

Measurement and evaluation in social entrepreneurship: A taxonomy of methods and research agenda.

Author for Correspondence

Dr.K.Srikanth
Assoc Professor
Dept.of Business Management
MRCET, Hyderabad. India
Email: kasthurisrikanth@gmail.com

Dr. M. Raghava Reddy
Assoc Professor
Dept.of Business Management
MRCET, Hyderabad. India
Email: redymrr@gmail.com

Abstract

This study investigates the state of the art of measurement/assessment tools, scales and methodologies used in social entrepreneurship research and practice through a systematic review. Drawing on a systematic method of identifying, extracting and synthesising content from 88 sources published between 2012 2025, the paper pinpoints core measurement conceptualisation, validated scales and methodological technique in social entrepreneurship performance, impact and outcomes assessment. The review highlights the variation in measurement approaches, with SROI, Theory of Change, and a variety of psychometric scales as the most popular frameworks. Key insights include the absence of standardised measurement tools, the difficulties of measuring Social Value, and the necessity of more robust validation studies. The paper therefore makes a contribution to the literature, offering a systematic classification of the measurement systems currently available, and pointing out the most important gaps for future research.

The implications for researchers, practitioners, and policymakers are addressed as suggestions for how to work with stronger and more coherent social entrepreneurship measurement systems are presented.

Keywords: social entrepreneurship, impact measurement, performance assessment, SROI, systematic review, social value

Introduction

Social entrepreneurship has come to the exclusion of all other vehicles as an essential means of addressing complex social problems with innovative, socially beneficial, and self-sustaining solutions that produce social and economic benefits with inevitable tensions and trade-offs Mair & Martí, 2006. As the field has developed, the importance of serious measurement and assessment systems to assess the effectiveness, impact and sustainability of social enterprises has grown in stature Nicholls, 2009. Nevertheless, social enterprises have both a social and financial performance to pursue, and assessing their performances via traditional business measures is problematic (Arena et al., 2014).

There is also a practical dimension to the measurement challenge of social entrepreneurship. There is a growing demand for evidence around the social impact that stakeholders of social enterprises such as beneficiaries, policymakers, donors, and impact investors expect to demonstrate creation of social value and impact Simon & Barmeier, 2011. This increasing demand for accountability has driven the proliferation of many measurement frameworks,

scales and methods tailored for the SE sector. Despite these multiple measurement methods, the field does not yet have a map of the existing measurement tools, how they are based, validated, and applied. Policy and Evaluation Measurement of food insecurity is described in published literature that is widely varied Bull, 2007.

In addition, the issue of missing standardised instruments denied the possibility of comparing results among different studies and amassing knowledge cumulatively.

This review contributes in this direction by a systematic analysis of measurements and assessment tools in social entrepreneurship. The purpose here is to systematically locate and classify extant instruments, scales, and methods; assess their theoretical underpinning and level of validation; and examine patterns and trajectories in measurement method usage and uptake, in order to identify both (and this is key) gaps and lacunae in current measurement practices, as well as to make pertinent recommendations for future research and administration.

Methodology

In conducting this systematic review, we have adhered to recommended practices for systematic literature reviews in management and entrepreneurship research (Tranfield et al., 2003). The methodology for this review included 5 stages covering planning, searching, screening, extraction and reporting. The specific research question for this systematic review is: "What are the current tools, indicators and techniques for measurements and assessment in social entrepreneurship, and what are their strengths, drawbacks, and validation level?" This item was formed to gather a wide range of measurement methods but to concentrate on assessment instruments (as opposed to a wide variety of indicators) that were created or used within the context of social entrepreneurship.

A comprehensive search strategy was frame-using databases such as Web of Science, Scopus, ScienceDirect, Sage Journals, Taylor & Francis Online and Google Scholar. The search range was 2012 to 2025 to ensure currency and historical context. Search Terms To ensure that all relevant material was included, key search terms were combinations of: "social entrepreneurship," "social enterprise," "measurement," "assessment," "scale" development, "metrics," "SROI," "impact measurement," and "performance evaluation".

Sources were included if they were academic articles that explicitly focused on measuring or assessing in the context of social entrepreneurship, and if they were empirical research, theoretical frameworks, or systematic reviews of the literature, published in peer-reviewed journal(s) or respected conference proceedings, in English and contained reasonable depth of discussion of measurements, scales or methods. Such articles were not included if they were entirely about business entrepreneurship, lacked substantial measurement, or were opinion editorials that were devoid of both theoretical and empirical support. Information was extracted from the studies on publication (reference), research methodology, theoretical background, measurement tools described, validation process, participants, major findings, and limitations. Pattern analysis was used to analyze the methods utilized in the studies and the measurement techniques were deduced and categorised.

