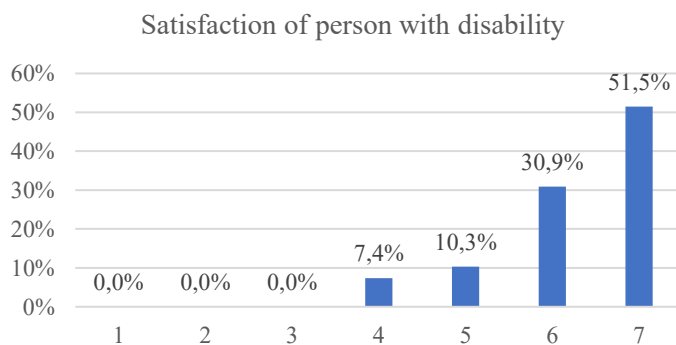


Figure 13: Degree of satisfaction of person with disability. Personal elaboration

The figure shows a high level of satisfaction of the person with disability, as perceived by the users. The totality of respondents expressed a score between 4 and 7, with a major concentration in the range of values 6 and 7 (82,4%). No respondents answered with scores below 4.

Q1.8: How do you rate the level of support you receive from the Foundation as a family member, guardian or support administrator of a person with a disability?

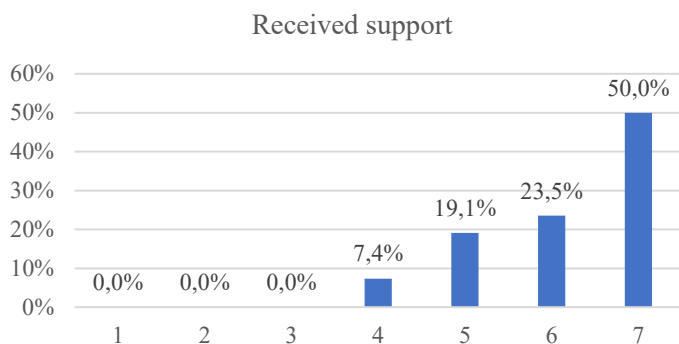


Figure 14: Level of received support. Personal elaboration.

By observing the graph, it is evident that the majority of respondents perceive a high level of support from the Foundation. Half of them (50%) expressed the maximum score, while no respondents attributed to the question a score in the range 1 to 3.

Q1.9: How do you assess the quality of the services offered by the Foundation?



Figure 15: Quality of services offered by the Foundation. Personal elaboration.

As highlighted in the figure above, the results show a great satisfaction in relation to the quality of the offered services. More than 82% of respondents expressed the highest scores (6 and 7). Once again, no one revealed low or no satisfaction.

Overall, the findings related to the *foundation impact on its users* show a particularly high level of satisfaction among family members, guardians and support administrators. Regardless of the question, none of the respondents expressed scores below 4, appearing to be little or not at all satisfied.

Also in this case, potential differences in perception *within* users were inspected. Two t-tests were performed to verify whether there was a statistically significant difference in the average

perception of two groups of users, with respect to the investigated variables. The first t-test compares foundation users that are also *members* of the association “Associazione Anffas Onlus Padova” versus *non-members*. The second t-test compares those users who have benefited from services for more than 15 years, before the formal establishment of the foundation (*long-term users*) versus users that have been using the foundation services for less than 15 years (*short-term users*). The null hypothesis is that there is no difference between the means of the two groups. The alternative hypothesis is that there is a difference between them. The significance threshold is set at 5%: if the resulting p-value is lower than 0,05 the null hypothesis is rejected, indicating the presence of a statistically significant difference in average perception. The two t-tests are reported below.

<i>Users</i>				
Variables	Mean Members	Mean Non-members	t-stat	p-value
Satisfaction of user	6,22	6,15	0,2506	0,4026
Satisfaction of person with disability	6,30	6,15	0,5523	0,2933
Received support	6,20	6,00	0,5890	0,2820
Quality of services	6,30	6,23	0,2746	0,3930

Table 18: T-test output for members vs non-members. Personal elaboration.

<i>Users</i>				
Variables	Mean Short-term users	Mean Long-term users	t-stat	p-value
Satisfaction of user	6,35	6,12	1,2107	0,1152
Satisfaction of person with disability	6,31	6,24	0,3113	0,3783
Received support	6,27	6,10	0,7119	0,2398
Quality of services	6,38	6,21	0,8078	0,2111

Table 19: T-test output for short-term users vs long-term users. Personal elaboration.

The means observable from the tables might suggest there is a difference in perception between the association members versus the non-members, and between short-term users versus long-term users, along the investigated variables. Nevertheless, these differences are not statistically significant. The probabilities of getting a difference in means between the considered groups which is occurrent just by chance is higher than the significance threshold (p-values > 0,05). Consequently, the null hypothesis is accepted for all the explored variables. This indicates there is a general homogeneity in the average perception within users: specifically, there are no

significant differences between association members and non-members, and between short-terms versus long-term users.

Second level of analysis:

The second level of analysis for measuring the foundation’s impact on its stakeholders consisted in combining the above discussed variables, by searching for the existence of a relation between them. The underlying question was: which are the *drivers* of stakeholder’s satisfaction? Does satisfaction depend, for example, on the level of perceived valorization (in case of internal stakeholders), or on the level of received support (in case of users)?. To answer, the analysis was based on correlations and simple linear regressions. As in the previous case, it was conducted both for internal and external (users) stakeholders.

Firstly, the potential drivers of satisfaction for *internal stakeholders* were explored. The number of respondents was 74. The research questions and their related results are presented below.

Q2.1: Does the degree of satisfaction depend on how valued a person feels?

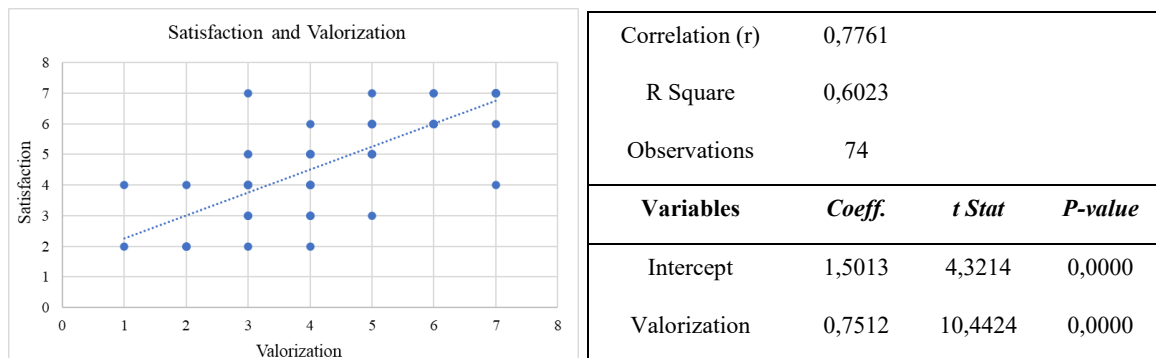


Figure 16: Relation between satisfaction and valorization. Personal elaboration.

The first question assumes there is a relationship between the satisfaction on internal stakeholders and their level of valorization. This was tested through the Pearson correlation coefficient (r), which assumes values between -1 and +1. In this case, the results show a satisfying positive correlation between the two variables (0,78), which was further analyzed through a regression analysis of satisfaction on valorization. The scatterplot suggests the presence of a linear relation, even though there is some dispersion around the trendline, confirmed by the related R square (0,60). Both the coefficients of the regression are statistically significant: their p-values are lower than 0,05, meaning the null hypothesis that assumes the coefficients equal to zero can be safely rejected. The valorization coefficient (0,75) indicates that an increase in x corresponds to an increase in y: specifically, if the perceived valorization increases by 1 point, satisfaction will increase by 0,75 points.

