CONSIDERING, CREATING AND DELIVERING SOCIAL VALUE: PROBLEMATIC POLARISATIONS

Ani Raidén[1] and Andrew King[2]

[1] *Nottingham Business School, Nottingham Trent University, 50 Shakespeare Street, Nottingham, NG1 4FQ, UK*

[2] *School of Architecture, Design and the Built Environment, Nottingham Trent University, Burton Street, Nottingham, NG1 4BU, UK*

Social value as a concept has evolved rapidly over the last decade or so. We observe polarisation in the understanding and appreciation of what it means to consider, create, and deliver social value. Divergence and tensions are arising between those who run value-based businesses and do social value, and those who focus on measuring social value as an 'added value'. We explore these different approaches to conceptualising and operationalising social value using case examples from industry. Deontological theory of ethics and accounting principles offer the analytical framework for our critical discussion. We voice concerns about the development of a 'social value industry' and the aspiration to devise a single definition and list of all things social value vis-à-vis a values-driven and contextual approach. At the heart of our discussion is a fear that the polarisation may begin to devalue the concept, and the well-intended principles behind social value that have made it visible over the past decade may be lost. We forward an argument for social value to be seen and used as a tool to address one of the grand challenges of our time, the 'planet, people and prosperity' agenda connected to the UN Sustainable Development Goals (SDGs) and Building Back Wiser.

Keywords: social value; ethics; polarisation; sustainable development goals; SDGs

INTRODUCTION

Social value in the built environment refers to the social impact any individual, organisation, project, or programme makes to the lives of the stakeholders affected by its activities. Raidén and King (2022: 4-5) identify polarisation in the understanding and appreciation of what it means to consider, create, and deliver social value as a central problem in the development and future of the concept. We examine this polarisation from three different but interconnected viewpoints: defining social value, social value practice, and measuring social value. We present a critical essay exploring and dissenting the concept using case examples from industry as empirical touch points.

Our discussion is motivated by our observations of divergence and tensions arising between those who run value-based businesses and do social value, and those who solely focus on measuring social value as an 'added value' (ibid). People and

---

[1] ani.raiden@ntu.ac.uk

organisations who see social value as an added value tend to look for simple and measurable activities and outputs that can be reported. To facilitate this, several consultancy organisations that can be employed to produce such reports are gaining market presence and contribute to the development of a 'social value industry'. Should this stance become the norm, then organisations who only symbolically engage with social value receive the same legitimacy and benefits as those who substantively engage. Arguably, such legitimacy translates into success in tendering and procurement and that means contractors and consultants are winning work but fail to deliver social value. Areas of society that need social value are then left deprived.

We fear that "a reductionist 'biggest number wins' gaming will become prevalent; and those who have always sought to do the right thing, even where it is difficult to report explicitly, will find it difficult to continue in business in the way they have done because their tender packages do not show significant added value. Seeing social value as added value may actually discourage organisations from doing the right thing." (ibid) As a response, we forward an argument for social value to be seen and used as a tool to address one of the complex grand challenges of our time; to help resolve the 'planet, people and society' agenda connected to the United Nations (UN) Sustainable Development Goals (SDGs) (United Nations, 2020).

We progress through discussion of different, but interconnected, viewpoints examining the polarisation (defining social value, social value practice, and measuring social value) in three moves. We first consider the tensions between taking a universalist versus contextual approach to conceptualising and defining social value. We then illuminate the diversity of social value in practice and how this derives from differences in the purpose of organisation, their values and approach. Finally, deontological theory of ethics and accounting principles offer the analytical framework for our critical discussion of measuring social value.

Conceptualising and Defining Social Value

Social value as a concept has evolved rapidly over the last decade or so. Many different definitions have emerged, often because they are tailored to specific circumstances or organisational priorities. For example, the British Standard (BS 8950) defines social value in broad terms as,

> "a net positive change in human wellbeing and assumes that the enhancement of social value is in the long-term interests of all of us" (Levitt, 2020: 2).

Others, such as the Salford Social Value Alliance (2022) relate social value specifically to procurement:

> "'If £1 is spent on the delivery of services, can that same £1 be used to also produce a wider benefit to the community?'. This involves looking beyond the price of each individual contract and instead looking at the collective benefit to a community."