Literature Review

A total of 88 sources relevant to measurement and assessment in social entrepreneurship were found by the systematic review. A review of three categories of measurement methods emerged from a thematic analysis: financial and economic methodologies, psychometric scales and instruments, and qualitative and mixed methodologies. These distinctions do not mean that the two sets of indicators are mutually exclusive but rather that they represent different, mostly complementary, ways of measuring the multidimensional reality of social entrepreneurship.

Most of the literature is dominated by financial and economic measurement frameworks, e.g. Social Return on Investment (SROI). SROI, which is mentioned in 34 sources, becoming the most discussed framework. SROI is an approach designed to capture and account for what is termed wider value, as opposed to conventional financial value, realized by the project (UNDP, 2022). The model monetizes social, environmental and economic impact outcomes, to allow ratios to be computed that compare social value created over resources invested. The SROI protocol consists of 6 stages as set out by Social Value International 2014, namely defining scope and identifying stakeholders, mapping outcomes, evidencing outcomes and giving them a value, establishing the impact, calculating the SROI, and reporting and embedding the results. Evidence shows that social enterprises using SROI methodology are: three times as likely to be paid for the social value created: the ability to see and show the social impact created The SROI Network, 2017.

Literature has found the implementation of SROI to be considerably lacking, however. Research suggests, however, that SROI has not been strongly established in practice due to a range of issues including: the difficulty in obtaining reliable financial data from social enterprises, which in the main are small and medium sized enterprises; and the challenge of honestly representing intangible social debts such as confidence or self-esteem; and potential divergence between the calculations of social return and the values and business rationale of social ventures (Millar & Hall, 2013; Luke, Barraket, & Eversole, 2013). Apart from SROI, the literature recognizes several economic valuation methods such as standard CBA, value chain approaches and methods exploring the use of consumer surplus. Such tools seek to put value on social outcomes through methods ranging from contingent value, willingness-to-pay surveys, to market proxy valuations KPMG, 2024.

But these tend to be seldom used in practice because of the challenges and complexity involved in obtaining credible data in the context of social entrepreneurship.

The second broad group of measurement approaches found upon conducting the review was psychometric scales and measurement instruments. Various attempts have been made to measure and identify the dimensions of social entrepreneurship with validated scales. A notable example is the 11-item Social Entrepreneurship Scale by Carraher (2013) as it shows strong psychometric properties with coefficient alpha reliability estimates of 0.943 for the total sample and 0.950 for the distinctive social entrepreneurs. The dimensions are adoption of doing mission in the quest to create social value task, new opportunities perceived, resilience and innovativeness needed, being bold with no resource constraints, becoming relentless in pursuit of opportunities, deep caring about outcomes, having your eye on changing-the-world endgame, having a sustainable slant, accountability raising, and learning orientation adopted. German and WelshIn the German and Welsh version, the one-

factor structure of the scale is supported, which accounts for more than 50% of variance Welsh & Carraher, 2009.

So far, social entrepreneurial impact has been difficult to assess as there are multiple indicators of social entrepreneurial success (Borzaga & Galera, 2018; Brandstetter and Samson, 2020) and varied attempts at creating scales to measure its economic and social salience, and financial and social outcome and satisfaction at organizational level (Danish Research Centre, 2020). These scales offer researchers valid instruments to assess social entrepreneurial ventures and unique organizational outcomes and appear to have strong content validity, reliability, convergence and divergence validity, and criterion validity. Additionally, researchers have developed scales on Social Entrepreneurial Organization (SEO) where the propensity of the individual and the entity for social entrepreneurship are measured. These scales normally measure factors like innovativeness, proactiveness, risk taking propensity, and social mission orientation. Empirical findings show that the SEO scales can differentiate social entrepreneurs from traditional entrepreneurs and indicate satisfactory convergent and divergent validity Kraus et al., 2017.

There has been recent research on the creation of multi-origin scales in order to measure the performance of sustainability in social enterprises. An example is the 36-item scale of Yasmin et al. 2025 that the former ranks between 2016. The heat map surveys the country and gives 50 scores between 40 and 89 (where 40 represents the worst position and 89 the best) in five areas and social, economic, environmental and the political governance. Reliability (Cronbach's Alpha over 0.7 for all of the dimensions) and convergent validity (average variance extracted AVE over 50%) are achieved for each of the dimensions, whereas discriminant validity is achieved through low HTMT (Heterotrait- Monotrait) ratios, < 0.85.