Q2.2: Does the degree of satisfaction depend on how much a person feels professionally grown?

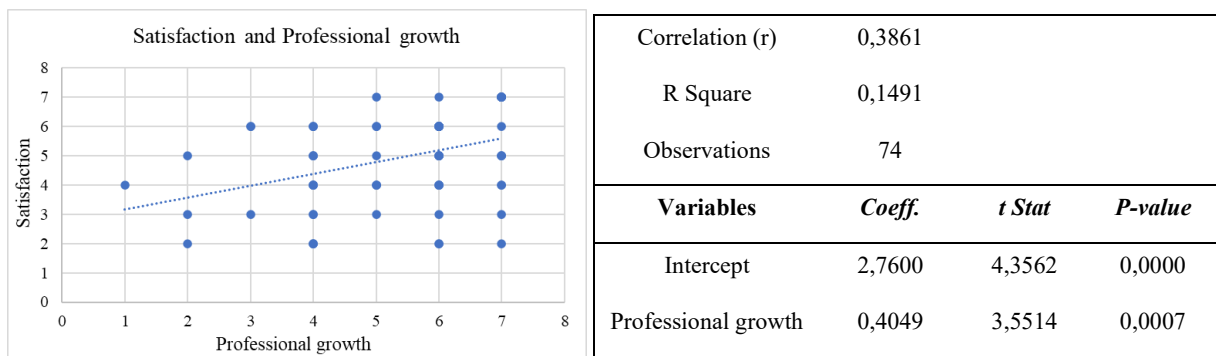


Figure 17: Relation between satisfaction and professional growth. Personal elaboration

The second question investigated whether satisfaction is driven by the perceived professional growth within the organization. The conducted analysis led to moderately satisfactory results. The first element to pay attention to is the Pearson correlation coefficient (0,39), which shows the existence of only a weak linear relationship between the two variables. Also, when observing the scatterplot (Figure 17), this highlights the absence of a strong pattern. The coefficients resulting from the regression analysis are both statistically significant, with valid t statistics and p-values that indicate they differ from 0. Therefore, the coefficient on the independent variable (0,40) indicates that to a unitary increase in perceived professional growth, the satisfaction of the internal stakeholder will increase by 0,4 points, on average. Thus, it seems there is a positive influence of professional growth on satisfaction, but this influence is modest, also in light of the relatively low correlation coefficient.

Q2.3: Does the degree of satisfaction depend on the perceived degree of health/well-being?

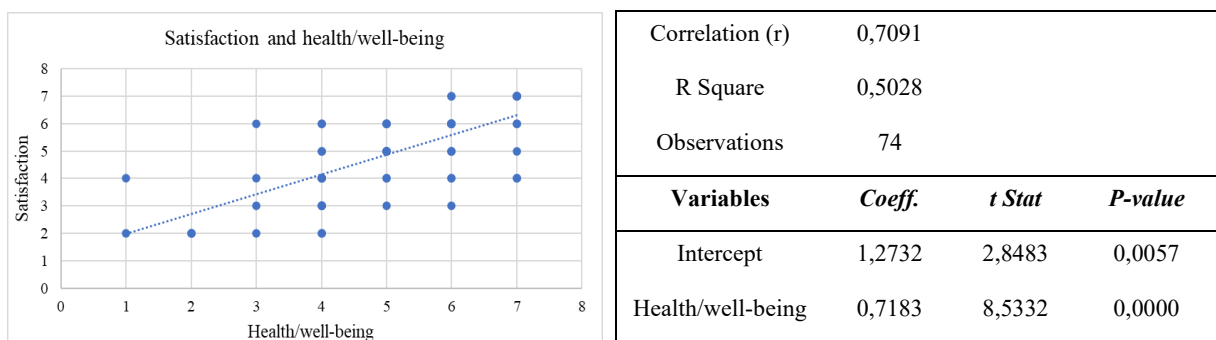


Figure 18: Relation between satisfaction and health/well-being. Personal elaboration

The third investigated relation concerned the variables satisfaction and health/well-being of internal stakeholders. The correlation coefficient (0,71) indicates a quite good positive linear relationship between the two variables. This is also suggested by the trend of the points in the scatter plot, despite there is some variation around the fitting line (R square equals 0,50). The

regression analysis led to statistically significant coefficients both for the intercept and the variable health/well-being, being the p-values below the threshold of acceptance. Of particular interest is the coefficient on the independent variable, which shows there is a positive influence of health/well-being on the perceived satisfaction. A unitary increase in health corresponds to an average increase of 0,72 points in satisfaction.

Q2.4: Does the degree of satisfaction depend on the sense of belonging of the internal stakeholders?

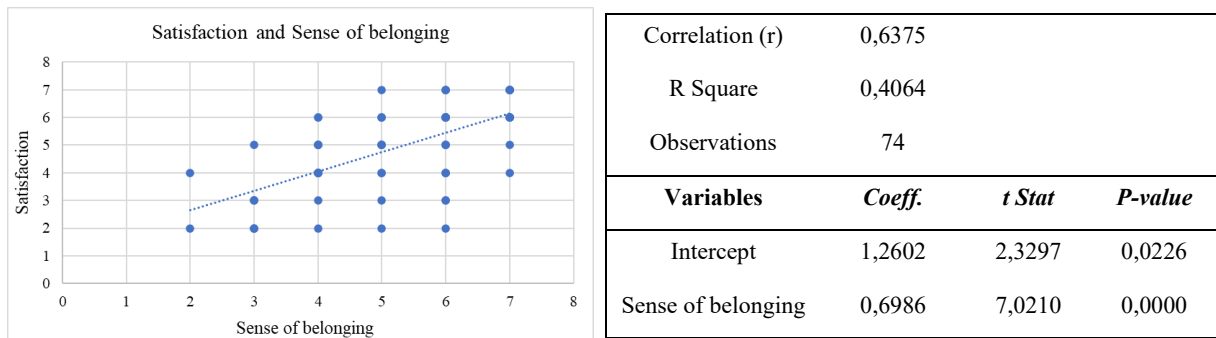


Figure 19: Relation between satisfaction and sense of belonging. Personal elaboration.

The results deriving from the fourth question are valid, although less satisfactory than the previous case. The Pearson correlation coefficient demonstrates there is a positive linear relationship between the satisfaction of internal stakeholders and their perceived sense of belonging to Fondazione Patavium. The strength of this relation corresponds to its value, 0,64, which indicates a more than decent relationship between the two variables. When looking at the scatterplot, there data are quite dispersed, but a general positive trend can be identified. A regression analysis was therefore performed: the t statistics and p-values of the resulting coefficients indicate that both are statistically different from zero. In order to detect how the sense of belonging influences satisfaction, the coefficient on the independent variable should be considered: a value of nearly 0,70 means that a unitary increase in the perceived sense of belonging, corresponds to an average increase in satisfaction of 0,70 points. This confirms the existence of the positive relation detected by the correlation analysis.

After investigating the drivers of satisfaction for *internal stakeholders*, the variables potentially influencing the satisfaction of *external stakeholders* (families, guardians, support administrators) were explored. The total number of respondents was 68. Questions and results are detailed below.

Q2.5: Does the degree of user satisfaction depend on the perceived level of support?