This link to procurement is commonly visible in different definitions, and many refer to 'added value' (for lists of definitions by different organisations see for example Raidén *et al.,* 2019: 5; UK Green Building Council, 2021: 22-23).

Polarisation, and how it influences the way social value is conceptualised and defined is symptomatic of a bigger problematic - that is, the tensions between a universalist and contextual approach (see Carey and Crammond, 2017). Many industry guides call for a single, unified definition of social value. This kind of universalist approach has merits: it makes it easier for everyone to be working to the same understanding and expectations, direct comparisons are possible, and it would help standardise practice.

However, what is does not allow for is the necessary contextualising and contingencies relevant to the specific and ever-changing circumstances and needs of the local communities within which construction and infrastructure works are built. Important nuance is lost.

A single agreed definition is a difficult fit to suit the industry, organisation, project, community, or individual needs that are most pressing at any one time. Also, the universalist approach potentially constrains innovation; there is less need to think about what is specifically important in a particular place and time to a certain group of people or the environment.

The contextual approach places emphasis on the relationship between individuals and organisations and their physical, cognitive, and social worlds. This means that there will be variability in the use of terms, and so it can be difficult for project partners to understand, agree upon, and meet differing requirements. Nevertheless, a tailored approach to social value allows for flexibility and an opportunity to engage a variety of partners and respond to their points of view in developing responses that are unique to the specific organisation, project, and community situations (Raidén and King, 2022).

In short, the drive towards a single, unified definition signals an aspiration to make social value a top-down pre-prescribed and imposed model instead of a contextual and nuanced practice that responds to local circumstances.

Social Value in Practice

The problem with polarisation is also reflected in the diversity of practice and how social value means different things to different people and different types of organisations. Just as an individual is unique, so is each organisation, with a distinctive mission and vision, purpose, organisational structure, strategy, and systems, culture, values, and employees.

The purpose of the organisation differs by sector: Private sector organisations have a primary responsibility to provide return on investment to their shareholders (although there is a growing movement to shift the dial towards focusing on stakeholder capitalism, which takes account of the needs of all stakeholders, as well as society at large). They tend to have a shorter-term, transactional project focus. Public sector organisations work to so called 'public sector ethos' (see for example Booth-Smith and Leigh, 2016). Although there is much variation in what this means, values like integrity, honesty, objectivity, impartiality, accountability, community responsibility, altruistic motivation, bureaucracy, and customer service, are often associated with the public sector ethos. Public sector organisations often have long-term goals. The third sector includes voluntary and community organisations (both registered charities and other organisations such as associations, self-help groups, and community groups), professional bodies, social enterprises, and co-operatives. They are values-driven and motivated by the desire to achieve social goals, for example, improving public welfare, the environment or economic wellbeing, rather than the desire to distribute profit. They reinvest any surpluses generated in the pursuit of their goals (for examples of third sector organisations in construction see Raidén *et al.,* 2019: 188-193).

There are also differences within the sectors, for instance between best practice pioneers and those who take a compliance approach. Even in the UK, where the Public Services (Social Value) Act (2012) places emphasis on the public sector in

leading on social value, adoption by local authorities has been inconsistent: less than half of local councils have a social value policy (Social Enterprise UK, 2019). Furthermore, disparities arise from the differences in organisational value-base and social value orientation of those in leadership positions (see Raidén and King 2022: 24-27). Troje (2020) found that an organisation's maturity and experience with social value related activity impacts upon the support and resources that are committed to projects. Finally, since the built environment is made up of a wide variety of professions (for example, architecture, planning, surveying, and engineering of various forms, and facilities management), which all focus on different aspects of the sector, such as design, construction, or management, it follows that a diversity of social value practice occurs by default.

To exemplify this point, Table 1 showcases key highlights of social value practice from two different organisations, one private sector consulting firm where social value activity level is closely correlated with business performance (for full details see Osbon, 2022) and the other a third sector organisation that is explicitly focused on values driven way of doing business (see Plowden, 2020; Plowden *et al.,* 2022).

