EBEN GR Business Ethics Excellence Model Implementation as a Tool for Measuring Social Return on Investment

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Abstract

With citizens nowadays demanding responsible business behavior from all kinds of organizations (for-profit and not-for-profit), corporations and their leaders have become aware of the crucial role of Social Return On Investment (SROI) in seeking performance excellence and sustainable growth. Due to the absence of appropriate metrics to measure social value creation the work done in that area by both the non-profit sector and the for-profit sector is grossly undervalued and thus the social value created by the investment is not known. Therefore, to bridge the gap, a Business Ethics Model has been developed by EBEN GR in 2007 aiming to align the continuous upgrading of quality and excellence in a business environment with ethical governance and corporate social responsibility. This paper presents the EBEN GR Business Ethics Model and investigates how its implementation can enable organisations to reach sustainable excellence. It also explains how the EBEN GR Business Ethics Excellence Model can be used as an alternative method for measuring an organisation's SROI.

Keywords: Ethics, Business Ethics, Social Return on Investment, Excellence, CSR

1. Introduction

Managers today run their businesses without full information about the impact of their operations on the environment and human well-being, and thus without the ability to optimize these impacts while achieving the financial returns shareholders expect. Traditional thinking implies that organizations exist to create economic by taking a resource or set of inputs, providing additional inputs or processes that increase the value of those inputs, and thereby generate a product or service that has greater market value at the next level of the value chain. On the other hand, social value is created when resources, inputs, processes or policies are combined to generate improvements in the lives of individuals or society as a whole.

There is increasing pressure on not-for-profit organisations to justify their existence and document the effectiveness of their work, and it is at this level that one has the most difficulty measuring the true value created. It is therefore crucial for any organization to be able to demonstrate the value it is creating by its very existence. Shareholders demand it from for-profit organizations, while in the case of not-for-profit organisations, citizens and donors want to see the impact of their funding and donations. To date, the effort to develop a practical, comprehensive system to assess the social impacts of business has focused primarily on large corporations and environmental performance management.

Any type of organization is embedded in society and the physical environment in which it is situated and therefore in addition to economic value, social and environmental values are also created during the operations of an enterprise. This applies to all organizations, either for-profit or not-for-profit organizations. It is therefore crucial for any organization to be able to demonstrate the value it is creating by its very existence. Shareholders demand it from for-profit organizations, while in the case of not-for-profit organisations, citizens and donors want to see the impact of their funding and donations.

With citizens nowadays demanding responsible business behavior from all kinds of organizations (for-profit and not-for-profit), corporations and their leaders have become aware of the crucial role of Social Return On Investment (SROI) in seeking performance excellence and sustainable growth. Due to the absence of appropriate metrics to measure social value creation the work done in that area by both the non-profit sector and the for-profit sector is grossly undervalued and thus the social value created by the investment is not known.

The purpose of this paper is to introduce the EBEN GR Business Ethics Excellence Model and suggest its application as an alternative tool for measuring SROI.

2. Methodology

This is a conceptual paper based on the analysis of secondary data. Specifically, by describing the EBEN GR Business Ethics Excellence (BEE) Model and analysing its criteria, the continuous upgrading of quality and excellence in a business environment with ethical governance and corporate social responsibility will be revealed and aligned with the efforts to measure social value creation. The implementation of the EBEN GR BEE Model can lead to an alternative approach for measuring Social Return On Investment using a semi-quantitative technique for assessing business ethics excellence performance. Weigh-factors will be assigned to the ten criteria of the model which will then be used to measure SROI.

3. Business Ethics

Before defining business ethics it is better to focus and define ethics. The word ethics comes from the Greek word “ethikos” meaning custom or “accepted behaviour”. There are many definitions of ethics. Chambers English Dictionary defines it as: “a system of morals” and “rules of behaviour”. Ethics attempts to tell us what is and what is not morally acceptable within a particular society or culture (Hurn, 2008). According to Connock and Johns (1995) ethics is about fairness, and deciding what is right or wrong, about defining the practices and rules which underpin responsible conduct between individual and groups. Orme and Ashton (2003) suggested that being ethical involves taking action to ensure that these practices and rules are applied consistently in all day-to-day business situations.

According to Galinsky (2008), when we talk about business ethics, usually we're speaking about standards of behaviour in the workplace as well as with stakeholders. The pursuit of wealth involves the following six stakeholders: investors, customers, employees, suppliers, government, and community. Dealing with these stakeholders involves “ethics”.