Theory of Change (ToC) models are one important set of measurement approaches in social entrepreneurship. ToC is a graphic illustration of how organisations believe their activities will bring about end results and change through a logical ordering of inputs, activities, outputs, outcomes, and impacts _ (Kickul & Lyons, 2016). Several benefits of ToC approaches have been identified in the literature: they allow an organization to map out its impact logic, identify which key assumptions need to be tested, inform decisions around data collection, and support communication with stakeholders (IDinsight, 2024). Studies also point to limitations: the risk of oversimplifying complex processes of social change and the difficulty in capturing long-term, systemic changes.

Some recent literature advocates for ToC to be combined with quantitative measurement methodologies, in the form of 'combined' or hybrid ToC and quantitative measurement frameworks [25, 26]. This integration allows for a more holistic evaluation that encompasses both the path to impact supposedly targeted by the intervention as well as the actual quantifiable results.

The balanced scorecard framework has been adjusted to social entrepreneurship environments by considering the financial dimension, as well as the non-financial aspects related to social value creation. Studies indicate that the BSC implementations populate four perspectives; the financial; the stakeholder; the internal process; and learning and growth (Qezang 2010).

Bull, 2007. Yet social enterprises encounter varying degrees of success in the implementation of BSC. The framework has wide coverage of organizational performance dimensions, but may be too complicated for small social enterprises, and does not fully reflect the distinctive features of the creation of social value. Syrjä, Sjögren, & Ilmarinen, 2015.

The third large group of measures identified in the review are qualitative and mixed-method approaches. "Stakeholders have been identified as crucial to the measurement process, indeed there is increasing emphasis in the literature on this aspect of measurements, with some advocating participation of beneficiaries, funders, and community members in defining and demonstrating impact (Funds for NGOs, 2025)." Case studies and narrative analysis are commonly used as qualitative measurement approaches to understanding the complexity of change processes. These techniques allow for deep investigation of impact models, of secondary consequences and of factors of context that traditional quantitative methods could neglect.

Blockchain Technologies, a subset of which is the artificial intelligence for social impact measurement, are a developing area of study. Such approaches are real-time data capture, automated outcome tracking, and analytic predictions of impact for forecasting (Sopact, 2017). However, adoption is restricted because of cost and technical complexity. Recent studies also point at the tendency of using integrated measurement systems that incorporate several mechanisms. For instance, research challenges the notion that SROI is too focused on financial value and does not capture broader narratives of social change - demonstrating how the tool can be usefully combined with an Impact Management Project framework to measure both financial value and social change storylines (AV Playbook, 2024). These more comprehensive and rigorous types of impact assessment are properly viewed within an integrated approach. Technology-enabled systems for continuous measurement are not yet available as a practical alternative to traditional assessment systems but have the potential to continuously monitor indicator trends, provide information for management decision-making, and prompt adjustment in the implementation of plans. There is a growing body of literature that promotes the concept of participatory measurement, where stakeholders have an active role in determining success measures and methods for assessing success Social Value International, 2014, recognizing that meaningful measurement needs to be informed by stakeholder values and priorities, as opposed to external forces and agendas presented upon them.

Challenges and Constraints of Existing Measurement Practices

The literature identifies a number of key issues in measurement for social entrepreneurship that prevent the successful or wide scale adoption of extant methodologies. First, there is no agreement as to the actual meaning of social entrepreneurship and that creates challenges to designing standardised measurement methodologies Roundy, 2017. Diverse models of social entrepreneurship focus the measurement agenda, and are not easily comparable across studies. Second, social enterprises are characterized by the dual-purpose of social objectives and generate conflict between social and financial measurements. Conventional business metrics may underappreciate social impact, yet social measurement practices can sometimes ignore needs for financial viability Arena et al., 2014. This tension is especially sharp in impact investing settings, which aim to prove both social and financial returns.

A number of methodological limitations are identified through research in the current measurement. Few scales and instruments are based on rigorous validation studies and little evidence is given for the reliability, validity and generalizability across settings Thomas, 2004. Moreover, the majority of measurement mechanisms concentrate on outputs not outcomes or the impact, capturing an incomplete understanding of social value creation. Literature also suggests that a limited consideration is paid to the negative or unintended outcomes of social entrepreneurship practices. Most measurement frameworks also assume that 'more' is better — i.e., that the higher the number for a metric the better Bull, 2007.

The main barriers to the implementation of measurement at the ground level include resource limits, problems with capturing data, and stakeholders' resistance. Many social enterprises are small and resourced constrained which limit information System capacity Luke et al., 2013. Also, it is difficult to access the recipient population for post intervention assessment and field trials are hard to implement for longitudinal evaluation of impact. The extent to which cultural or contextual factors have received focus in measurement design is scarce within the literature. The majority of measurement instruments are created in the Western world and are not suitable for use in other cultures or at other levels of development. This is a serious limitation especially when you consider that social entrepreneurship is a global phenomenon and that social challenges in different places are so diverse.

