

# RETURN ON INVESTMENT IN CORPORATE RESPONSIBILITY

Measuring the Social,  
Economic, and  
Environmental Value of  
Sustainable Business

# RETURN ON INVESTMENT IN CORPORATE RESPONSIBILITY

Measuring the Social,  
Economic, and  
Environmental Value of  
Sustainable Business

BY

**CESAR SÁENZ**

*ESAN University, Lima, Peru*



United Kingdom – North America – Japan  
India – Malaysia – China

Emerald Publishing Limited  
Howard House, Wagon Lane, Bingley BD16 1WA, UK

First edition 2018

Copyright © 2018 Emerald Publishing Limited

**Reprints and permissions service**

Contact: [permissions@emeraldinsight.com](mailto:permissions@emeraldinsight.com)

No part of this book may be reproduced, stored in a retrieval system, transmitted in any form or by any means electronic, mechanical, photocopying, recording or otherwise without either the prior written permission of the publisher or a licence permitting restricted copying issued in the UK by The Copyright Licensing Agency and in the USA by The Copyright Clearance Center. Any opinions expressed in the chapters are those of the authors. Whilst Emerald makes every effort to ensure the quality and accuracy of its content, Emerald makes no representation implied or otherwise, as to the chapters' suitability and application and disclaims any warranties, express or implied, to their use.

**British Library Cataloguing in Publication Data**

A catalogue record for this book is available from the British Library

ISBN: 978-1-78756-252-3 (Print)

ISBN: 978-1-78756-249-3 (Online)

ISBN: 978-1-78756-251-6 (Epub)



Certificate Number 1985  
ISO 14001

ISOQAR certified  
Management System,  
awarded to Emerald  
for adherence to  
Environmental  
standard  
ISO 14001:2004.



INVESTOR IN PEOPLE

# CONTENTS

|   |      |
|---|------|
| <i>List of Figures</i>  | ix   |
| <i>List of Tables</i>   | xi   |
| <i>About the Author</i>   | xiii |
| 1. Introduction   | 1    |
| 2. Understanding the Philosophy of the SROIM Model: Marriage Case | 5    |
| 2.1. Awareness-raising Stage: Falling in Love                     | 5    |
| 2.2. Marriage Stage   | 7    |
| 2.3. Children Stage   | 9    |
| 2.4. Grandparents Stage   | 10   |
| 3. The SROIM Model  | 15   |
| 3.1. SROIM's First Objective: Visualization of the Impacts        | 17   |
| 3.2. SROIM's Second Objective: Calculation of SROIM               | 20   |
| 4. The SROIM Model in Detail                                      | 25   |
| 4.1. First Objective: Visualize the Real Impacts                  | 25   |
| 4.1.1. Social Network   | 25   |
| 4.1.2. Sustainability Indicators                                  | 32   |

|        |   |     |
|--------|---|-----|
| 4.1.3. | Life Cycle of the Target Beneficiary        | 38  |
| 4.1.4. | Stakeholders versus Impacts Matrix          | 44  |
| 4.2.   | Second Objective: Calculation of SROI       | 48  |
| 4.2.1. | Collection of Information                   | 49  |
| 4.2.2. | Isolation of the Intervention               | 50  |
| 4.2.3. | Calculation of the Monetary Value           | 56  |
| 4.2.4. | Social Cash Flow                            | 65  |
| 4.2.5. | Calculation of SROIM                        | 69  |
| 5.     | Case Studies                                | 73  |
| 5.1.   | UBER  | 73  |
| 5.1.1. | Background                                  | 73  |
| 5.1.2. | Entry of UBER                               | 74  |
| 5.1.3. | Application of the SROIM Model              | 77  |
| 5.2.   | Health and Nutrition                        | 87  |
| 5.2.1. | Productive Agricultural Development         | 90  |
| 5.2.2. | Social Development                          | 90  |
| 5.2.3. | Nutritional Reinforcement                   | 91  |
| 5.2.4. | Organic Vegetable Gardens                   | 92  |
| 5.2.5. | Training in Nutrition, Hygiene, and Health  | 92  |
| 5.2.6. | Non-institutional Births                    | 92  |
| 5.2.7. | Application of the SROIM Model – Nutrition  | 93  |
| 5.2.8. | Valuation                                   | 97  |
| 5.3.   | Education                                   | 113 |
| 5.3.1. | Application of the SROIM Model in Education | 118 |
| 5.4.   | Productive Project                          | 120 |
| 5.5.   | Environment                                 | 134 |

|  |     |
|--|-----|
| Contents   | vii |
| 6. Integrating the Social Programs                       | 141 |
| 6.1. Integration Matrix of the Social Inclusion Programs | 142 |
| <i>References</i>  | 147 |
| <i>Annexes</i>   | 149 |
| <i>Index</i>   | 165 |

# LIST OF FIGURES

## Chapter 2

|             |   |    |
|-------------|---|----|
| Figure 2.1. | Awareness-raising Stage: Falling-in-Love Stage. . . . .                                 | 7  |
| Figure 2.2. | Implementation Stage: Marriage. . . . .   | 8  |
| Figure 2.3. | Use Stage: Marriage with Children. . . . .  | 10 |
| Figure 2.4. | Final Stage: Grandparents. . . . .  | 11 |
| Figure 2.5. | The Life Cycle of the Marriage: Awareness, Implementation, Use, and End Stages. . . . . | 12 |

## Chapter 3

|             |   |    |
|-------------|---|----|
| Figure 3.1. | SROIM Model: Summarized. . . . .  | 16 |
| Figure 3.2. | SROIM Model: Objectives. . . . .  | 17 |
| Figure 3.3. | SROIM Model – Visualize Real Impact: Social Network, Sustainability Indicators, and Life Cycle. . . . . | 19 |

