

TAKING  
**COOPERATION**  
FORWARD



Interreg SIV Policy & Practice Conference ,*Social Impact Vouchers as Tools for Social Innovation on the Labour Market*‘

Vienna, LC.0.200, May 3<sup>rd</sup> 2022



**Breakout Session „Assessing the social and economic impact of labour market interventions“**



NPO & SE Competence Centre WU Vienna | Flavia Bogorin, Eva More-Hollerweger

Social Welfare Service of the Protestant Churches Württemberg | Klaus Kittler

## Part 1:

### Methods and tools for analysing impact

- What is impact?
- How to conduct an impact analysis?
- What is an SROI analysis?

## Part 2:

### Key findings from the Interreg SIV evaluation

- The SROI analysis of the German voucher programme (Württemberg)

## Part 3:

### Discussion with Klaus Kittler about the potential and limitations of the SROI method



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# WHAT IS IMPACT?

- **Impact** describes those (positive and/or negative) changes that can be observed in beneficiaries or affected person (e.g. individuals, groups, corporations, society) as well as in the environment after an intervention has taken place
- **Impacts** can occur short-, medium- and long-term
- **Impacts** can occur at micro, meso and macro level
- **Impacts** can roughly occur in six different dimensions:



economic



social



political



ecological



cultural



physical/psychological

Which  
impacts?

Where do the  
impacts arise  
structurally?

For which  
stakeholders?

When do the  
impacts occur?

Which time  
horizon is  
relevant?

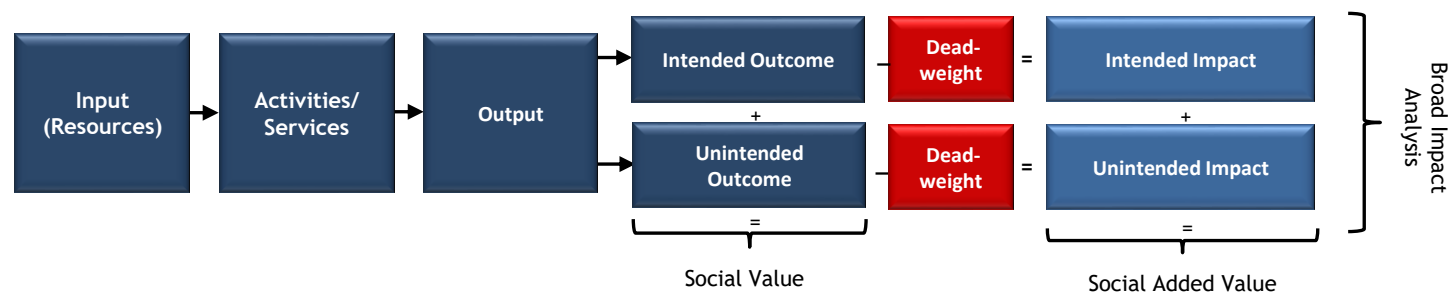
**Source:**

Grünhaus, Christian/Rauscher, Olivia (2021): Impact and impact analysis in non-profit organisations, businesses and organisations with social added value. NPO & SE Competence Centre. Download: <https://short.wu.ac.at/working-paper-impact-EN>

Then et al. (2017): Social Return on Investment. Palgrave Macmillan. <https://www.springer.com/de/book/9783319714004>



# AT THE CORE OF EACH IMPACT ANALYSIS: *THE IMPACT VALUE CHAIN*



- **Input** refers to all resources invested in the analysed project or organization (money, time, skills, knowledge).
- **Activities** refers to those services or products designed/carried out with the invested input.
- **Output** refers to the extent and quantity of services or products delivered.
- **Intended/ Unintended Outcome** refers those positive and/or negative changes that can be observed in beneficiaries or affected persons after the activity or service/product has been performed or consumed. In sum it defines the **Social Value** of an intervention.
- **Deadweight** refers to those outcomes that would have occurred anyway (ceteris paribus), even without the concrete activities.
- **Intended/ Unintended Impact** refers all those outcomes that occur only due to the intervention analysed, taking deadweight into account. In sum it defines the **Social Added Value** of an intervention.