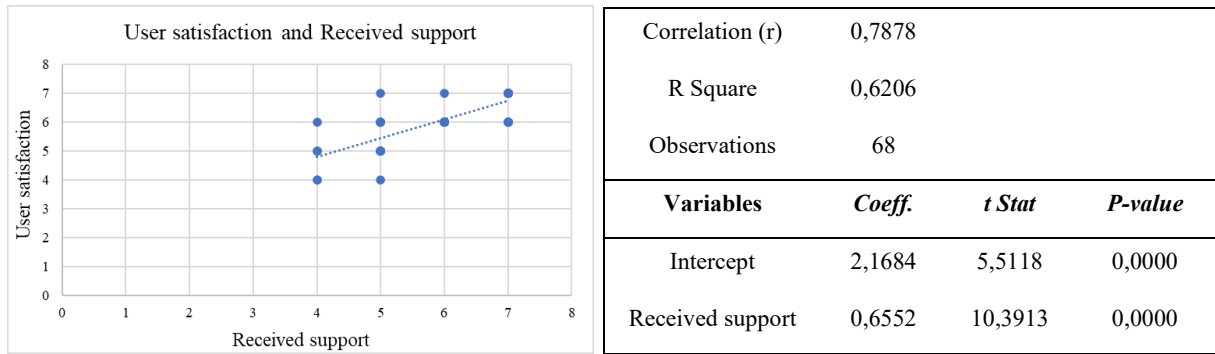


Figure 20: Relation between user satisfaction and received support. Personal elaboration.

The first relation investigated for Fondazione Patavium users concerned their satisfaction and the perceived received support from the foundation. The underlying assumption is that a higher level of support corresponds to a higher satisfaction. This was corroborated by the analysis conducted. The correlation coefficient shows a positive (and quite strong) correlation between the two variables, with a value of 0,79. The second step was the regression of satisfaction on the received support. The resulting t statistics and p-values demonstrate that the coefficients on intercept and received support are statistically significant, therefore they are different from 0. In particular, for detecting the relation occurring between the two variables, the coefficient on support should be observed. A value of 0,66 shows that a higher level of support perceived from the users will positively influence his satisfaction: a unitary increase in the x-variable will correspond to an average increase in satisfaction by 0,66 points.

Q.2.6: Does the degree of user satisfaction depend on the quality of the services offered?

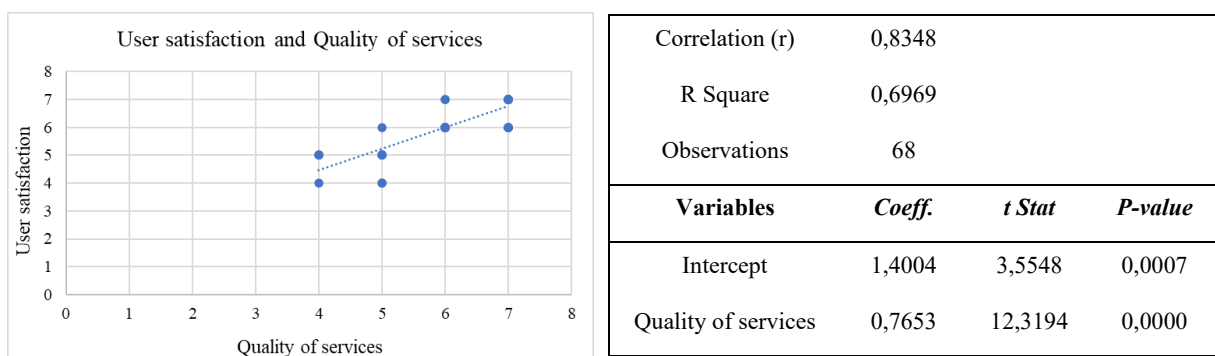


Figure 21: Relation between user satisfaction and quality of services. Personal elaboration.

The last analysis performed aimed at exploring the relationship between the user satisfaction and the quality of the foundation's services. The results can be considered highly satisfactory. The scatterplot suggests the existence of a positive relationship between the two variables. This is confirmed by the Pearson correlation coefficient, which indicates the existence of a strong

positive correlation, with a value of 0,83. The regression analysis led to valid t stats and p-values, which demonstrate the coefficients of the regression are statistically significant. In particular, the coefficient of quality of services is about 0,77 showing that an increase of 1 point in the perceived quality of services corresponds to an average increase in the user satisfaction of 0,77 points.

3.4.5 – Section 3: Results

The purpose of the last section of the questionnaire was to explore the material topics for Fondazione Patavium and at the same time to get insight on the level of the foundation’s effectiveness in those areas of activity. All three categories of stakeholders were involved: governance; employees and volunteers; and families, guardians and support administrators, for a total of 142 respondents. The performed analysis brought to the construction of two matrices: the “materiality matrix”, and a new matrix proposed by the author as a tool for SIE, the “efficacy matrix”. Both will be presented below.

Materiality:

Firstly, the material topics of the foundation were explored. Respondents were asked to answer the following question in relation to the 16 sustainability topics selected: “In your opinion, how important are each of the following themes for the Foundation?”. Table 16 shows the average scores assigned by internal and external stakeholders to each topic. The results are illustrated in descending order based on the rating of internal stakeholders.

Topic	Average score internal stakeholders	Average score external stakeholders
Wellness and care of guests	6,26	6,44
Assistance and support for families of people with disabilities	6,03	6,22
Individual educational project	6,01	6,13
Foundation’s ability to meet its economic commitments	5,97	6,29
Facilitation of the autonomy of people with disabilities (personal, relational, social)	5,95	6,26
Financial stability	5,85	6,24
Quality of the offered services	5,81	6,29
Organization and management of activities of daily occupation, socialization and self-realization	5,61	6,25
Health of employees and volunteers	5,55	6,46
Training and development of employees and volunteers	5,54	6,34

Collaboration with local bodies and institutions	5,50	6,13
Impact in the local community	5,38	5,90
Organization and management of cultural, artistic, recreational, tourist and sporting activities	5,36	6,03
Environmental management of waste	5,35	6,15
Promotion of actions of material reuse	5,03	5,88
Solidarity exchange initiatives (goods, clothes, ...)	4,49	5,74
Mean	5,61	6,17

Table 20: Materiality matrix – Tabular format. Personal elaboration.

The table offers an overview of the priorities assigned by internal stakeholders versus external stakeholders in relation to the proposed 16 themes. The first aspect to take into consideration is that none of the topics received an average rating lower than 4. Since the respondents could answer with a score from 1 (not important at all) to 7 (extremely important), this reflects the high significance attributed to these topics by stakeholders. What is interesting is to detect differences between the two groups. By observing the mean of the scores at the bottom of the table, on average external stakeholders attribute higher importance scores in respect to internal stakeholders: the average rating of the former was 6,17 while that of the latter was 5,61, with a difference of more than half a point. Another consideration can be made regarding the two opposite extremes of the scale: the highest scores were marked in green, while the lowest in red. It is evident that there is a divergence in the perception of the most important topic: internal stakeholders attributed the highest score to “wellness and care of guests” (6,26), while external stakeholders to “health of employees and volunteers” (6,46). Despite this, the second most important topic for external stakeholders matches with the first one for internal stakeholders (“wellness and care of guests”; 6,44), followed by “training and development of employees/volunteers” (6,34). Instead, the second and third position in the internal stakeholders rating coincides with “assistance and support for families” (6,03) and “individual educational project” (6,01). On the other hand, there is full correspondence between internal and external stakeholders in relation to the topic considered as less important: in both cases, it is “solidarity exchange initiatives”, with a score of respectively 4,49 and 5,74.

By crossing the data illustrated above, the *materiality matrix* (Figure 22) was obtained, which graphically displays the alignment (or non-alignment) between the perception of internal stakeholders and external stakeholders. In order to facilitate the readability of the results, a scale from 4 to 7 was adopted. A different color was assigned to each topic depending on the sustainability area to which it belongs: social, economic, or environmental. In addition, a cross-thematic area was also considered, including all three other sustainability.