Companies known for high ethical standards usually have an ethical code stating that they treat everyone with dignity, don't present misleading information, and scrupulously follow rules and regulations. Business ethics, therefore, can be defined as the application of moral and ethical considerations in a business setting (Hurn, 2008).

Having a moral compass leads to more effective business practices — whether in building sales, retaining employees, or reducing litigation and regulation costs. For example, people are usually willing to pay premium prices to feel good about the products they buy. Also, companies that follow certain moral codes attract better people — and these people often are willing to work harder with less compensation. It goes without saying that ethical companies are less likely to undergo the costly scrutiny of courts and regulators (Galinsky, 2008). It is clear that there is some sort of a relationship between business ethics and business success, or better sustainable excellence.

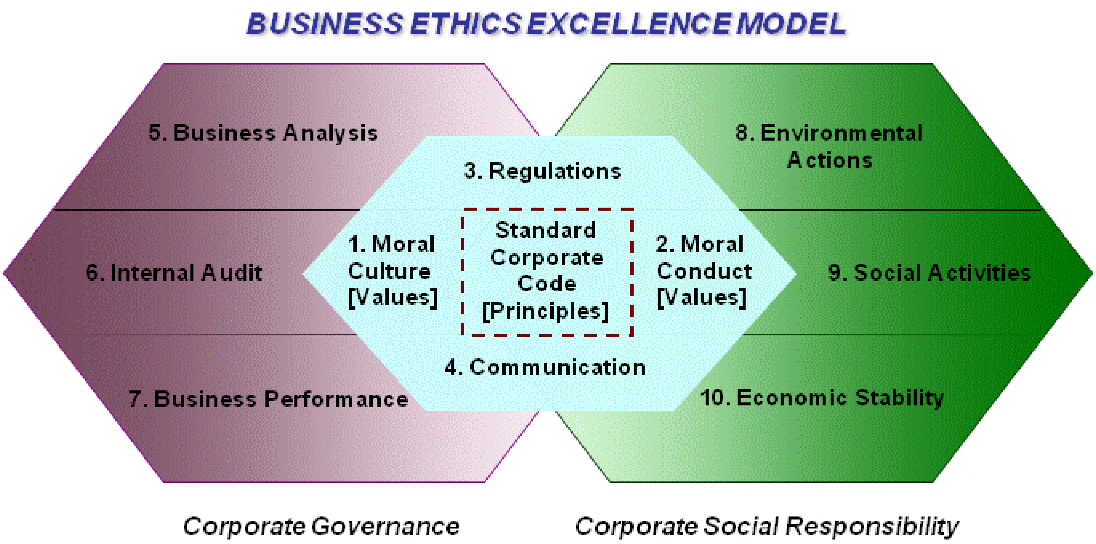
Several business excellence models have been developed to assist organisations to reach sustainable business results. One of the most widely used models for business excellence is the EFQM Excellence Model. Based on the principles of the EFQM Excellence Model, the Hellenic Institute of Business Ethics (EBEN GR) recently developed a model to assist organisations to reach excellence in business ethics. The model is known as the EBEN GR Business Ethics Excellence Model and is presented below.

4. The EBEN GR Business Ethics Excellence (BEE) Model

The EBEN GR BEE Model was developed in 2007 by EBEN GR aiming to align the continuous upgrading of quality and excellence in a business environment with ethical governance and corporate social responsibility.

The EBEN GR BEE Model is also a practical tool that can be used as a tool for ***Self-Assessment***, as a way to ***Benchmark*** with other organisations, and as a guide to identify areas for ***Improvement***. The EBEN GR BEE Model is presented in the following figure. The Model has 10 criteria which are divided in three areas: the standard corporate code, the corporate governance and the corporate social responsibility.

Figure 1: The EBEN GR Business Ethics Excellence Model



All of the criteria of the EBEN GR BEE Model are explained and analysed below in order to provide the basis for investigating the effect of adopting the model in an effort to reach sustainable excellence.

3.1 Corporate Value Code (Moral of Culture & Moral Conduct)

According to the EBEN GR BEE Model (2007), a corporate value code is an important management tool which can positively form the culture of an organization. Many organizations have found that adopting a clearly defined approach to ethical issues improves the organization's reputation, helps to develop confidence among staff and is good for business. The value code sets out the standards of behaviour expected of staff in an organization and should help them to solve ethical dilemmas they face at work. A good value code is an active document to which all staff in the organization refers – not a document that sits on a shelf in a senior manager's office gathering dust.