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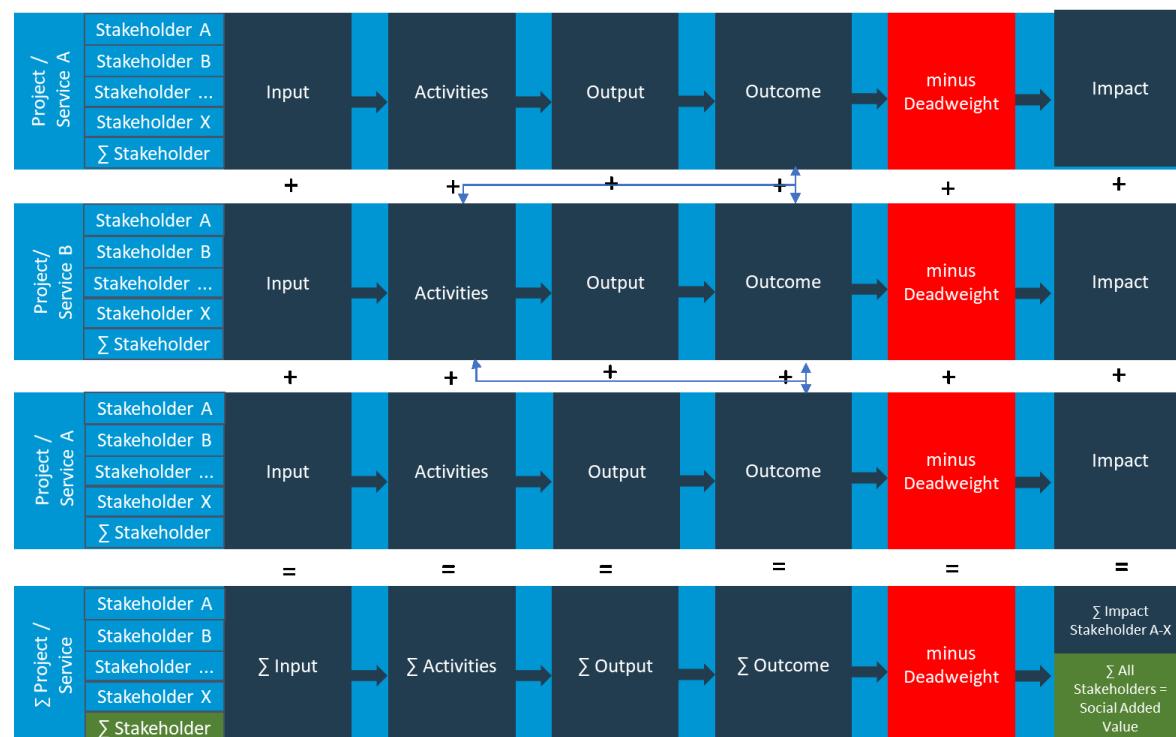
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# IDENTIFYING AND STRUCTURING IMPACT