MATERIALITY MATRIX

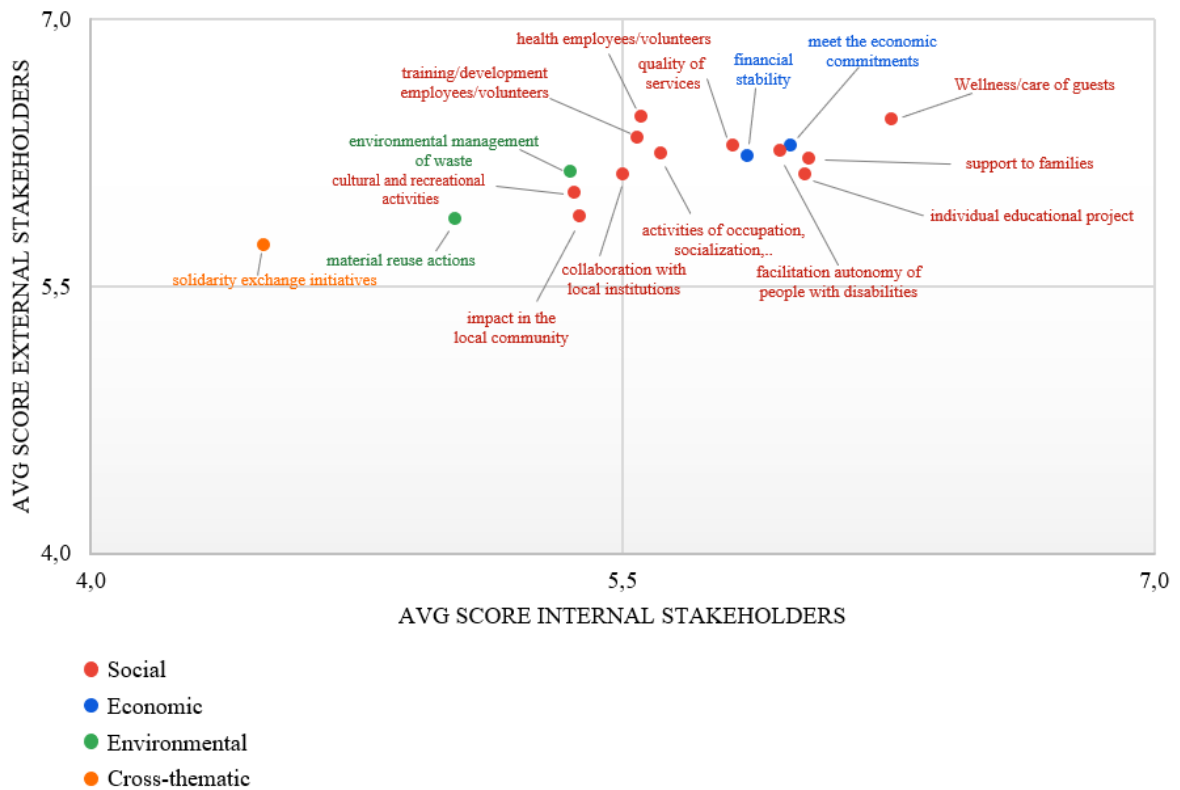


Figure 22: Materiality matrix – Graphic format. Personal elaboration.

Firstly, if the original scale had been adopted (from 1 to 7), all the topics would have been positioned in the upper-right quadrant, indicating a strong alignment between internal and external stakeholders: both categories feel all the proposed topics are relevant. By adopting a 4-7 scale, it is possible to conduct a more in-depth analysis to get further insights.

The graph highlights that the majority of themes are positioned in the upper-right quadrant of the matrix, meaning that a great part of the topics perceived as most important from internal stakeholders correspond to those perceived as most important from external stakeholders. Among these, particular importance is attributed to the themes “wellness/care of guests”, “support to families”, “meet the economic commitments”, and “individual educational project”. This reflects the significance attributed by respondents to users (people with disabilities and their families), which constitute the mission of the organization, while not neglecting the economic dimension. The remaining topics are positioned in the upper-left quadrant, and represent those themes that are considered highly important by external stakeholders, but on average less important by internal stakeholders, demonstrating a non-alignment in the respondents perception. This section of the matrix includes the two environmental topics and the cross-thematic one. In particular, the topics “material reuse actions” and “solidarity exchange initiatives” are those expressing the greatest difference in perception.

Overall, two cases emerge: either topics relevant for both stakeholders, or topics more important for external and less for internal stakeholders. There are no themes in the lower-left quadrant and in the lower-right quadrant. A preliminary conclusion is that in order to achieve full alignment (all issues located at the top-right), an action might be taken to shift the perception of internal stakeholders in relation to the non-aligned topics, in a way they consider them as important as external stakeholders do.

Efficacy:

After exploring the material topics, the effectiveness of the foundation’s action across the 16 areas of activities was investigated. Internal and external stakeholders were asked to answer the following question: “At present, how do you judge the work of the Foundation with respect to each of the following topics?”. Table 17 shows the average scores assigned to each topic, in terms of importance (second column) and of efficacy of the foundation’s action (third column). Results are presented in descending order based on the importance rating:

Topic	Average score importance	Average score Foundation efficacy
Wellness and care of guests	6,35	5,94
Foundation’s ability to meet its economic commitments	6,13	5,77
Assistance and support for families of people with disabilities	6,12	5,44
Facilitation of the autonomy of people with disabilities (personal, relational, social)	6,10	5,56
Individual educational project	6,07	5,49
Quality of the offered services	6,04	5,70
Financial stability	6,04	5,74
Health of employees and volunteers	5,99	5,44
Training and development of employees and volunteers	5,92	5,38
Organization and management of activities of daily occupation, socialization and self-realization	5,92	5,41
Collaboration with local bodies and institutions	5,80	5,19
Environmental management of waste	5,73	5,54
Organization and management of cultural, artistic, recreational, tourist and sporting activities	5,68	5,22
Impact in the local community	5,63	5,16
Promotion of actions of material reuse	5,44	5,20
Solidarity exchange initiatives (goods, clothes, ...)	5,08	4,86
Mean	5,88	5,44

Table 21: Efficacy matrix – Tabular format. Personal elaboration.

The table compares the priorities assigned to the topics according to their importance versus the perceived efficacy of foundation's action. Again, all topics received a rating higher than 4, indicating both their high importance and the good work of the foundation in each of them. The mean of the scores at the bottom of the table indicates that, on average, the themes obtained higher scores in terms of importance than in terms of foundation's effort in them (5,88 vs 5,44). When considering the extremes of the rating (highest scores in green, lowest scores in red), it is interesting to note how there is a perfect correspondence in relation to the highest-scored topic and the lowest-scored topic. The theme considered as most important by stakeholders is also the one in which the foundation is perceived as more efficient, while the theme considered as least important corresponds is the one in which the foundation performs relatively worse. The former is "wellness and care of guests", with an importance-score of 6,35 and an efficacy-score of 5,94. The latter is "solidarity exchange initiatives", with an importance-score of 5,08 and efficacy score of 5,44. The correspondence is detected also in relation to the topic "Foundation's ability to meet its economic commitments", which ranks second for both importance (6,13) and efficacy (5,77).

By crossing the above data, the *efficacy matrix* was obtained (Figure 23), which graphically displays, for each topic, the coherence (or absence of coherence) between its perceived importance and the related effort of the foundation. Also in this case, for a better understanding, a scale from 4 to 7 has been adopted and different colors were assigned to each topic according to the sustainability area of interest. Again, if the scale 1-7 had been considered, all topics would have appeared in the upper-right quadrant, indicating a coherence between the importance and perceived efficacy for each theme: important themes are also those in which the foundation operates better. Nevertheless, the 4-7 scale allows to perform a deeper analysis.

The topics in the upper-right quadrant are those considered the most important by stakeholders and in which at the same time Fondazione Patavium focuses its effort. Among these, the themes "wellness/care of guests", "meet the economic commitments", "quality of service" and "financial stability" hold a particular significance, indicating the social sustainability is accompanied by prudence in the economic management, which is necessary for carrying out the social activities.

