



The Role of Blended Value Accounting in The Analysis of Value Creation Impact of Social Enterprises

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ABSTRACT

Investigating the growing field of social entrepreneurship (SEs) in multiple domains is one of the wealthiest scopes of entrepreneurial research. SEs signal the imperative to drive social change, and that potential payoff, with its lasting, transformational benefit to society, sets the field and its practitioners apart. SEs generate business profit for society while taking risks and innovations. Accordingly, the accounting literature on SEs and social businesses has recently introduced the notion of “Blended Value Accounting (BVA),” which refers to that all returns generated from investments ultimately create economic, social, and environmental value simultaneously. The concept of Blended Value accounting (BVA) in SEs has been researched in developed and developing contexts such as Pakistan. Sri Lanka is an ideal context to conduct these studies as Sri Lankan SEs have achieved social transformation and sustainability. However, there is a lack of BVA-related studies in developing countries such as Sri Lanka. Accordingly, the paper aims to address the aforementioned research mentioned above knowledge gaps by developing a conceptual framework for BVA. Subsequently, the objective of the paper is to explore (a) value creations of BVA, (b) implementations of BVA and (C) Identify possible interrelationships between the value creations of BVA. This study follows a systematic literature review. We identify the relevant databases such as Science Direct (Scopus) and ProQuest. Such databases allowed us to ensure the coverage of the study in multidisciplinary areas. Continuously, this study followed a narrative style to summarize key findings of the prior literature in identifying the value creations of (BVA), implementations of BVA, and possible interrelationships between the value creation of BVA. Finally, the implementation of BVA by SEs highly relied on their awareness, compliance with accounting standards, scalability, transparency, accountability and awareness. The model offers a spectrum of reporting logic that supports multiple-bottom lines with key stakeholders. Beyond the financial and economic value creations, SEs focus more on elements of BVA such as social value, sustainable value and environmental value. Finally, we conclude that financial value creation is critical to achieving various other missions of SE.

Keywords: *Blended Value Accounting, social entrepreneurship, value creations*