## THE IMPACT MODEL

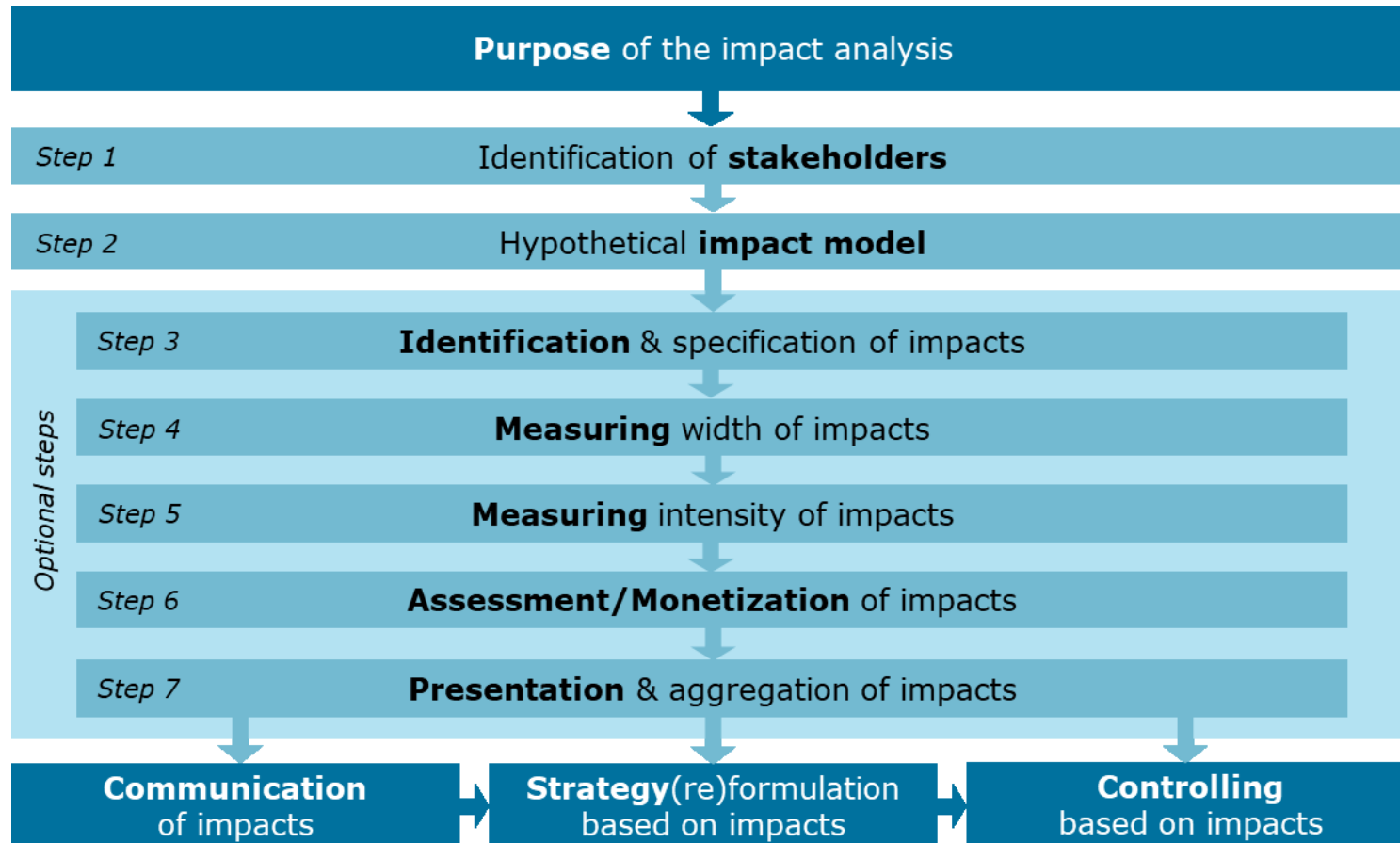
- An **Impact Model** is set up for a project/intervention or can be set up for an entire organisation.
- An **Impact Model** consists of various impact value chains. For each stakeholder one impact value chain.
- It shows the **overall social added value/ impact** of the whole organisation or a sector
- It might show the **interconnectedness and synergies** between different project or services of an organisation.
- It can serve as a basis for an **impact oriented strategic development**, for example to identify potential partners for cooperation to increase the impact



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# STEPS OF AN IMPACT ANALYSIS



Source:

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# IMPACT MEASUREMENT: *FOR WHAT PURPOSE?*