Moreover a good value code should always refer to basic standard code of ethics based on universally accepted principals something that has been followed worldwide, enriched by social conduct values. However its major significance may be its contribution to the relations between the company & its external customers. A company that has adopted a value code as a way of doing business will gain higher pride & recognition from its customers securing company's sustainability & development.

3.2 Business Performance Assessment

The basic purpose of any measurement system is to provide feedback, relative to firm's goals, that increases its chances of achieving these goals efficiently and effectively. Measurement gains true value when used as the basis for timely decisions. According to EBEN GR BEE Model (2007), the ultimate aim of implementing a business performance measurement system is to improve the performance of the organization. If a company can get its performance measurement right, the generated data will provide management with information on where they are, how they are doing, and where they are going. EFQM model is the most widely accepted European model for managing & assessing performance & it requires the existence of relative systems as to fulfil specific criteria.

Organisations place significant emphasis on the financial indices (especially listed organisations) since they are obliged to report to their investors on quarterly basis or their shareholders. Financial performance measurement is a management initiative to upgrade the accuracy and timeliness of financial information. Meeting requirements and standards while supporting day-to-day operations is central to this initiative. Usually stock valuation indices are the most commonly used indices by investors & external analysts to assess company's financial position. Market performance also plays a significant role especially via benchmarking by continuously measuring products, services, and practices against tough standards set by competitors or renowned leaders in the field (EBEN GR BEE Model, 2007).

Of course there also some other widely used models that can provide special information to a firm: the Balance Scorecard framework for designing a set of measures for activities chosen internally by the organization as being the key business drivers, Open HR systems for assessing the quality & performance of personnel, Customer Satisfaction Surveys, COBIT model for testing & assessing IT security.

3.3 Business Analysis

High competition has urged companies towards the implementation & development of effective strategies & establishment of a high level of efficient internal control analysis. Control analysis (business analysis) has become a MUST if a company wants to survive &

grow in a rapidly changing environment and has caused the creation of many tools that can assist to the above goals.

A major tool providing for control analyses are long term plans i.e. a business plan. A business plan is a document that spells out a company's expected course of action for a specified period, including a detailed listing and analysis of risks and uncertainties. It examines the proposed products & services, the market, the industry, the management policies, the marketing policies, production needs and financial needs. It is required not only internally to the organization, but also by external third parties being used as a prospectus for potential investors and lenders.

Usually before constructing a business plan, management uses strategy tools like SWOT analysis, TOWS, Matrices etc that help them to identify strong & weak points of a firm, its opportunities & risks.

Master budget, including operating & cash budget are also basic preconditions to set a well designed business plan, as well as they are major tools for controlling & assessing company’s policies towards revenues, expenses, capital and credit.

However, except general company’s policies, an organization is occupied with isolated projects that help a firm to accomplish its targets. Project risk management is a major tool to facilitate the successful completion of a project. It includes risk identification, risk quantification, risk response development and risk response control in an effort to identify, analyse and respond to project risks (EBEN GR BEE Model, 2007).

3.4 Internal Audit

As explained in EBEN GR BEE Model, Internal Auditing is an independent appraisal function established within an organization to examine & evaluate the activities as a service to the organization. It is an objective assurance & consulting function that should be always be managed independently & which adds value within an organization. This attribute is facilitated by the existence of a proper organizational structure where Internal Audit Section reports independently to Audit Committee & BOD, while Top Management approves sufficient annual findings for the proper staffing & operation. Internal auditing is dynamic & evolving that anticipates changes in operating environment & must adapt rapidly to changes in organizational structure, processes & technology.

Audit task is to evaluate & improve the effectiveness of risk management, control & operational processes. The auditors may use many different techniques for accomplishing their tasks among which are risk assessment, preliminary surveys, control self assessment, sampling & follow up reports depending of course upon the nature of the task & the available resources.

However there is a standard report & administration framework which auditors should follow when citing their findings, a framework that is accepted by the IIA closely related to legal issues especially when handling fraud issues where special care is taken. Audit overall significance concerning control analysis is stressed by the fact that public companies in major stock markets are obliged to have an internal auditing – analysis section as a preventive measure against fraud. External Auditors must also be used for certifying financial statement issues.