The topics positioned in in the lower-left quadrant also express a coherence between importance and efficacy. In fact, "material reuse actions" and "solidarity exchange initiatives" are themes that are on average considered less important by stakeholders and to which corresponds a lesser commitment on the part of the foundation. On the other hand, the topics appearing in the lower-right quadrant of the matrix, which are the majority, are those that are considered relevant by stakeholders but in which the effort of the foundation is perceived to be lower. This means there

is no coherence between the level of importance and the related level of perceived effort. Finally, there are no topics in the upper-left area of the matrix, which is positive since it means there are no areas of activity there are not important for stakeholders, but in which the Foundation puts a lot of effort, with the consequence of a potential waste of resources. Overall, there is room for improvement in relation to the topics located in the bottom-right of the matrix: the effort of the foundation in such topics might reach the same level of their importance, thus aligning to the perception of stakeholders.

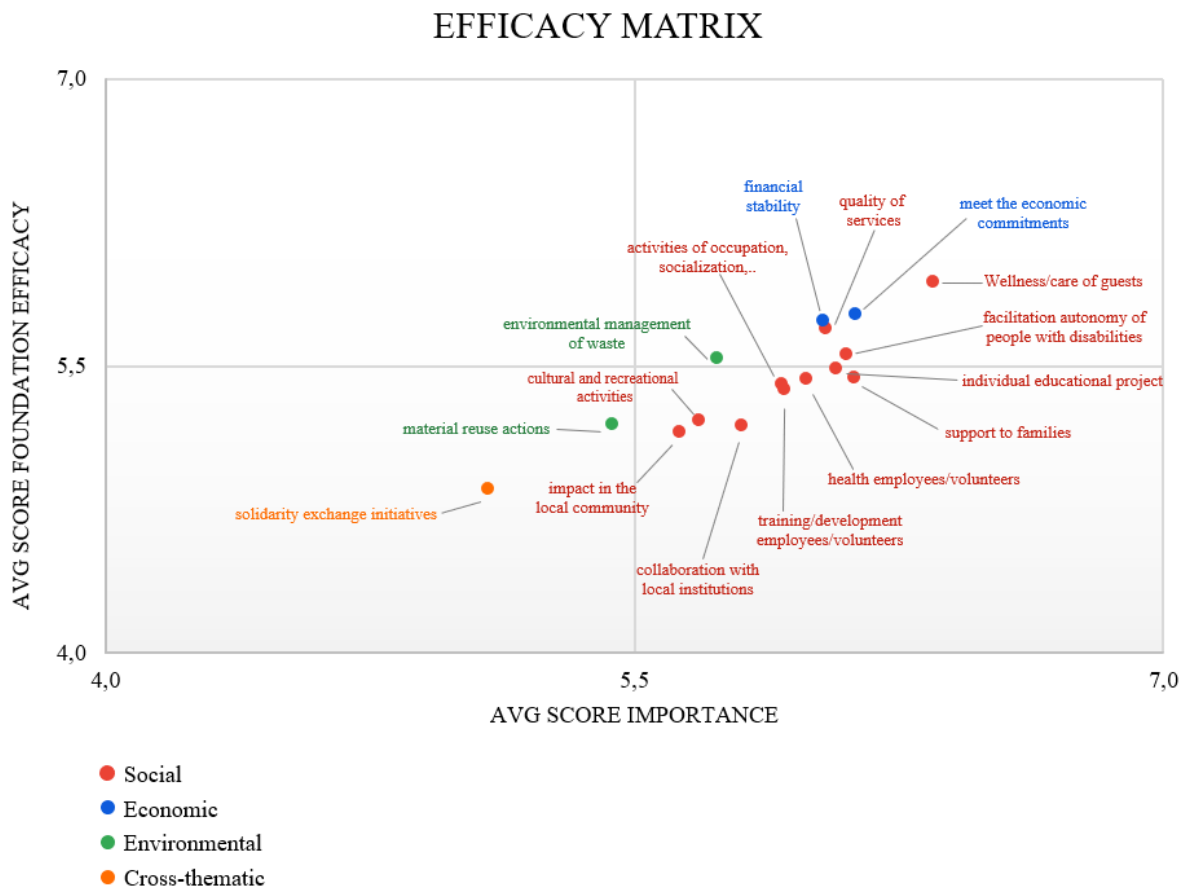


Figure 23: Efficacy matrix – Graphic format. Personal elaboration.

3.5 – Discussion of Results

This paragraph aims at interpreting the results obtained from the empirical analysis, which were presented in the previous paragraph. Firstly, the general goal of the research and its specific objectives will be restated, to clarify how the individual results should be read and how they fit into the broader research context. Next, the main findings will be summarized and discussed,

together with their implications, thus providing an answer to each of the proposed research questions.

The *goal* of this study was to perform the social impact evaluation of Fondazione Patavium, which was further specified in three distinct objectives guiding the conduction of the whole empirical research. Each objective corresponded to a precise *research question*, as follows:

- What is the degree of salience of Fondazione Patavium stakeholders, according to their power, urgency and legitimacy? (R.q.1)
- What is the social impact generated by Fondazione Patavium on its internal stakeholders and on its users? (R.q.2)
- What are the material topics for Fondazione Patavium, according to its stakeholders? And what is the efficacy of Fondazione Patavium activity, with respect to these topics? (R.q.3)

Section 1: Stakeholders Mapping

The salience of stakeholders was investigated by elaborating three indicators and a synthetic index measuring their relevance. The obtained results show that families of people with disabilities, people with disabilities and employees and volunteers are key stakeholders for Fondazione Patavium both in terms of *importance* and of *legitimacy*, as demonstrated by their high scores in the respective indicators. This can be interpreted in two ways. First, these stakeholders hold “power” in their relationship with the foundation, intended as their ability to guide the latter toward their necessities and desires (Mitchell et al., 1997). In other words, they have a great influence on the foundation. This does not constitute a negative connotation. Instead, it is congruent with the organizational purpose and mission, which lies in the assistance of people with disabilities and their families. In this sense, their needs become primary for the foundation’s existence, together with the needs of employees and volunteers, as those figures that support them daily through their service. Second, the claims and expectations of these stakeholders are perceived as desirable and appropriate, hence legitimate (Mitchell et al., 1997). This is a direct consequence of the above, and it is further confirmed by the stakeholders’ ranking, which is equal in both the indicator of importance and that of legitimacy. On the other hand, private donors and suppliers (goods suppliers, consultants, banks) ranked in the last positions in both indicators. Therefore, their level of importance and of legitimacy is perceived to be lower. This might be justified by the fact that at present, the existence of Fondazione Patavium depends to a small extent on private donors, and that suppliers play a secondary role in the foundation’s priorities. In terms of *urgency*, the relevance of stakeholders changes. The two major differences are detected in the position of the public institutions (municipality,

region, ULSS,..) and that of employees and volunteers. The former rank second, the latter penultimate. Perceiving employees as less urgent than public institutions might seem a surprising finding. A potential explanation lies in the meaning that was attributed to the urgency dimension. In this study, urgency reflects the frequency of the relation between stakeholders and the foundation, rather than their importance. In this sense, the respondents might perceive that the Foundation enters in relation more frequently with institutions rather than with who is working in the foundation, for example during formal occasions.

These three attributes (importance, legitimacy and urgency) are reflected in the synthetic index of relevance, which ultimately answers the first research question (R.q.1). The index in fact expresses the degree of salience of each stakeholder taking into account the three aforementioned dimensions. Accordingly, people with disabilities are the most salient stakeholders of Fondazione Patavium, followed by their families, hence the actual beneficiaries of the foundation services. On the other hand, suppliers and private donors are perceived as the least salient stakeholders.

