

Expanded abstract

Quantification of Emotional Value. The case of Union of Agricultural Cooperatives of Navarra (UCAN)

Objectives

The current economic and financial accounting systems provide adequate information, which facilitates the understanding of the economic value generated by an organisation, although they do not allow the social value generated by it to be visualised. Incomplete measurement of value and in particular exclusion of social value could act as a deterrent to implementing people-centred management or social approaches, especially if economic-financial result continues to be interpreted as the most important or even the only valid criterion of success in management (Freeman et al., 2010). This is especially harmful for those organisations linked to the social economy, because of their value system and founding philosophy. As stated in Social Economy Europe (2020) "The social economy is made up of a diversity of enterprises and organisations such as cooperatives, mutuals, associations, foundations and social enterprises among other forms that can be specific to each country. They are united around the values of: primacy of people and the social objective over capital, democratic governance, solidarity and the reinvestment of most profits to carry out sustainable development objectives". So, the complete understanding of the social economy and its value requires new ways of measuring organizational success that are adapted to its reality and that make it possible to highlight and manifest its differential elements by facilitating a greater and better understanding.

The current pandemic we are experiencing has demonstrated the need to rethink our economies and reconfigure the key strategic sectors in them. Traditionally undervalued sectors, such as the agricultural sector, have become essential sectors during the pandemic, providing essential needs and guaranteeing food security, demonstrating their roots and commitment to the local community where they are located. It would seem fair to be able to recognise the contribution to social well-being they had made, and not just now, by agricultural cooperatives and in our case, the Union of Agricultural Cooperatives of Navarra (UCAN), under new performance indicators.

Due to the incomplete measurement of value in the organisations and its special incidence in those belonging to the social economy, the present work is framed in a larger project, which aims at the development of social accounting. This project aims to monetise the Social Value generated, or destroyed, by the various organisations. It currently has three complementary proposals: a social accounting model of integral value called the Polyhedral Model; a processual methodology, based on the aforementioned polyhedral model, called SPOLY and the existence of a certain standardisation of social value variables, as well as proxies that allow the monetisation of the outputs, which are linked to them (Retolaza et al., 2014, 2015 and 2016).

In addition to this model of Social Accounting, this study deals with a new dimension or ecosystem of value, emotional value, and proposes a tool for measuring it in a quantitative way. The proposal made is determined by the identification of an index, which would function as a corrective factor, allowing upward or downward adjustment of the integral social value. An adaptation of the SERVQUAL model (Parasuraman, et al., 1988) will allow the objectification of the corrective factor and the amplitude of the correction range to be applied. Given that the inclusion of the emotional dimension implies a more complex analysis of the value, the aim is to ascertain the extent to which it is feasible to calculate it in a specific organisation, as well as its complementarity and integration with the other values identified by the Social Accounting model (Retolaza, et al., 2013, 2014, 2015 and 2016).

The methodological design

The work has focused on a single case of intervention, using the case analysis method (Yin, 2014). The case chosen for analysis was that of the Union of Agricultural Cooperatives of Navarra (UCAN). This entity, with 137 members and a history of more than a century, has as one of its main aims “the promotion and organization of services and actions of general interest for agricultural cooperativism, in order to meet the needs and facilitate the development and efficiency in the management of agricultural cooperatives” (UCAN, 2020). The choice of this entity responds to various reasons. The medium size of the organisation and the basic geographical scope of action, centred on Navarra, facilitate the approach to the organisation and its stakeholders. Secondly, due to the trajectory of this organisation, the cooperative model in the food and agriculture sector in Navarra is a clear point of reference in Spain. Finally, and as a key element of the project’s success, there was total management involvement in the project, which was essential for the practical application of the measurement methodology in the organisation. The constant search for excellence serves as an incentive for them to explore new measures of success in their management, in coherence with their foundational goals.

Results

The emotional value and the measurement instrument proposed has allowed us to visualize a more complete image of the value generated by an entity, specifically, the value generated by UCAN. The data obtained supports the adaptation of the social accounting model to the social entities, by putting in value their social contribution. The image provided by UCAN, of the value it generates, measured through the accounting instruments in use and through economic and financial indicators, hides a large part of the value generated by the entity, a value linked to its own specificity as a social entity.

Conclusions

The proposal made, by allowing the measurement of the emotional value in monetary units, contributes to the integration of the value, in the same unit of measurement, not only the economic value, but also the social and the emotional one. This allows us to think about how

measuring the performance of organisations affects both the consideration of their excellence (or failure) in management and their contribution or inhibition to the well-being of their stakeholders and society. It indirectly opens up new ways of satisfying the interests of stakeholders without entering into collusion with other interest groups by overcoming the narrow concept of economic value.

The generalization of social accounting in social entities, we understand, is a key element to improve their management in the search for efficiency and social and economic effectiveness. In turn, it offers information to the different agents in the environment to verify the contribution of each entity to the achievement of more global social objectives, by creating a greater level of well-being for the group of stakeholders inside the value generation system of each entity.

Original Value and Limitations

This is the analysis of a case that correctly illustrates a significant advance in a relevant problem, the monetisation of the emotional value generated by an organisation to its different stakeholders.

The main limitation of this study are largely due to the analysis of a single case and the lack of analysis of all stakeholders in the organization.

Keywords: Stakeholder Theory, Stakeholder Accounting, Monetization, Social Value, Emotional Value.