Many other issues concern internal auditing such as internal auditors relations with external ones, Auditing requirements, the difference with quality auditors, internal controllers etc. All the above issues denote the significance of the today's internal auditing & its proper adoption to an efficient Code of Conduct context (EBEN GR BEE Model, 2007).

3.5 Regulations & Communication

This criterion of the Model places significant emphasis on how organisations comply with regulations and relevant legislation and how they communicate corporate information. The Model prescribes that the Quality of Information communicated is a perquisite for the effective diffusion of Corporate Governance values to all company stakeholders. The existence of efficient systems and a high level of data security assure the success and quick integration of new developments to company's operations as well as the soft adoption of the new guidelines by employees. The legal aspects of Code of Ethics are very crucial for its proper application. Especially after the Sarbanes Act Rulemaking has obliged the creation of a special corporate governance framework, the establishment of independent committees & internal auditors, the creation of a Code of Business Ethics as well as heavy punishments for Top Management that resorts into illegal actions concerning company's operations. Other prohibitions concerning business misconduct may refer to compensation forfeitures, securities fraud, inside trading, criminal penalties, receiving gifts as well as penalties for losing report deadlines or missing timely publishing securities transactions of owners or Top Mgt.

However, not only Top Mgt has legal obligations against proper business practices. Firm's attorneys should follow a professional Code of Conduct that should be incorporated to firm's Code of Ethics, otherwise penalties may be significant. Legal Committees are also proposed in order to facilitate legal work.

According to the Model organisations should consider Business Continuity issues as well as physical, information and operations security. To address such concepts an organisation should consider carrying out a business impact analysis and a risk assessment on all business systems, as well as developing a disaster recovery planning according to international standards like ISO27001 and BS25999.

3.6 Environmental Actions

The Model implies that in order to manage its environmental actions an organisation should implement an Environmental Management System (EMS). An EMS is a set of management processes, and procedures that allows an organization to integrate environmental consideration into day-to-day decision and practices, thereby improving both its environmental and economic performance. It provides a framework for managing environmental responsibilities in a more systematic way. To implement an EMS, an organisation must have a written environmental policy that clearly communicates top management's commitment towards a cleaner environment and provides a unifying vision of environmental concern by the entire organisation.

3.7 Social Activities

According to the Model an organisation's focus on social activities should include employment & working relations, occupational health and safety, human rights and child labour, society/community issues, and products and/or services.

The development of the working force and assurance of the right *working conditions* constitutes the basic factors that affect the production of the company, customer services and the company's image. Employees should be seen as the basic factor of company's success and also as company's competitive advantage. Companies, apart from following the legal obligations, create and apply voluntarily a number of *health and safety* programs. Through such programs companies guarantee a safe working environment by applying assessment and control procedures that assist the application of measures for the working conditions improvement. Organisations, seen as a corporate citizen, should try for the establishment of procedures and methods, which are necessary for the effective protection of *work and human rights*. The application of CSR principles extend to the external environment of the company including the society, the environment, as well as institutions and people that is in contact with. *Customers' satisfaction* constitutes the basic value for every company. It is of great importance the development of procedures in the company, which guarantee the high quality and credibility of products and services. Also it is very important the management of customer complaints,

3.8 Economic Stability

The aim of economic stability is the ultimate target of every organization. Business (economic) Stability is primarily composed of sound environmental, social, economic, and financial & operating results including reasonable growth and successful investments for sustainable development. All results should be properly reported at a systematic way diffusing information to all stakeholders allowing improvement and innovative actions. According to EBEN GR BEE Model, for an organization to achieve economic stability, emphasis should be placed on tools and techniques that enable monitoring and achievement of desired environmental, social, economic, and financial & operating results results. Such tools and techniques could include tools for cost-benefit analysis for project appraisal, budgeting tools for managing and controlling operating and financial results, investment appraisal tools for evaluating investment opportunities, and CSR reporting tools.

5. Social Return on Investment

Originally an American concept, it was born in the 1970s when the US government mandated 'benefit cost analysis' for federal contracts. This was much furthered in the mid-nineties by the San Francisco-based REDF as a means of determining the social impact of the projects it was funding. At its core, Social Return on Investment (SROI) is a robust reporting tool which attempts to put a value on the work an organisation is doing, relative to a given amount of investment. The actual process involves analysis of inputs, outputs, outcomes and impacts leading to the calculation of a monetary value for those impacts, and finally to an SROI rating – a monetary value relative to investment in the project. (Andrews, 2009)

SROI is an innovative approach to measurement and value that can be used across the public, private and third sectors. Developed from cost-benefit analysis and social accounting, SROI uses economic valuation to make visible a far greater range of social, environmental and economic costs and benefits than conventional analyses (New Economic Foundation, 2009).