Impact-oriented control	<ul style="list-style-type: none"><li>• Control of the organization on the basis of key impact indicators</li><li>• Establishment of an impact controlling system</li></ul>
External communication	<ul style="list-style-type: none"><li>• Reputation building, branding</li><li>• Establish/secure legitimacy in external perception</li></ul>
Finding investors, fundraising	<ul style="list-style-type: none"><li>• Mobilize resources</li><li>• Establish/secure legitimacy towards financiers e.g. social impact investors</li></ul>
Strategic and organizational development	<ul style="list-style-type: none"><li>• Improve strategy development; basis for strategic decisions</li><li>• Promoting organizational learning; optimizing processes</li><li>• Increasing employees motivation and satisfaction</li></ul>
Strategic cooperation and scaling	<ul style="list-style-type: none"><li>• Enter into cooperation that are in the spirit of social value chains</li><li>• Increase social added value through scaling of the business model</li></ul>

→ The purpose, the resources and the possibilities of data collection define the type and breadth of an impact analysis

**Source:**

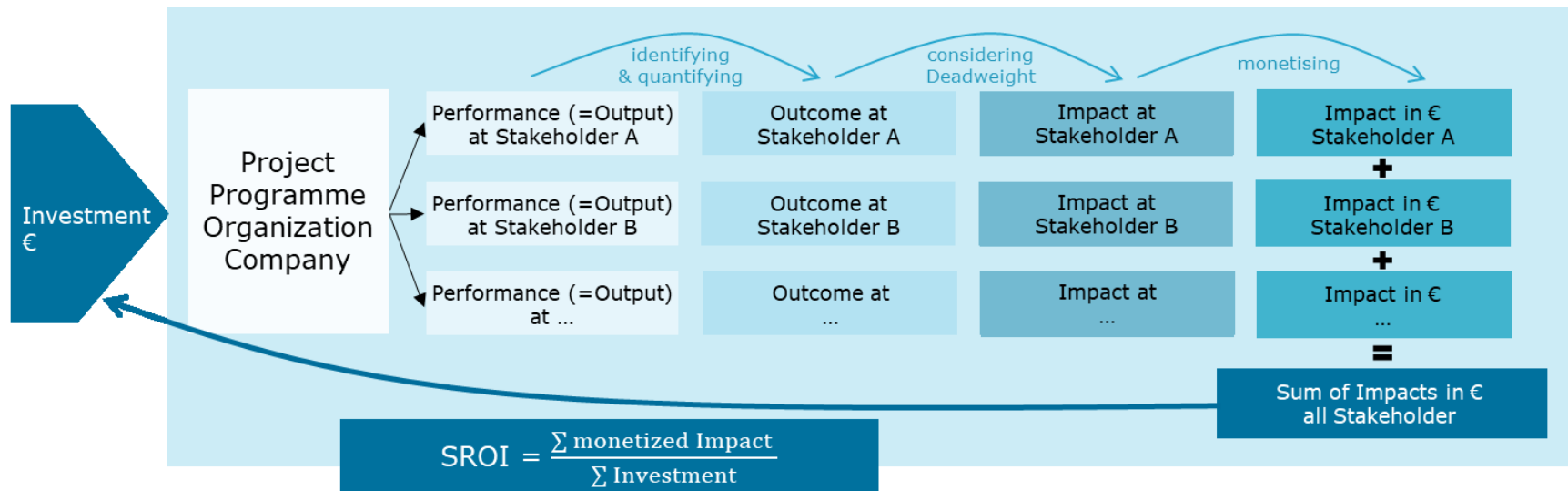
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# IMPACT MEASUREMENT: THE SOCIAL RETURN ON INVESTMENT (SROI)-ANALYSIS



Source:

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- Abandonment of pure input-output orientation
- Includes stakeholder perspective
- Analysis of the **needs and benefits of stakeholders** (resp. impacts of an intervention) leads to a better understanding of (lack of) services
- Evidence of **mission** fulfillment
- Helps to **define goals** and an impact model and to better **understand one's own activities effect beneficiaries, other stakeholders and society**
- Increase in the **effectiveness, efficiency and quality** of service provision
- **Gives evidence** where changes are particularly effective
- Provides adequate **legitimacy** for activities of non-profit organizations and social businesses
- Provides **decision support** for **investors** between different programs, projects, organizations - Benchmarking (depends on the method)
- Impact orientation opens up room for innovation