This answer is integrated by some further considerations. First, according to the stakeholder salience theory, parties with no attributes are not salient, therefore they are not stakeholders (Mitchell et al., 1997). In this study, all the measured actors were assigned a certain level of importance, legitimacy or urgency. Hence, all can be deemed as Fondazione Patavium stakeholders. Second, as the synthetic index shows, all stakeholders obtained a score higher than 4 (the median value): consequently, all stakeholders of the foundation are salient. What differs is the degree of their salience, which reflects their priority. Third, the reader should bear in mind that the three attributes depend on the perception of the respondents, thus they are not objective. This means that if the survey had involved different categories of respondents, the results might have been inconsistent with the ones obtained. Lastly, the attributes are not permanent, but can change over time, together with the level of salience, since the model proposed by Mitchell et al. is a dynamic one.

Section 2: Impact on stakeholders

The Foundation's impact on its stakeholders was investigated by exploring its different dimensions (listed at Table 9) both individually and through correlations.

The results obtained by the first level of analysis show that overall, the Foundation generates a positive impact on its internal stakeholders, thus on governance, employees and volunteers. The majority of respondents (80% to 90% on average) expressed favorably along the various variables considered: perceived satisfaction, professional growth, health and well-being and sense of belonging to the organization. Only a minority feel little or no satisfaction. An

exception is represented by the variable “valorization”, which shows a higher level of dissatisfaction. In fact, 27% of respondents perceive a low or absent valorization. Although this data still constitutes a minority, when put in comparison with the other dimensions it gains a particular significance. Specifically, it implies that a portion of Fondazione Patavium stakeholders do feel they are not valued enough, highlighting the need, on the part of the foundation, to understand how to best enhance the skills and professionalism of its collaborators. Therefore, there is room for improvement in relation to this internal dimension of the organization. The ANOVA test demonstrates the existence of a statistically significant difference in the average perception expressed by decision makers, employees and volunteers. Although the test does not specify which group differs from the other, it is likely that employees, on average, assigned lower scores in respect to decision makers and volunteers in relation to the different investigated variables, as suggested by the descriptive statistic illustrating the mean scores of the three groups. The foundation should be aware of these internal differences in perception.

As to the impact generated by Fondazione Patavium on its users (or external stakeholders), the findings indicate a particularly high level of satisfaction along the four explored dimensions: satisfaction of user, satisfaction of person with disability, received support and quality of services. None of the respondents expressed scores below 4. This suggests the Foundation is doing a good job in responding to the needs of those parties that have been identified (in section 1) as the most salient stakeholders: people with disabilities and their families. Therefore, a potential interpretation is the presence of coherence between the foundation’s priorities (the most salient stakeholders) and its actions (the positive impact generated on them). Furthermore, the two t-tests conducted demonstrate the absence of a statistically significant difference in the average perception expressed by association members versus non-members, and by long-term users versus short-term users. Therefore, it can be concluded that there is homogeneity in perception among the considered groups.

The second level of analysis allowed to explore the drivers of the satisfaction expressed by internal and external stakeholders, so as to gain insights about which variables the foundation can act on in order to increase the general level of satisfaction over time. A relevant consideration can be made in the relation between satisfaction and valorization. Results show that a higher perceived valorization corresponds to a higher satisfaction. In light of what has been discussed above with reference to valorization, this information is a further encouragement for the foundation to promote the valorization of its internal stakeholders. Findings highlighted the existence of a positive relation also between satisfaction and the variables health/well-being and sense of belonging: their improvement leads to greater satisfaction. Therefore, all the three

variables can be considered drivers of satisfaction, on which the foundation can act in order to generate a positive impact. The relation is weaker in the case of professional growth. This implies that the acquisition of knowledge and skills might not lead to a substantial increase in stakeholders' satisfaction. When analyzing users, the investigated relations produced good results, demonstrating that both a higher level of perceived support and of perceived quality of services improves the users' satisfaction. Therefore, both dimensions play a key role in generating a positive impact over time. Also in this case, it should be pointed out that the discussed results reflect the perception of the respondents at the moment of the survey conduction. Surely, their perception is based on their long-time relation with the foundation, but it might be subject to changes over time.

Section 3: Material topics mapping

The results obtained by the construction of the two matrices in section three offer interesting insights. Firstly, the “materiality matrix” displayed which topics should be prioritized in the foundation's social reporting, according to the perception of its stakeholders. The findings show that for the most part, there is an alignment between the perception of internal and external stakeholders, indicating that themes important for the former are important also for the latter. The most significant were “wellness and care of guests”, “support to families”, “meet the economic commitments” and “individual educational project”. This proves the sensibility of stakeholders toward the core mission of the organization (people with disabilities), and at the same time highlights the economic dimension should not be neglected. In light of this, an interesting reflection regards the sustainability area considered. Both the economic sustainability topics are positioned in the upper-right quadrant. This might suggest that stakeholders are aware of how the social nature of the foundation should be supported by an economic feasibility. On the other hand, both the environmental sustainability topics, and the cross-thematic one are collocated in the upper-left quadrant, meaning they are more relevant to external stakeholders than to internal ones. The foundation might pose greater attention to such dimensions, through a higher engagement in environmental-related topics, in order to align to the needs of its external stakeholders. Moving to the “efficacy matrix”, this allowed to inspect whether the foundation actions are coherent with the priorities expressed by its stakeholders. The perception of stakeholders in relation to the importance of the services offered to people with disabilities as well as the economic stability is supported by a concrete effort on the part of the foundation. On the other hand, there is room for improvement with regards to the lower-right topics, since the foundation efficacy is not in line with their perceived relevance. In particular, this is true for topics related to employees (their health and development) and for

those concerning the foundation's presence in the local territory. Therefore, the efficacy matrix provides a starting point for reflecting on the actions the foundation might undertake in the in order to generate an impact on stakeholders which is in line with their expectations. In this sense, the two matrices are helpful not only for impact assessment, but also play as a strategic planning tool to set new objectives for the future, encouraging a continuous improvement.

3.6 – Limitations of the analysis

Some limitations can be recognized in relation the empirical analysis conducted.

Firstly, the analysis adopted a *quantitative* approach. In fact, the survey did not involve open-ended questions or in-presence interviews. This finds justification in the fact the performed SIE was a first edition for the foundation, therefore the research group decided not to conduct focus groups, but to opt for the production of indicators with a numerical relevance, that favored their comparability over time. The downside of such an approach lies in the risk of diminishing the importance of the social dimension of the foundation, by not reflecting its values, as discussed in the literature review (Polonsky et al., 2016).

Furthermore, the research addressed a *single case study*. This implies that the analysis is highly specific to the studied entity and to the context in which it operates, by fitting its nature and size. In particular, the study deals with a nonprofit, and specifically a foundation, operating in the Italian territory and in the context of disabilities. Therefore, the analysis might have limited replicability in different contexts, due to its high specificity.

A third limitation is that the measured impact does not have an objective validity. The obtained results do not reflect facts, but rather the *perception* and subjectivity of the respondents with regard to the foundation's actions, activities and relations. Therefore, different respondents might have brought to dissimilar results.

Also, the *methodology* followed might have been different. The choice of which variables to investigate, which stakeholders to measure and which topics to explore certainly followed a certain logic, which depended on the specific nature of the foundation and on the research group discretion. But these choices might have been different, with the consequence of measuring impact in an alternative way. For example, in section 2, impact was interpreted as the perception of stakeholders in relation to their experience in the foundation, which was measured along certain variables. Surely, the selection of such variables grounded on the author's way of interpreting the concept of impact.

Lastly, the SIE conducted was a *first edition* for the foundation. Accordingly, it constitutes a light version of SIE, which addresses three main aspects: mapping relevant stakeholders, their satisfaction, and material topics. Moreover, as anticipated above, it focuses on a quantitative approach and on three main categories of respondents. Hence, this analysis represents a starting point, which can be modified or integrated over the years.