While in financial management the term ROI refers to a single ratio, SROI analysis refers not to one single ratio but more to a way of reporting on value creation. It bases the assessment of value in part on the perception and experience of stakeholders, finds indicators of what has changed and tells the story of this change and, where possible, uses monetary values for these indicators.

The question of how individuals and societies value one thing compared with another continues to absorb philosophers, psychologists, social scientists and economists.
The use of monetary proxies for social, economic and environmental value offers several practical benefits:

- it makes it easier to align and integrate performance management systems with financial management systems
- it aids communication with internal stakeholders, especially those responsible for finances and resource allocation, and with those who are prefer quantitative to qualitative ways of learning
- it induces transparency since it precipitates the clarification of which values have been included and which have not been included
- it permits sensitivity analysis to show which assumptions are more important in that the result is more affected by changes in some assumptions than others
- it helps identify the critical sources of value and so streamlines performance management. (European SROI Network, 2009a)

4.1 Potential benefits of SROI

According to the European SROI Network (2009b), the major potential benefits from measuring SROI include better communication, more effective decision making, focus on important issues, and clarity on governance. More specifically:

- <u>Communication</u>: By providing both credible numbers and qualitative and narrative value information, and the systematic story to support all of these it can 'talk' to stakeholders with different preferences. It can help in communicating information with stakeholders and provide a means of drawing them into conversation.
- <u>More effective decisions</u>: If being used for planning, and not review, the focus on stakeholders can highlight interrelationships and help define activities with stronger synergies and increase planned social value. Monetised indicators can help analysis by management to consider what happens if they change their strategy. It allows them to think about whether their strategy is optimum in generating social returns, or if there may be a better means of using their resources. It can help investors more efficiently select investments that are aligned with their value objectives.
- <u>Focus on the important</u>: By focusing on the critical impacts, an SROI analysis can be completed relatively quickly and is an effective way of defining management information systems necessary to make it quick in future
- <u>Investment mentality</u>: The concept of social return helps people understand that any grant or loan into an organisation can be thought of as an investment rather than as a subsidy. The focus shifts to the creation of value, and away from the risk mentality and opportunity cost of using money here rather than there.
- <u>Clarity on governance</u>: If more accountable organisations are more sustainable, then understanding and explaining these impacts and then responding to them is critical. SROI analysis can help clarify impacts and focus the response. Responding to stakeholder's means that they can influence the organisation and so the organisation's governance will be better related to stakeholders requirements.

4.2 Potential limitations of SROI

On the other hand, measuring SROI with the traditional approach involves potential limitations as well. The most important limitations include among others the following:

- Benefits that cannot be monetized. There will be some benefits that are important to stakeholders but which cannot be monetized. An SROI analysis should not be restricted to one number, but seen as a framework for exploring an organisation's social impact, in which monetization plays an important but not an exclusive role.
- Focus on monetization. One of the dangers of SROI is that people may focus on monetization without following the rest of the process, which is crucial to proving and improving. Moreover, an organisation must be clear about its mission and values and understand how its activities change the world – not only what it does but also what difference it makes. This clarity informs stakeholder engagement. Therefore, if an organisation seeks to monetize its impact without having considered its mission and stakeholders, then it risks choosing inappropriate indicators; and as a result the SROI calculations can be of limited use or even misconstrued
- External accreditation. There is no external accreditation, and no brand or mark is available.
- Intensive for the first time. If an organisation does not have an existing social accounting system, SROI will be more time intensive the first time but is designed to focus on the most important areas, It is most easily used when an organisation is already measuring the direct and longer-term results of its work with people, groups, or the environment.
- Some outcomes not easily associated with monetary value. Some outcomes and impacts (for example, increased self-esteem, improved family relationships) cannot be easily associated with a monetary value. In order to incorporate these benefits into the SROI ratio proxies for these values would be required. SROI analysis is a developing area and as SROI evolves it is possible that methods of monetising more outcomes will become available and that there will be increasing numbers of people using the same proxies. (Prove and Improve, 2009)

6. Measuring SROI using the EBEN GR BEE

Based on the above limitations, it is evident that an alternative method for measuring SROI is required in order to enable organisations to measure SROI in a more objective and efficient manner. In that direction, the implementation of the EBEN GR BEE Model is proposed as an alternative approach for measuring SROI, gaining the above benefits and avoiding the limitations.