## Chapter 4

|             |  |    |
|-------------|--|----|
| Figure 4.1. | Stakeholders of an Organization. . . . .                           | 27 |
| Figure 4.2. | Social Network of an Intervention. . . . .                         | 30 |
| Figure 4.3. | Social Network in the Courtship Stage (Awareness-raising). . . . . | 31 |
| Figure 4.4. | Typology of Indicators. . . . .                                    | 33 |
| Figure 4.5. | Interrelationship between the Sustainability Indicators. . . . .   | 36 |

|                  |   |     |
|------------------|---|-----|
| Figure 4.6.      | Life Cycle of the Target Beneficiary. . . . .   | 39  |
| Figure 4.7.      | Kevin and Sabrina’s Life Cycle and Its<br>Impact on Sabrina’s Parents. . . . .                  | 42  |
| Figure 4.8.      | Kevin and Sabrina’s Life Cycle and Its<br>Impact on the Bride’s Friends. . . . .                | 43  |
| Figure 4.9.      | Life Cycle of the Target Beneficiary:<br>Summary. . . . .                                       | 44  |
| Figure 4.10.     | Control Group. . . . .  | 51  |
| Figure 4.11.     | Trend Line. . . . .   | 52  |
| <b>Chapter 5</b> |   |     |
| Figure 5.1.      | Situation before the Entry of Uber. . . . .   | 78  |
| Figure 5.2.      | Stage of Awareness-raising: Uber Case. . . . .  | 79  |
| Figure 5.3.      | Stage of Implementation: Uber Case. . . . .   | 79  |
| Figure 5.4.      | Stage of USE: Uber Case. . . . .  | 80  |
| Figure 5.5.      | FINAL Stage: Uber. . . . .  | 81  |
| Figure 5.6.      | All Stages: Uber Case. . . . .  | 82  |
| Figure 5.7.      | Nutrition Case: Visualize Real Impact of the<br>Intervention (All of the Stages). . . . .       | 95  |
| Figure 5.8.      | Social Network: Case of Education. . . . .  | 120 |
| Figure 5.9.      | Social Network: Productive Case. . . . .  | 128 |
| Figure 5.10.     | Social Network, Sustainability, and Life<br>Cycle Indicators of the Target Beneficiary. . . . . | 136 |



# LIST OF TABLES

## **Chapter 3**

|            |   |    |
|------------|---|----|
| Table 3.1. | Stakeholders versus Impacts Matrix. . . . . | 21 |
|------------|---|----|

## **Chapter 4**

|            |   |    |
|------------|---|----|
| Table 4.1. | Stakeholders versus Impact Matrix (Case: Marriage). . . . . | 46 |
|------------|---|----|

## **Chapter 5**

|            |  |    |
|------------|--|----|
| Table 5.1. | Stakeholders versus Impacts Matrix: Uber Case. . . . . | 83 |
|------------|--|----|

|            |   |    |
|------------|---|----|
| Table 5.2. | Comparison of Income and Expenses of Uber and Traditional Taxi. . . . . | 84 |
|------------|---|----|

|            |  |    |
|------------|--|----|
| Table 5.3. | Information of Comparison of Uber Service versus Traditional Taxi. . . . . | 84 |
|------------|--|----|

|            |  |    |
|------------|--|----|
| Table 5.4. | Calculation of SROIM: Uber Case (Thousands of \$). . . . . | 88 |
|------------|--|----|

|            |   |    |
|------------|---|----|
| Table 5.5. | Stakeholders versus Impacts Matrix: Case of Health and Nutrition. . . . . | 98 |
|------------|---|----|

|            |   |     |
|------------|---|-----|
| Table 5.6. | Attribution: Case of Nutrition. . . . . | 100 |
|------------|---|-----|

|            |  |     |
|------------|--|-----|
| Table 5.7. | SROIM = 0: Analysis of the Investment – Nutrition. . . . . | 103 |
|------------|--|-----|

|            |   |     |
|------------|---|-----|
| Table 5.8. | Analysis of the Distribution of Project Management and Its Impacts. . . . . | 104 |
|------------|---|-----|

|            |   |     |
|------------|---|-----|
| Table 5.9. | Cash Flow and SROIM: Nutrition. . . . . | 114 |
|------------|---|-----|

|             |   |     |
|-------------|---|-----|
| Table 5.10. | Matrix: Stakeholders versus Indicators. . . . . | 121 |
|-------------|---|-----|

|  |     |
|--|-----|
| Table 5.11. Attribution: Case of Education. . . . .                        | 123 |
| Table 5.12. Calculation of SROIM: Education<br>(Thousands of \$). . . . .  | 124 |
| Table 5.13. Stakeholders versus Indicators Matrix. . . . .                 | 129 |
| Table 5.14. Cash Flow and SROIM: Productive Project.                       | 132 |
| Table 5.15. Stakeholders versus Impacts Matrix:<br>Environment.. . . . .   | 137 |
| Table 5.16. Cash Flow and SROIM: Environment. . . . .                      | 139 |
| <b>Chapter 6</b>   |     |
| Table 6.1. Integration Matrix of the Social Inclusion<br>Programs. . . . . | 143 |

## ABOUT THE AUTHOR

**Cesar Sáenz** is Professor of the Department of Administration at ESAN University. He holds a PhD from ESADE and a MBA from ESAN University, and with student exchange in Rotterdam School of Management, Erasmus University of Holland, a Degree in Mechanical Engineering from the National University of Engineering. He teaches courses on Corporate Social Responsibility and Strategic Planning. His research interests focus in the area of business ethics and corporate social responsibility, and he has published also in the fields of social conflict management.