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- Can a **consistent logical link** between services (output) and effects (impact) be demonstrated? → Problem of the imputability of effects
- **How many level of impact should be included?** (e.g. income = benefit for employees → Income is spent and creates jobs again ...)
- **Can indicators be found that measure impacts validly? How complex is data collection and measurement?** Certain facts are extremely difficult to measure (e.g. life satisfaction in patients with severe dementia)
- **Difficulty of subjectivity** → Objective measurement of impacts is often difficult; frequently, only a subjective evaluation of achieved impacts can be recorded
- **Lack of standards** in impact analysis and measurement → Many different approaches

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Download study report:

<https://short.wu.ac.at/sroi-siv-en>



- Presentation of the short- as well as medium- and long-term social and economic impacts of the support programme "Employment Vouchers"/ the Interreg CE "Social Impact Voucher" (SIV) Programme in Germany (Württemberg)
- Monetary evaluation of the effects and their comparison with the investments made
- Research Questions:
  - FF 1: *What are the impacts of the "Employment Vouchers" programme of the Social Welfare Service of the Protestant Churches in Württemberg?*
  - FF 2: *To what extent (quantity) do the identified impacts occur?*
  - FF 3: *How can the identified and quantified impacts be monetised?*
  - FF 4: *What is the total monetised benefit of one euro invested in the voucher programme?*
  - FF 5: *Which Sustainable Development Goals (SDGs) are achieved through the identified impacts?*



# SCOPE AND DESIGN OF THE STUDY



## ■ Analysis period: the year 2019

→ Inclusion of all program participants and employment providers who participated in the voucher program in 2019 in the analysis:

- 126 programme participants (65 volunteers, 2 mini-jobs, 59 jobs subject to social insurance contributions)
- 24 employment agencies