CONCLUSION

The purpose of this paper was to conduct the Social Impact Evaluation (SIE) of the Italian foundation Fondazione Patavium Anffas Onlus. In particular, this study has elaborated a specific approach for assessing the social impact of the foundation, which was built on three main concepts: the stakeholders' salience theory, the notion of impact, and the materiality principle. These were fundamental in guiding the entire empirical analysis, by providing it with a theoretical frame of reference. On this basis, the research attempted to address three dimensions of impact: who is impacted, how they are impacted, and in which areas. Therefore, the general goal of the research was specified into three distinct objectives, each corresponding to a research question. The first one aimed at mapping the foundation stakeholders' salience, according to their power, urgency and legitimacy (who). The second question explored the social impact generated by Fondazione Patavium on its internal stakeholders and users (how). The third aspired to investigate the material topics for the foundation according to its stakeholders, and the foundation's level of efficacy in those areas of activity (which areas).

The three aims were achieved by means of a survey, which was conducted in the month of November 2021 and involved three categories of respondents: the foundation's governance, its employees and volunteers, and families, guardians and support administrators of people with disabilities. The questionnaire was elaborated through the Google Forms platform, and it comprised 26 questions, either multiple-choice or 7-point Likert scale type. It was structured in three main sections, each addressing one of the three study objectives. Consequently, the methodology followed to analyze data was a multiple research method, consisting in three section-specific data analyses. Their sum represented the SIE for Fondazione Patavium.

The analysis conducted in section 1 was based on the calculation of the degree of importance, urgency and legitimacy of each stakeholder as the average of the scores assigned by respondents to the respective questions. This led to the construction of three indicators (of importance, of urgency and of legitimacy) and of a synthetic index of relevance, as the sum and average of the three indicators. In the second section, the foundation's impact on its stakeholders was explored by measuring their perception along some selected variables, such as satisfaction or quality of services. These variables were examined through the conduction of frequency analysis, an ANOVA test, two t-tests, and correlation and regression analysis. The analysis performed in section 3 allowed to cross the average scores of importance and efficacy assigned to the 16 proposed sustainability topics by the respondents. Hence, two matrices were elaborated: the materiality matrix and the efficacy matrix, which was proposed as a new tool for social impact assessment.

As to the findings, section 1 demonstrates that the most salient stakeholders for Fondazione Patavium are people with disabilities and their families, hence the actual beneficiaries of the foundation. This is coherent with the organizational purpose, which lies in the support of disadvantaged people. On the other hand, suppliers and private donors are perceived as the least relevant stakeholders, thus playing a secondary role in the foundation's priorities. Section 2 shows Fondazione Patavium generates a positive impact both on its internal and external stakeholders, with the majority of them expressing a high level of satisfaction along the various investigated variables. This is particularly true for users, suggesting the foundation is successfully responding to the needs of those who have been identified as the most salient stakeholders (in section 1). On the other hand, there is room for improvement in relation to the valorization of employees and volunteers, which revealed a greater level of dissatisfaction. A difference in perception is detected among different sub-groups within the category internal stakeholders, while there is a general homogeneity in perception within the category users. Furthermore, results evidence that perceived support and quality of services can be considered drivers of external stakeholders' satisfaction, while internal stakeholders' satisfaction is driven by valorization, health, and sense of belonging. Conversely, the variable professional growth seems to have a weak influence on the degree of perceived satisfaction. Lastly, section 3 highlights that the material topics for Fondazione Patavium are those associated to the support of people with disabilities and their families, while not neglecting the importance of the economic dimension. The efficacy matrix confirms the foundation's actions are coherent with such priorities. However, environmental-related topics seem to be more relevant to external stakeholders than to internal ones, and the foundation's efficacy is lower than the perceived relevance in topics concerning employees' health and development, and the presence in the local territory. Hence, actions might be undertaken to improve in these directions.

This paper represents a valuable step toward a more complete comprehension of the social impact evaluation practice, which is increasingly requested to NPOs as an accountability tool, but which is still subject to a high level of uncertainty on how to perform it. The elaborated method contributes to filling the current lack of empirical research regarding the approaches to SIA specifically adopted by foundations. Furthermore, it brings new evidence in relation to impact assessment in the Italian nonprofit context, which is characterized by a few examples on how to perform it practically. In particular, it integrates the type of assessment typically performed by similar third sector entities operating under the same regulation, by developing an approach which addresses three dimensions of impact. In addition, it might constitute a point of reference for other organizations working in support of people with disabilities, by providing them with appropriate indicators.

The originality of the analysis lies in the methodology adopted, which, on the basis of existing theory, enlarges knowledge by elaborating new tools for assessing social impact. The indicators of importance, legitimacy, urgency, and the synthetic index of relevance represent practical elements for measuring stakeholders' relevance. The efficacy matrix is proposed as an instrument which complements the materiality matrix. Together, they serve a dual function: inspecting the organizational priorities and setting strategies for the future. The value of the study also derives from the involvement of stakeholders in the process. The importance of stakeholders' engagement in social reporting has been highlighted both in literature (Manetti & Toccafondi, 2014) and in the Italian guidelines to SIE (Decree 23 July 2019). This was achieved through regular meetings with the foundation's governance and through stakeholders' participation in the questionnaire. Therefore, they played a crucial role in measuring the foundation's impact.

Surely, some limitations were recognized in relation to the empirical analysis. These were already discussed in paragraph 3.6, but will be recalled here. Firstly, the approach adopted was quantitative, with the consequent risk of diminishing the importance of the social nature of the foundation. Moreover, the research deals with a single case study. Thus, it is highly specific to the foundation, implying it might have limited replicability in different contexts. Thirdly, the results are based on the perception of respondents, which reduces the objective validity of the study. The selection of the investigated variables and topics and of the measured stakeholders depended on the choice of the author, in relation to the nature of the foundation. Therefore, they might have been different. Lastly, this analysis of impact was the first edition for Fondazione Patavium. Hence, it does not represent a complete version of social impact assessment.

In light of these limitations, recommendations for future research are identified. This analysis is a starting point, which therefore is subject to be expanded and refined in the future years. Different choices might be adopted in relation to the theories on which the study is based, but also with regard to the selected variables, stakeholders and investigated topics, in order to allow adaptation in dissimilar contexts. A qualitative dimension could be introduced in the study, through the conduction of interviews with the foundation's representatives or through dedicated focus groups. Also, the analysis might involve additional categories of external stakeholders, in order to increase their representativeness. In conclusion, the assessment could integrate the perception of respondents by taking into account also objective indicators related to the foundation's actions and activities.

These considerations constitute the base for a process of continuous improvement, which will progressively contribute to the construction of knowledge and of a growing awareness around this new field.