Table 1: Examples of social value practice from two organisations

Private sector consultant perspective on social value	Third sector housing association
Drives good practice and social value from the top-down with support for employee-led initiatives	Social value is integral to the business purpose, mission, and vision
	Focus on well-being
SMART objectives	
Formal, measurable, and demonstrable action, activities, and outputs	Well-being is central to and communicated through all activities, including design and construction work
Fundraising, volunteering, employment support, knowledge transfer and mentoring, the environment	Collaboration is a key element of design: projects are co-governed, co-designed, co-commissioned, co-delivered, and co-evaluated
Investment in socially important projects fuels a virtuous circle that leads to framework agreements and business opportunities	Employee and customer well-being at the heart of workspace design and build
	Sustainable materials selection
Social value investment hierarchy shows a direct correlation between the company performance and social value activities	Both process and outcomes (for people, the environment, and value for money) matter

Deontological Theory of Ethics and Accounting Principles

The third aspect to our discussion about the polarisation relates to a hot topic in this space: measuring social value.

Interest in the topic is increasing monumentally, to the extent that some refer to an emerging 'social value industry' as we alluded to earlier. This relates to the growing number of tools, frameworks, and resources for measuring social value, along with the new British Standard on Social Value (BS 8950), and ISO standards (for example, ISO26000 and 37000), and a growing number of consultancy businesses specialising in this area. Theoretically, our concern can be expressed and analysed using the theories and principles of ethics. We draw on deontological theory of ethics (doing the right thing) and accounting principles as the analytical framework for our discussion. In essence, these two approaches can be seen to represent the opposite ends of a continuum and hence usefully illustrate the polarisation problematic. We

introduce each in turn below (after Raidén and King, 2022: 259-276), before using this framework to connect the three different, but interconnected viewpoints to examine the polarisation (defining social value, social value practice, and measuring social value) together.

Deontological Theory of Ethics

Deontology is a normative, duty-based, and non-consequentialist approach to ethics where the morality of an action is assessed on whether the action itself is right or wrong under a series of rules (rather than being based on the consequences of the action). Deontological ethics tend to focus on giving equal respect to all human beings, which provides the basis for human rights. It forces due regard to be given to the interests of a single person even when those may be at odds with the interests of a larger group.

The deontological approach deals with the intentions and motives underlying action, which fits with 'ordinary' thinking about ethical issues. Most people pay attention to whether a person's act was carried out with 'good' or 'bad' intentions. However, sometimes conflict arises between different duties or rules: how can everyone matter, as a group, equally, while at the same time due regard be given to each one of them individually?

We draw on three specific deontological theories of ethics that can help in deciding what matters most in assessing and measuring social value: Kantian duty and principle, Rawls' justice as fairness, and the 'do no harm' maxim.

In terms of duty and principle, the German Philosopher Immanuel Kant (1724-1804) argued that our actions must be guided by universalist principles, without consideration of context or consequence. He termed this objective the categorical imperative and deemed it a rationally necessary unconditional principle that must be obeyed without exception. This is the highest order of moral behaviour, a supreme principle. Kant identified that a good will satisfies this test, and this forms the basis for thinking about the intentions and motives underlying action within deontological ethics.

A good will is not contextual, nor dependent on the consequences. As such, good will is shared because it is the moral law, the right thing to do, a duty. Also, Kant argues that a good will is shared because such a moral law applies to everyone, and this gives rise to the principle: equal respect to all human beings, with due regard being given to the interests of a single person, even when it may be at odds with the interests of a larger group. The saying "do unto others as you would have them do unto you" is associated with Kantian ethics. For Kant, thinking about the actions we take needs to be carried out in a serious and philosophically rigorous manner so that we can behave in a way that satisfies the test of the categorical imperative; doing the right thing simply because it is the right thing to do.

By this logic, considering, creating, and delivering social value is the right thing to do, regardless of the consequences.

John Rawls, an American philosopher (1921-2002) developed the justice as fairness theory, which advances the equal respect to all human beings' deontological principle. Rawls argued that there are three conditions that will make a universal system of fairness possible: firstly, rational people can arrive at a contractual agreement of sorts about how resources are to be distributed. This agreement was not intended to reflect present reality, but rather a desired state of affairs among people in the community.