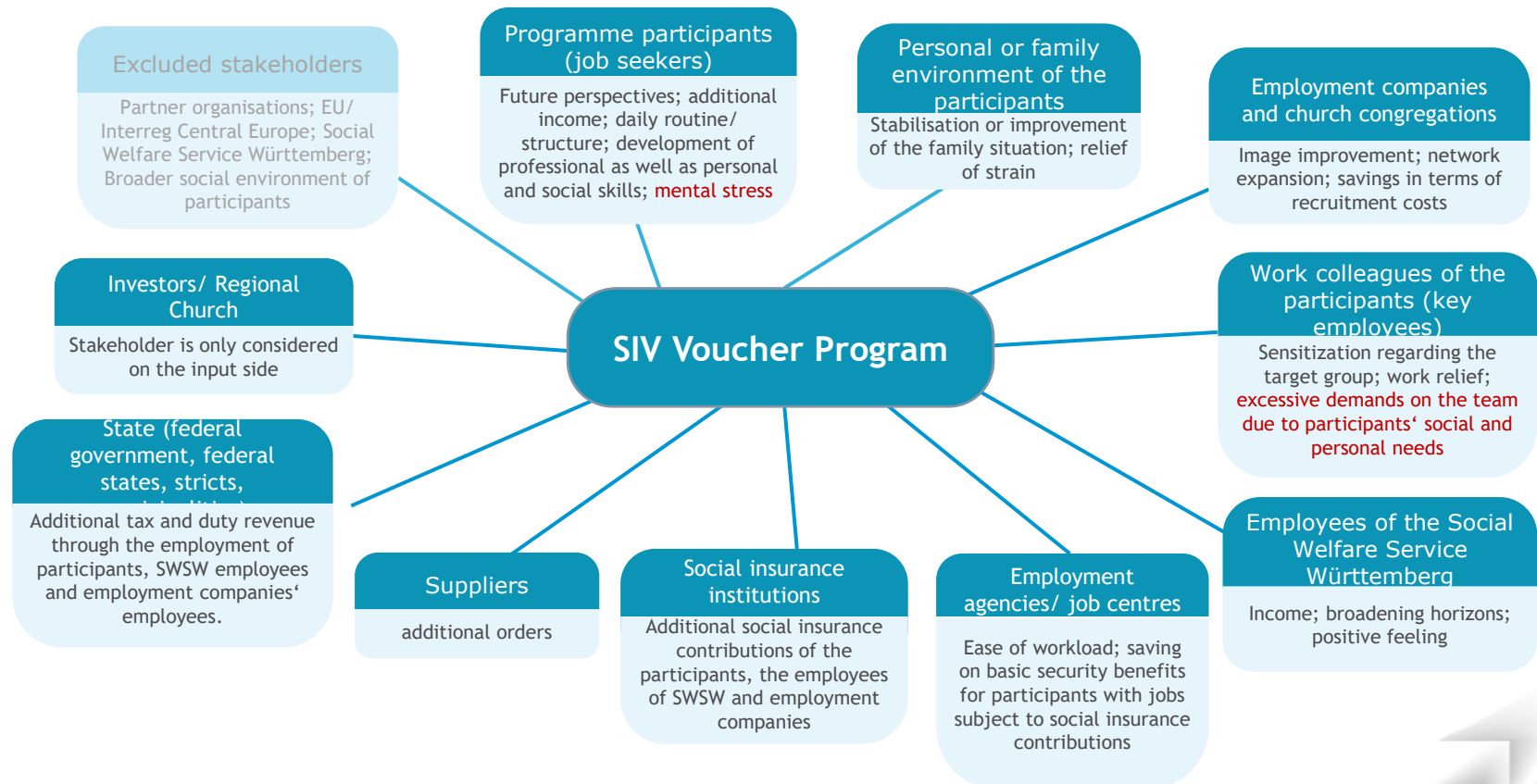


## ■ Data Collection:








- **Secondary material research and analysis**
  - > Literature & statistical data research
  - > Review and analysis of internal documents (e.g. application list)
- **Qualitative survey of key stakeholders** (9 personal and telephone interviews)
- **Quantitative questionnaire surveys:**
  - > Collection of financial, performance and output data via Excel form at Social Welfare Service Württemberg
  - > Offboarding survey of selected programme participants (n=47)
  - > Collection of output, financial and impact data from employment providers by means of a quantitative telephone survey (n=12)



# STAKEHOLDERS INCLUDED



# IMPACT MODEL (EXCERPT)

Stakeholder	Input	Activities	Output	Effects
<b>Programme participants (job seekers)</b>	Time	Placement, employment, support	Number of participants placed, employed and supported	Sense of purpose and the opportunity to make a contribution to society 
	Skills			Creation of routine and structure in everyday life 
	Willingness to be helped			Knowledge enhancement or acquisition of professional competences 
				Mental stress or mental overload due to the world of work (e.g. due to conflicts at work, assumption of responsibility, stress) 
	...	...	...	...
<b>Employment companies and church congregations</b>	Additional financial resources	workplace promotion, support with recruitment activities; mediation	Number of participants placed, employed and supported	Savings in terms of recruitment costs and time facilitation due to the preparatory work of the Social Welfare Service Württemberg 
	Time and personnel resources for support			improved image and recognition through employment of the target group 
				Establishing relationships with potential cooperation partners and network expansion 
	...	...	...	...





