

Organisational legitimacy A Taxonomy of Barriers of Social Impact Assessment in Social Enterprises

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Extant research on social impact assessment reveals funders, policy-makers, internal and external stakeholders as crucial drivers for social impact assessment. For many social enterprises, demonstrating the impact of their interventions is a fundamental part of their business, especially for those with social investment. Yet, little is known about barriers to establishing the social impact of interventions for legitimacy. Put it critically, what barriers impede the organisational legitimacy of social enterprises? To address this question, we adopt a dual theoretical lens of legitimacy theory and stakeholder theory to investigate the barriers to social impact assessment, which impedes organisational legitimacy. We use multiple case studies of social enterprises in the northwest of England to examine the interplay between social impact and organisational legitimacy barriers. The study found indicative evidence that embedding social impact assessment methods, human and technical capability, culture shift and capturing unintended consequence are barriers to social enterprise legitimacy. We develop a taxonomy of barriers based on the company profile, determinant of legitimacy, social impact assessment methods and social interventions. The study thereby makes critical theoretical contributions to the social perceptions of legitimacy. Furthermore, it offers vital practical guidelines for senior managers of social enterprises by providing a best-practice framework to detect specific barriers to social enterprise legitimacy.