APPENDIX A – QUESTIONNAIRE QUESTIONS

Domande in comune

Sezione 1: Mappatura stakeholders

Stakeholders interni

1. In base al suo sentire, quanto ritiene fondamentale il rapporto della Fondazione con ognuno dei seguenti soggetti? (dove 1 corrisponde a "per nulla fondamentale", 4 corrisponde a "mediamente fondamentale" e 7 corrisponde a "estremamente fondamentale")

	1	2	3	4	5	6	7
Dipendenti e Volontari							
Familiari di persone con disabilità							
Persone con disabilità							
Fornitori di beni o servizi (Consulenti vari, Banche, Fornitori di merci)							
Donatori Privati							
Enti Pubblici (Comune, Regione, ULSS, Scuole)							
Altri Enti Anffas							

2. Con quale frequenza ritiene che Fondazione Patavium si relazioni con ognuno dei seguenti soggetti?

	mai	raramente	1 volta al mese	2-3 volte al mese	1 volta a settimana	2-3 volte a settimana	ogni giorno
Dipendenti e Volontari							
Familiari di persone con disabilità							
Persone con disabilità							
Fornitori di beni o servizi (Consulenti vari, Banche, Fornitori di merci)							
Donatori Privati							
Enti Pubblici (Comune, Regione, ULSS, Scuole)							
Altri Enti Anffas							

3. Secondo Lei, quanto le istanze e le attese dei soggetti sottoindicati giustificano il loro coinvolgimento nella Fondazione? (dove 1 corrisponde a "per nulla", 4 corrisponde a "mediamente" e 7 corrisponde a "totalmente")

	1	2	3	4	5	6	7
Dipendenti e Volontari							
Familiari di persone con disabilità							
Persone con disabilità							
Fornitori di beni o servizi (Consulenti vari, Banche, Fornitori di merci)							
Donatori Privati							
Enti Pubblici (Comune, Regione, ULSS, Scuole)							
Altri Enti Anffas							

Sezione 2: Impatto relazione

Stakeholder interni

1. Quanto si ritiene soddisfatto del suo rapporto con la Fondazione? (dove 1 corrisponde a "per nulla soddisfatto", 4 corrisponde a "mediamente soddisfatto" e 7 corrisponde a "estremamente soddisfatto")

Per nulla	1	2	3	4	5	6	7	estremamente

2. Quanto si sente valorizzato all'interno della Fondazione? (dove 1 corrisponde a "per nulla valorizzato", 4 corrisponde a "mediamente valorizzato" e 7 corrisponde a "estremamente valorizzato")

Per nulla	1	2	3	4	5	6	7	estremamente

3. Quanto si sente cresciuto professionalmente da quando presta il suo servizio all'interno della Fondazione? (in termini di formazione ricevuta/competenze acquisite) (dove 1 corrisponde a "per nulla cresciuto", 4 corrisponde a "mediamente cresciuto" e 7 corrisponde a "estremamente cresciuto")

Per nulla	1	2	3	4	5	6	7	estremamente

4. Come valuta il suo stato di Salute/Benessere all'interno della Fondazione?

Pessimo	1	2	3	4	5	6	7	ottimo

5. Quanto si sente rappresentato dalla mission e dai valori della Fondazione? (dove 1 corrisponde a "per nulla rappresentato", 4 corrisponde a "mediamente rappresentato" e 7 corrisponde a "estremamente rappresentato")

Per nulla	1	2	3	4	5	6	7	estremamente

Stakeholder esterni

1. Qual è il suo grado di soddisfazione in relazione alle attività e ai servizi offerti dalla Fondazione? (dove 1 corrisponde a "per nulla soddisfatto", 4 a "mediamente soddisfatto" e 7 corrisponde a "estremamente soddisfatto")

Per nulla	1	2	3	4	5	6	7	estremamente

2. Quale ritiene essere il grado di soddisfazione della persona con disabilità di cui lei è Familiare, Tutore o Amministratore di Sostegno? (dove 1 corrisponde a "per nulla soddisfatto", 4 corrisponde a "mediamente soddisfatto" e 7 corrisponde a "estremamente soddisfatto")

Per nulla	1	2	3	4	5	6	7	estremamente

3. Come valuta il livello di supporto che riceve dalla Fondazione in qualità di familiare, tutore o amministratore di sostegno di una persona con disabilità?

Nulla	1	2	3	4	5	6	7	ottimo

4. Come valuta la qualità dei servizi offerti dalla Fondazione?

Pessima	1	2	3	4	5	6	7	ottima

Sezione 3: Rilevanza dei temi

Stakeholders interni ed esterni

1. Secondo Lei, quanto è importante ciascuno dei seguenti temi per la Fondazione? (dove 1 corrisponde a "per nulla importante", 4 corrisponde a "mediamente importante" e 7 corrisponde a "estremamente importante")

	1	2	3	4	5	6	7
Impatto nella comunità locale							
Collaborazione con Enti e Istituzioni del Territorio							
Organizzazione e gestione di attività culturali, artistiche, ricreative, turistiche, sportive.							
Organizzazione e gestione di attività di occupazione quotidiana, socializzazione e autorealizzazione							
Salute di dipendenti e volontari							
Facilitazione dell'autonomia di persone con disabilità (personale, relazionale, sociale)							
Sostegno e Supporto delle famiglie di persone con disabilità							
Progetto educativo individuale							
Formazione e valorizzazione di dipendenti e volontari							
Qualità dei servizi erogati							
Benessere e cura degli ospiti							
Equilibrio finanziario							
Capacità dell'Ente di far fronte ai propri impegni economici							
Gestione ambientale dei rifiuti							

Promozione di azioni di riuso dei materiali							
Iniziative di scambio solidale (beni, vestiti, ..)							

2. Ad oggi, come giudica l'operato della Fondazione rispetto a ciascuno dei seguenti temi?

	1	2	3	4	5	6	7
Impatto nella comunità locale							
Collaborazione con Enti e Istituzioni del Territorio							
Organizzazione e gestione di attività culturali, artistiche, ricreative, turistiche, sportive.							
Organizzazione e gestione di attività di occupazione quotidiana, socializzazione e autorealizzazione							
Salute di dipendenti e volontari							
Facilitazione dell'autonomia di persone con disabilità (personale, relazionale, sociale)							
Sostegno e Supporto delle famiglie di persone con disabilità							
Progetto educativo individuale							
Formazione e valorizzazione di dipendenti e volontari							
Qualità dei servizi erogati							
Benessere e cura degli ospiti							
Equilibrio finanziario							
Capacità dell'Ente di far fronte ai propri impegni economici							
Gestione ambientale dei rifiuti							
Promozione di azioni di riuso dei materiali							
Iniziative di scambio solidale (beni, vestiti, ..)							

Domande per categoria

Governance

1. Da quanti anni collabora con la Fondazione?

	Meno di 1
	1
	2
	3
	4
	5
	6
	7
	8
	9
	10
	Piu di 10

Dipendenti e Volontari

1. Qual è il suo ruolo all'interno della Fondazione?

	Coordinatore/Responsabile di servizio o sede
	Dipendente amministrativo
	Dipendente per il Servizio alla Persona (Operatore/Educatore)
	Dipendente ausiliario (Cucina, pulizie, giardinaggio, manutenzione)
	Volontario
	Altro:

2. Da quanti anni collabora con la Fondazione?

	Meno di 1
	1-5
	6-10
	11-15
	16-20
	Più di 20

Familiari/Tutori/Amministratori di Sostegno

1. Che tipo di legame ha con la persona con disabilità?

	Genitore
	Fratello/sorella
	Tutore/Amministratore di Sostegno
	Altri familiari

	Preferisco non rispondere
	Altro:

2. Da quanto tempo la persona con disabilità di cui Lei è familiare, tutore o amministratore di sostegno usufruisce dei servizi della Fondazione?

	Meno di 1 anno
	1-5
	6-10
	11-15
	16-20
	Più di 20 anni

3. Di quale dei seguenti servizi la persona con disabilità di cui Lei è familiare, tutore o amministratore di sostegno usufruisce?

	Servizio residenziale (Comunità Alloggio)
	Centro diurno
	Entrambi

4. Qual è il livello di gravità della disabilità della persona di cui Lei è familiare, tutore o amministratore di sostegno?

	Livello 1 (grave)
	Livello 2 (medio)
	Livello 3 (lieve)
	Non so

5. È socio dell'Associazione Anffas Onlus Padova?

	Sì
	No
	Preferisco non rispondere

Dati socio anagrafici

Età

	Minore o uguale a 20
	21-30
	31-40
	41-50
	51-60
	61-70
	Maggiore di 70

Genere

	Donna
	Uomo
	Non rispondo

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LEGISLATIVE SOURCES

Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups

Directorial Decree 26 October 2021, n. 561.

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Regulation (EU) 2016/679 of the European Parliament and of the Council, of 27 April 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)