Secondly, a veil of ignorance (imagining that people have no identity regarding age, sex, ethnicity, education, income, physical attractiveness, or other characteristics) is required to reduce their bias and self-interest in decision-making. And finally, unanimity of acceptance is needed, whereby all must agree to the contract before the system can be put into practice.

Rawls's aim was to provide a minimum guarantee of rights and liberties for everyone, but with the provision to maximise the welfare of the most disadvantaged persons. The theory was built on the belief that the proper place for fairness is above utility and the bottom line.

Justice as fairness has distinct appeal when applied in practice: fairness is a value that is cross-cultural, embraced by different social groups, and understood by nearly everyone, albeit an interpretation of what is fair varies, for example, by an individual's social value orientation. The terminology and discussion relating to justice and fairness are accessible and can be connected to organisational policy and practice on managing equality, diversity, and inclusion; community engagement; social procurement; and training and development, for example.

In seeking to do the right thing, it follows that organisations must critically reflect upon their policy and practice internally, as well as in conjunction with external stakeholders, and consider the fairness of their policies and practices by asking: are there provisions to maximise the welfare of the most disadvantaged persons?

Kantian duty and principle-based ethics, and Rawls's theory of justice as fairness, both highlight the ethical importance of not privileging oneself. A good will and fairness should take primary importance since these are the highest order of moral behaviour within the deontological school of thought in ethics.

The default position, the lowest point within deontological ethics, is called 'do no harm', and this should only be used in the absence of any higher imperative. It states that if one cannot act well, one should at least avoid acting badly. Focus is on prevention of harm rather than doing good; action must be taken to limit any likely causes of harm. This is most commonly expressed via organisational risk management strategy and practice, workplace health and safety measures, and consideration of the environmental impacts of projects and programmes of work.

Deontological ethics places a range of key stakeholders, including people and the community, at the centre of measuring social value, and so it aligns with mixed-method assessment. Mixed-method assessment (or multi-method assessment as it is sometimes called) refers to the processes of collecting different types of data, both qualitative and quantitative, and employing a variety of techniques in analysing that data (see, for example, Knight and Ruddock, 2008). This is an inclusive and comprehensive way of assessing and measuring social value. It is particularly well suited to contexts and/ or circumstances that are complex. Mixed methods can offer greater depth and answers to nuanced 'why and how' questions as well as the certitude of metrics, coverage of large sample sizes and affirmative results (Abowitz and Toole, 2010).

In relation to infrastructure works, Doloi (2018) argues that the needs and requirements of the community should be at the core in planning for infrastructure projects. Therefore, it is important to reach out and identify the key stakeholders' perceptions of value and the kind of change that may benefit them. This is often difficult to achieve by any other means than open conversations and other ways of

gathering qualitative data. Mixed-methods assessment allows for understanding what is 'the right thing to do', what the needs of the community are, and what kinds of social value activities, interventions, or programmes of change will make the biggest impact. Focus and attention are not on items with the largest financial proxy value. Raidén *et al.,* 2019 advocate that,

> "…it is society that dictates social value, not experts, and the creation of social value must be built on an intimate understanding of what value means to those communities".

Accounting Principles

Where deontological (non-consequentialist) ethics are focused on doing the right thing, currently the most prominent approach to measuring social value uses accounting principles, monetary values, and other numerical forms to measure the outputs and outcomes of social value activities. Cost-benefit analysis is the principal method of measuring social value that employs monetary valuation (Fujiwara, 2014), although there are many other methods, tools, and models available, for example Social Return on Investment (SROI), cost-utility analysis, cost-effectiveness analysis, and multi-criteria analysis.

Monetary measurement of social value is commonly undertaken for the benefit of an organisation or others in decision-making roles that are connected to the organisation in some way, for example potential clients looking at tender documentation. In addition, funders who want to direct their money to the most effective projects, policy makers and government officials who must account for their decisions and spending, and organisations throughout the supply-chain who need to demonstrate their impact to funders, partners and/ or beneficiaries, all have an interest in measuring social value quantitatively. Hence, although the community is a key stakeholder in social value, the key stakeholders in measuring social value tend to be decision-makers, and this has important implications on the decisions about what gets measured, and how they are measured, valued, and reported.