The EBEN GR BEE Model consists of 10 criteria and each one of them of 5 sub-criteria (criteria 1 & 2 and 3 & 4 have common sub-criteria). For each sub-criterion correspond 5 best-practices that satisfy the particular sub-criterion requirements. The proposed approach is based on the premise that an organisation can be assessed against the Model and therefore a score can be assigned indicating its performance in regard to business ethics excellence. Each criterion accounts for 100 points and therefore maximum points to be assigned to an organisation that satisfies all sub-criteria of the 10 criteria is 1000. Each sub-criterion of Criteria 1&2 and 3&4 accounts for 40 points, while each sub-criterion of all the rest accounts for 20 points as it is illustrated in Table 1 below. For example, an organisation that has only developed communicated and implemented a corporate code of conduct that satisfies the

EBEN GR BEE relevant criteria can gain only 40 points, while an organisation that can only demonstrate positive financial results can gain 20 points.

An organisation's SROI can then be defined as a number on the 0-1000 scale according to the degree of compliance with the sub-criteria described in the model. Therefore, if a company manages to score 300 points is considered to have higher or better SROI than a company that scores 200 points, since the implementation of the BEE Model implies some sort of ethical governance and corporate social responsibility by the organisation that directly or indirectly creates value for the society as a whole. This approach requires an independent assessment by EBEN GR experienced assessors that can verify the effective implementation of the model and determine the relevant score.

Table 1: EBEN GR BEE and Points breakdown

Criterion	Points
Moral Culture and Moral Conduct (Crit. 1 & 2)	
1. Standard Corporate and Value Code	40
2. Leaders Role	40
3. CG Committees	40
4. CSR Committees	40
5. Integrated Reporting	40
Regulations and Communication (Crit. 3 & 4)	
1. Effective Information	40
2. CSR Regulations	40
3. Supportive Systems	40
4. International Regulations	40
5. Integrated Reporting & Communication	40
Business Analysis (Crit. 5)	
1. Asset Management	20
2. Strategic Plan	20
3. Budget Production	20
4. Investment Appraisal	20
5. Business Analysis Reporting	20
Internal Auditing (Crit. 6)	
1. Audit Function	20
2. Audit Service	20
3. Audit Techniques	20
4. Fraud Investigation	20
5. Integrated Audit Reporting	20
Performance Assessment (Crit. 7)	
1. Business Excellence Models	20
2. Performance Systems	20
3. Specialised Systems and Rewards	20
4. ICT Control and Accountability	20
5. Integrated Reporting	20
Environmental Actions (Crit. 8)	
1. Environmental Management Programs	20
2. Integrated Systems – Policies	20
3. Managing Environmental Threats	20
4. Environmentally Preferable Purchasing	20
5. EMS Public Disclosure	20
Social Activities (Crit. 9)	
1. Environment & Working Conditions	20
2. Health – Safety – Education	20
3. Human Rights & Child Labour	20
4. Society Communities	20
5. Products – Services	20
Economic Stability (Crit. 10)	
1. Financial Results	20
2. Operating Results	20
3. Environmental Results	20
4. Social Results	20
5. Awards and Acknowledgements	20
Total Points	**1000**

7. Initial Findings of BEE Model Implementation in Greece and Cyprus

The EBEN GR Business Ethics Excellence Model is a pioneering effort of EBEN Greek National Chapter, promoting business ethics excellence through a business model with purpose of sustainable leadership. There are three certification levels for organizations that implement the model successfully: the Gold Business Environment, the Silver and the Bronze. For an organization to receive the Bronze Business Environment level it must have a Corporate Value Code system and grade over 20% for all model criteria (i.e. 200+ points). The Silver Business Environment level can be achieved by grading over 40% for all model criteria (I.e 400+ points) and applying the Corporate Value Code to people, systems and results, including some Standard Corporate Code principles. An organization can receive the Gold Business Environment certification by grading over 80% in the specific criterion or criteria on which it will receive the award and more than 60% for all remaining model criteria (i.e. 600+ points) and in addition, systematically applying the Corporate Value Code including the Standard Corporate Code of Business Ethics to people, to a total quality system, actions, results and stakeholders.