# CALCULATION METHODS (EXCERPT)

## MONETIZED EFFECTS

### Programme participants (job seekers)

#### Creation of routine and structure in everyday life

Average costs of a project management / time management seminar

Related to the year 2019

multiplied by the number of programme participants who have learned to better structure their daily routine (quantification: voluntary work: 76%; mini-jobs: 62%; jobs subject to social insurance contributions: 47%)

minus deadweight: share of participants who would have similar outcomes through alternative programmes (assumption: voluntary work: 5%, mini-jobs: 5%, jobs subject to social insurance contributions: 10%)

**Impact** **€ 110,409**

### Employment agencies and church congregations

#### Improved image or recognition through employment of the target group

Costs for an online advertising campaign

Related to the year 2019

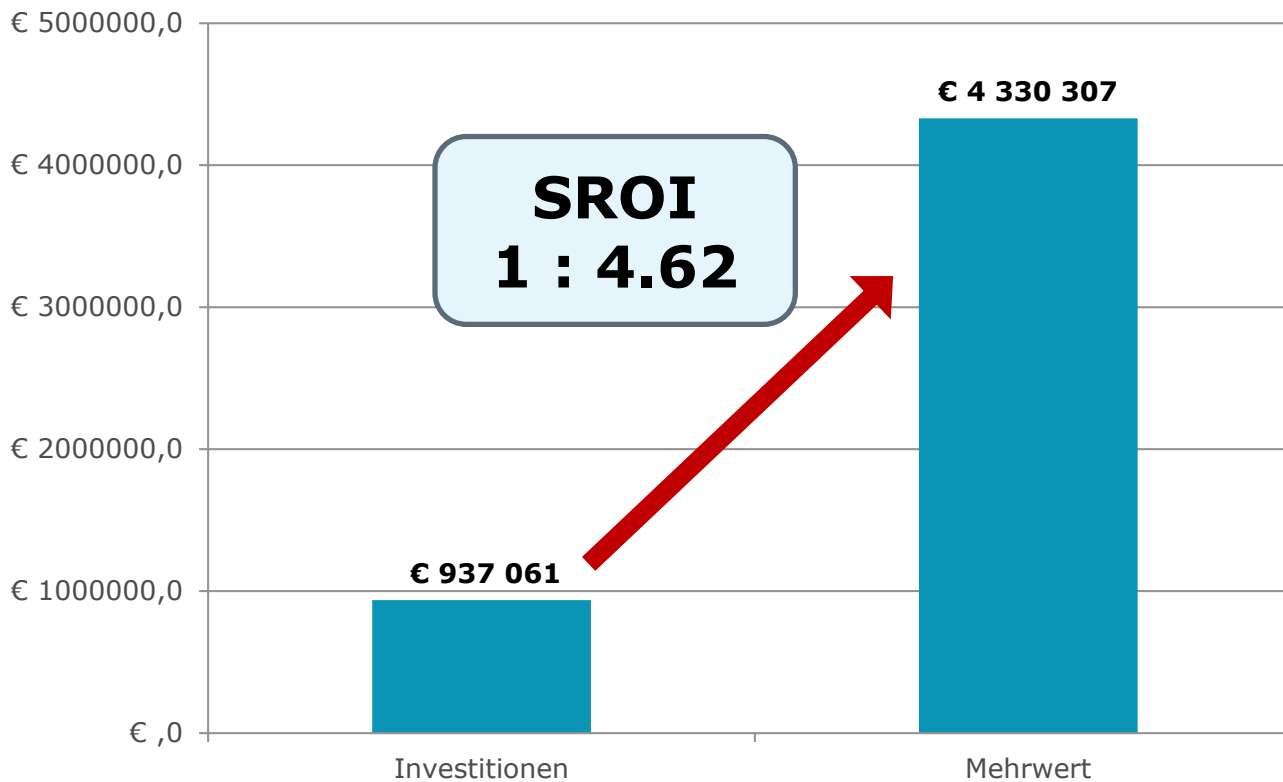
multiplied by the share of employment companies that reported an improved image through the voucher programme (33%)

minus deadweight: share of employment companies that would have similar outcomes through alternative programmes (assumption: 25%)