Organisations commonly report on visible social value related policy and activities: equality of opportunity, school visits, litter picking, face painting, and supporting workers' charitable activities. These are mostly output measures, such as the number of people employed who belong to recognised minority or vulnerable groups; number of school visits, litter picking, face painting events and the total sum raised in support of, or in conjunction with, workers' charitable activities. However, the real value would be best expressed through measurement and reporting of the outcomes of these activities, such as metrics that showcase enhanced employee engagement and perceptions of procedural fairness, improved industry/sector image, and/ or cleaner natural and built environment.

This is not to say that output measures are not important. Assessing and measuring social value is important because it helps in making explicit and communicating social value related activity, which, in turn, can help those tendering for work. It also helps produce clear and convincing evidence to substantiate the case for social value (Sacks, 2002: 3). The world of work is largely metrics-driven, and accordingly, monetised ways of assessing and measuring social value attract significant attention at the moment. It is important to remain cognisant, however, that social value is about co-creating value and achieving social impact, and both the process and outcomes may be difficult to measure in numerical form.

Summary: Problematic Polarisations

We have illuminated the problems of polarisation using three different, but interconnected, narratives: defining social value, social value practice, and measuring social value. The key motive for our discussion was to draw attention to the dangers inherent in recent developments, and to broaden the critical discussion of social value so that we can build back wiser. Considering the tensions between a universalist versus contextual approach to conceptualising and defining social value, looking at two examples of social value in practice and how differences derive from the organisational purpose, values and approach, and discussing deontological theory of ethics and accounting principles as ways of understanding measuring social value has allowed us to highlight how even well intended concepts like social value can be manipulated and mutated to suit a variety of stakeholder interests.

Values-driven people and organisations have naturally integrated social value into the way they work over the years; they have sought to do the right thing and social value has only emerged as a timely descriptor or a useful label for their activities. Others are hijacking the concept to achieve self-interest. At this juncture, it is important to re-energise the core of the concept. Social value is about co-creating value and achieving social impact. The SDGs offer a more broadly understood framework against which social value can be considered.

Sustainable Development Goals (SDGs)

The most universal and widely adopted grand challenge is the set of 17 SDGs (United Nations, 2015; George *et al.,* 2016: 1881):

1. No poverty
2. Zero hunger
3. Good health and wellbeing
4. Quality education
5. Gender equality
6. Clean water and sanitation
7. Affordable and clean energy
8. Decent work and economic growth
9. Industry, innovation, and infrastructure
10. Reduced inequalities
11. Sustainable cities and communities
12. Responsible consumption and production
13. Climate action
14. Life below water
15. Life on land
16. Peace, justice, and strong institutions
17. Partnerships for the goals.

The SDGs are a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity. All United Nations member states are committed to an agenda for sustainable development; "a plan of action for people, planet and prosperity" (United Nations, 2015: 1); the same underpinning principles that are relevant to social value.

While the SDGs are big and bold, and perhaps overwhelming, Raidén and King (2022) argue that social value can act as the practical tool for achieving the SDGs, something that organisations, projects and people can do, and put in practice. In the

same way that social value is about an integrated view of social, economic, and environmental sustainability, the SDGs are interconnected. Raidén and King (2021) report a nexus of SDGs that naturally aligns with the nature of work and production in the built environment, most notably SDGs 11 Sustainable cities, and communities, 12 Responsible consumption and production, and 17 Partnerships for the goals, but also SDGs 9 Industry, innovation and infrastructure, 10 Reduced inequalities, and 16 Peace, justice and strong institutions, which emerges from different stakeholders' varied accounts. Other SDGs directly connected with the social value agenda include SDGs 3 Good health and wellbeing, 4 Quality education, 8 Decent work an economic growth, and 13 Climate action, but at least indirectly, social value is really about all the SDGs.

> "The elegance of the SDGs is in the articulation that human progress stems from achieving these clear targets through collective, collaborative, and coordinated effort." (George *et al.,* 2016: 1881)

CONCLUSION

We have examined what the polarisation in the understanding and appreciation of social value means. Our critical essay progressed through the discussion of three different, but interconnected, viewpoints: defining social value, social value practice, and measuring social value. We considered the tensions between taking a universalist versus contextual approach to conceptualising and defining social value, illuminated the diversity of social value in practice, and drew on deontological theory of ethics and accounting principles as the analytical framework for our discussion of measuring social value. We forward an argument for re-energising social value as a concept; that is, co-creating value and achieving social impact. The SDGs offer a more broadly understood framework against which social value can be seen as a tool to address one of the grand challenges of our time, the global 'planet, people and prosperity' agenda connected to the SDGs and building back wiser.