The assessment procedure starts with the initial approval of the application by the independent Academic Committee, then the certified group of EBEN assessors evaluates the candidate's submission report upon sufficient coverage of model criteria & sub-criteria and ends up with one/two-day visit by two certified Assessors.

The BEE Model has been implemented by a number of Greek organizations over the last four years. In 2007 only four (4) organizations attempted to implement it at the Bronze level. In 2008, seven (7) organizations achieved the Bronze level, while four (4) organizations achieved the Silver. In 2009, five (5) organizations achieved the Bronze level, four (4) organizations achieved the Silver level for the first time, while three (3) organizations reached the Gold level for the first time. In 2010, seven (7) organizations achieved the Gold level (5 for the first time), two (2) organizations achieved the Silver level (both for the first time) and three (3) organizations achieved the bronze level for the first time. Over the last four years, there is a continuous increase in the number of organizations that attempt to implement the model and receive a relative certification.

The findings so far indicate that 3 out of 4 organizations that started the implementation 4 years ago are still implementing the model and have reached in 2010 the Gold Business Environment level. The majority of organizations that reached one of the first two levels decided to continue their efforts towards achieving the Gold level. Overall, twenty different organizations have implemented the BEE Model with 8 of them reaching the Gold level, 3 the Silver and 9 the Bronze. Year after year, more organizations become aware of the model and decide to implement it. Only six organizations reached the Bronze level during the first three years of assessments and have not proceeded so far to improve their performance. More than half of the organizations (11 out of 20) that have implemented the BEE Model so far, are organizations that have implemented the EFQM Excellence Model and successfully reached one of the three Levels of Excellence as defined by EFQM, namely Committed to Excellence in Europe, Recognised for Excellence in Europe, European Quality Award.

Analysing the sectoral and regional context of the organizations that have implemented the BEE Model reveals some interesting facts. So far, 90% of those organizations are based in Greece and 10% in Cyprus (the first two organizations from Cyprus implemented the model in 2010 with one reaching the bronze and one the Silver level). The shipping sector is represented with four organizations all of which have reached the Gold Business Environment. The food industry is also represented with four organizations but only one of them has reached the Gold level, with one reaching the Silver and the other two the Bronze. The construction and telecommunications sectors are represented with one organization each (both reaching the Gold level). Two universities have also applied the BEE model (one reaching the Silver and the other Bronze level) indicating that academic institutions – especially private ones – identify a plethora of benefits from the implementation of the BEE Model. In addition, two service organizations, two retailers, two information technology, one manufacturing and one governmental organization have also applied the BEE Model. Table 2 below, summarizes the sectoral context of EBEN GR BEE Model implementation in Greece and Cyprus for the period 2007-2010.

Table 2: EBEN GR BEE Model Implementation – Sectoral Context (2007-10)

Industry Sector	No. of Organizations	Gold Level	Silver Level	Bronze Level
Education	2		1	1
Food	4	1	1	2
Shipping	4	4		
Services	2		1	1
Retail	2			2
Construction	1	1		
Information Technology	2	1		1
Manufacturing	1			1
Telecommunications	1	1		
Government	1			1
Total	**20**	**8**	**3**	**9**

8. Conclusions

Corporations and their leaders have become aware of the crucial role of SROI in seeking performance excellence and sustainable growth. The UK Government is to carry out a project that will bring together the public sector, independent investors and social enterprises to agree a standard methodology for SROI measurement that places a financial value on social benefit. This paper presented EBEN GR BEE Model and explained how the use of the Model can be implemented as a tool that can provide a solution on the measurement of SROI and perhaps this is a good starting point for governments and corporations interested in measuring SROI. SROI can defined as a score on the 0-1000 scale according to the degree of compliance with the sub-criteria described in the EBEN GR BEE Model following an independent assessment. This tool has already been implemented by twenty different organisations in Greece and Cyprus and there is a continuous interest in the utilization of the model and its adoption at a European level by the European Business Ethics Network.

Further research is required in determining different pre-defined levels of governance and CSR excellence and on the framework of independent EBEN GR assessments required to determine a specific BEE score. In addition, the weight of each model criterion may be reexamined following a comprehensive investigation with the contribution of the organizations having implemented the EBEN GR BEE Model.

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BRIEF RESUMES

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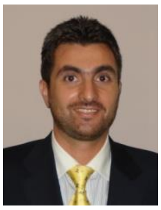

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