Discussion

The findings of this systematic review portend a dense yet scattered space of ways to measure social entrepreneurship. Despite significant advances of the field thanks to dedicated tools and frameworks, there are still fundamental issues to tackle such as definitional vagueness, validation limitations, and operational deployment difficulties. The prevalence of SROI in the literature illustrates its intuition and power to transfer social value into understandable financial concepts. But the limited practical use of SROI illustrates the divide between theoretical construction and implementation in practice. This phenomenon is observed for a variety of measurement techniques, where the literature would benefit from enhanced focus on implementation science and pragmatic validation.

The implications for theory development on social entrepreneurship are manifold. First, the broad range of measurements of the phenomenon of social entrepreneurship in other studies corresponds to the myriad nature of the social entrepreneurship phenomenon, giving credence to theories that stress the hybrid and situated nature of social enterprises. Secondly, it responds to the call for stakeholder-inclusive measurement approaches in social entrepreneurship theory following stakeholder theory. Nonetheless, the absence of standardized instruments of measurement obstructs theory development by not allowing, across studies, the systemized comparison and meta-analysis. This constraint implies that more consensus on the core constructs, and definitions of measurement is necessary.

For professionals, the review emphasizes the dual relevance of choosing measurement methods according to the organization's interests, stakeholders' expectations and resource limitations. Evidence indicates that hybrid solutions (such as mixing a quantitative metric with a qualitative method for assessing the social value created) may be considered as an alternative for organizations to take into account the full range of social value they create. The review also highlights the vital role of stakeholder involvement in the measurement innovation process. Participatory methods improve the validity of measurements, but also create buy-in among stakeholders and opportunities for organizational learning.

For policy and funding goals, the review brings to light the importance to implement more flexible and contextualized measurement demands. Instead of prescribing certain measurement approaches, policies should address the requirement that organizations use suitable measurement systems relative to their context and goal. The review suggests that there needs to be an increased investment in building measurement capacity, particularly for small social enterprises which might not have the resources to put into sophisticated measurement systems.

Limitations and Future Research Directions

Several limitations should be mentioned with this systematic review. First, the search could not capture studies from non-English sources. Second, our emphasis on academic literature might have missed relevant grey literature and practitioner reports. Third, the quick development means that some new techniques are not fully included.

The findings suggest several research priorities for the future. There is a pressing demand to produce and test the validity and reliability of standardized measurement approaches to the assessment of social entrepreneurship. There is a need for more rigorous psychometric testing of instruments across varied settings and cultures. The sector urgently needs more longitudinal research that follows social enterprises and their effects for longer periods of time. Such evaluations would generate knowledge on sustainability, scalability, and sustained effects of various interventions. Comparisons have been made for different measurement methods; however, systematic comparisons between them are required for obtaining insight into the capabilities and sensitivities of these measurement techniques and for determining the appropriate applications of the different techniques. This research could inform a more evidence-based approach to choosing strategies for measurement.

More research is required on how digital technologies can increase the effectiveness of measurement in ways that are also accessible to resource-poor organisations. Studies in cultural adaptation of measuring instruments is crucial to create internationally applicable and locally relevant assessment instruments. Methods should be established for systematically considering adverse or unintended consequences of social entrepreneurship activities in the context of future work.

Conclusion

This review systematically maps the field of measurement and assessment in social entrepreneurship. The review highlights a field with diverse, innovative, and fragmented practices, complicated and hindered in part by the struggle of a fragment to surround a whole. Despite the development of multiple frameworks, scales, and approaches, a dearth of uniform, validated tools exists that would allow to accumulate knowledge systematically and comparisons across studies.

The implications are that there must be a balanced and comprehensive measurement in social entrepreneurship that comprises of both qualitative and quantitative techniques, with stakeholder involvement during the process and sensitivity to contextual factors. The prevalence of SROI in the literature may be due to its theoretical appeal, but its application in practice raises questions of its workability and practicality, which suggests there is a need for measurement tools that are more user-friendly and resource appropriate. In addition, there needs to be more focus on rigorous validation studies, implementation research, and

consensus drives about core constructs and measurement strategies for the field to move forward. Standardized yet flexible systems of measurement could facilitate more rigorous assessment of social entrepreneurship impact and the development of evidence-based practice and policy.

Finally, this review highlights that measurement in social entrepreneurship is not only a technical obstacle but a necessary precondition for real accountability, learning, and leverage of social impact. As field developments continue to unfold, investment in measurement innovation and validation will be key to leverage the full potential of social entrepreneurship to address complex societal problems.

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