REFERENCES

Abowitz, D A and Toole, T M (2010) Mixed method research: Fundamental issues of design, validity and reliability in construction research, *Journal of Construction Engineering and Management*, 136(1), 108-16.

Booth-Smith, L and Leigh, D (2016) *A New Public Sector Ethos - Next Generation Public Service Reform*, London: Localis.

Carey, G and Crammond, B A (2017) Glossary of policy frameworks: The many forms of 'Universalism' and policy 'Targeting', *Journal of Epidemiology and Community Health*, **71**, 303-307.

Doloi, H (2018) Community-centric model for evaluating social value in projects, *Journal of Construction Engineering and Management*, **144**(5).

Fujiwara, D (2014) *A Short Guide to Social Impact Measurement*, London: SImetrica.

George, G, Howard-Grenville, J, Joshi, A and Tihanyi, L (2016) Understanding and tackling societal grand challenges through management research, *Academy of Management Journal*, **59**, 1880-1895.

Knight, A and Ruddock, L (2008) *Advanced Research Methods in the Built Environment*, Oxford: Blackwell.

Levitt, T (2020) *BS 8950:2020 - Guide to Enhancing Social Value*, London: The British Standards Institution.

Osbon, K (2022) A strategic social value framework - A consultancy perspective, *In*: A Raidén and A King, A (Eds.) *Social Value in Practice*, Abingdon: Routledge, 135-149.

Plowden, M (2020) *South Yorkshire Housing Association's New Workspace: How to Communicate Your Business Purpose Through Design*, Blog Post, 24 April, Available from: https://www.mirandaplowden.com/projects/south-yorkshire-housing-associations-workspace-2017-19-how-to-communicate-your-business-purpose-through-design [accessed 25 March 2022].

Plowden, M, Raidén, A and King, A (2022) A client perspective on creating and delivering social value, *In*: A Raidén and A King (Eds.) *A Social Value in Practice*, Abingdon: Routledge, 150-169.

Raidén, A, Loosemore, M, King, A and Gorse, C (2019) *Social Value in Construction*, Abingdon: Routledge.

Raidén, A B and King, A (2021) Social value, organisational learning and the sustainable development goals in the built environment, *Resources, Conservation and Recycling*, **172**, 105663.

Raidén, A and King, A (2022) *Social Value in Practice*, Abingdon: Routledge.

Sacks, J (2002) *The Money Trail, Measuring Your Impact on the Local Economy Using LM3, London: New Economics Foundation and the Countryside Agency*, Available from: https://nefconsulting.com/wp-content/uploads/2017/05/TheMoneyTrail.pdf [Accessed 3 May 2021].

Salford Social Value (2022) *What is Social Value?* Salford: Salford Social Value Alliance, Available from: https://www.salfordsocialvalue.org.uk/social-value-toolkit/what-is-social-value/ [Accessed 18 March 2022].

Social Enterprise UK (2019) *Front and Centre - Putting Social Value at the Heart of Inclusive Growth*, London: Social Enterprise UK.

Troje, D (2020) Can I get some help down here? Inter-project support for creating social value through social procurement, *In*: Scott, L and Neilson, C J (Eds.) *Proceedings of the 36th Annual ARCOM Conference*, 7-8 September, Association of Researchers in Construction Management, UK, 105-114.

United Nations (2015) *Transforming Our World: the 2030 Agenda for Sustainable Development*, United National General Assembly Resolution A/RES/70/1, New York: United Nations.

United Nations (2020) *Sustainable Development Goals*, Available from: https://sustainabledevelopment.un.org/sdgs [accessed 3 June 2020].

UK Green Building Council (2021) *Framework for Defining Social Value*, London: UK Green Building Council, Available from: https://ukgbc.s3.eu-west-2.amazonaws.com/wp-content/uploads/2021/02/05144157/Framework-for-Defining-Social-Value.pdf [Accessed 18 March 2022].