**Impact** **€ 20,790**



# SROI VALUE



**SROI**  
**medium-term  
scenario**  
**1 : 6,10**  
**long-term  
scenario**  
**1 : 8,38**



# INVESTMENT AND ADDED VALUE OF THE VOUCHER PROGRAMME

## OVERALL VIEW

Stakeholder	Investments	Monetized added value	share of total profit
Programme Participants		€ 3.368.996	77,80%
Social Insurance Institutions		€ 280.342	6,47%
Employment agencies/ job centres		€ 264.210	6,10%
Employment companies and church congregations	€ 482.549	€ 206.716	4,77%
State (federal government, federal states, districts, municipalities)	€ 159.676	€ 117.139	2,71%
Work colleagues of the participants		€ 54.446	1,26%
Personal/family environment of the participants		€ 35.458	0,82%
Employees of the Social Welfare Service Württemberg		€ 1.653	0,04%
Suppliers		€ 1.348	0,03%
Investors/ Regional Church	€ 294.835	Stakeholders is only considered on the input side	
<b>Overall result</b>	<b>€ 937.061</b>	<b>€ 4.330.307</b>	<b>SROI 1 : 4,62</b>



- With an SROI value of 4.62, the voucher programme proves to be particularly effective
  - This value represents only the short-term impacts directly related to the 2019 analysis year.
  - If the effects are extrapolated for the medium and long term, the SROI value increases to 6.02 and 8.38 respectively.
- The programme participants are by far the main beneficiaries of the voucher programme. The second and third largest social added value is generated by the social insurance institutions and the employment agencies/job centres.
- The voucher programme makes a significant contribution to the achievement of the Sustainable Development Goals (SDGs) and thus generates socially and economically sustainable added value in addition to monetised added value.



# QUESTIONS

*Thank you for your attention!*

Do you have any more  
questions?



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# DISCUSSION QUESTIONS I

- Where do you see the need as well as the potential for activating private money for supporting labour market integration?
  - Is this a goal that the Social Welfare Service Württemberg is actively pursuing?
  - Do you have any good practice examples in this regard?
- How did the SWSW make use of the results of the SROI analysis up to this point?
  - In external settings?
  - For your everyday work at the SWSW?
  - For involving potential private investors or donors in employment programmes?



# DISCUSSION QUESTIONS II

- How do you picture the future of labour market inclusion measures from a policymaking as well as an investment perspective?
  - What further arguments or concrete activities do you think would better support labour market inclusion on a policy-level?
  - By what means do you think private investors or donors can in future be more closely involved in labour market inclusion activities?
  - To what extent is advocating for different target groups of labour market measures decisive for the success of these measures?
  - What are in your opinion the most promising approaches for steering labour market inclusion activities in the future?
  - What role could impact analyses in general - either in form of SROI analyses or other impact-oriented approaches - play in raising awareness for the importance of labour market inclusion among policy-makers and private investors or donors?
- Do you have any closing statement or additional thoughts on this matter?





**Flavia-Elvira Bogorin, MSc**

*Researcher*

Competence Center for Nonprofit  
Organizations and Social  
Entrepreneurship

WU

Vienna University of Economics and  
Business

Tel: +43 1 31336 5818

Email: [flavia-elvira.bogorin@wu.ac.at](mailto:flavia-elvira.bogorin@wu.ac.at)  
[www.wu.ac.at/npocompetence](http://www.wu.ac.at/npocompetence)

**Mag.<sup>a</sup> Eva More-Hollerweger**

*Senior researcher*

Competence Center for Nonprofit  
Organizations and Social  
Entrepreneurship

WU

Vienna University of Economics and  
Business

Tel: +43 1 31336 5885

Email: [eva.more@wu.ac.at](mailto:eva.more@wu.ac.at)  
[www.wu.ac.at/npocompetence](http://www.wu.ac.at/npocompetence)

**Klaus Kittler**

*Technical advisor*

Social Welfare Service of the  
Protestant Churches in Württemberg  
(SWSW)

Email: [Kittler.K@diakonie-wuerttemberg.de](mailto:Kittler.K@diakonie-wuerttemberg.de)

