


Article

Social Accounting for Sustainability: A Study in the Social Economy

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Abstract: In order to understand an organization's survival and growth, legitimacy plays a key role. This paper explains how social accounting can generate legitimacy for a social company and make companies more sustainable. The demand to know the value that different organizations generate or detract from society has increased since the global crisis of 2008. Sustainable organizations are those that positively impact all stakeholder groups. In this paper, an analysis of 20 Spanish social companies that have implemented or are going to implement social accounting is made. We analyzed, through interviews, the expectations and integration of social accounting, determining change-emerging factors occurring after the application of social accounting. For the qualitative analysis of the information collected, NVivo 12 was used, a software program adequate for qualitative and mixed-methods research. The main finding shows that most companies communicate results internally; thus, these companies expect a higher involvement in the implementation of social accounting. Social companies, since their value is fundamentally not centered on that which comes from commercial activity, need to evidence their effort on specific social values that do not go through the market, and so are not reflected in traditional financial statements.

Keywords: social value; social impact; social accounting; social sustainability; social economy; legitimacy; decision making; practice theory

1. Introduction

The social economy movement, regulated by the law 5/2011, from March 29, is formed by 42,000 companies in Spain, and represents 10% of Spanish Gross Domestic Product (GDP), and 12.5% of employment, according to data from The Spanish Social Economy Employers' Confederation (CEPES). It can be considered a quickly growing sector, as 29,000 companies and 190,000 new job positions have been created within the last eight years. Moreover, 80% of the work contracts are indefinite contracts, and consequently they generate stable and quality employment, giving stability to the Spanish economy and making it more sustainable. The main values of the social economy are the primacy of the individual and the social objective over capital, democratic governance, and reinvestment of profits to carry out sustainable development objectives, services of interest to members, or of general interest [1]. The mentioned values that the social economy holds are deeply linked with human, sustainable, and social development [2–7]. The new Spanish Law 9/2017, from November 8, on Public Sector Procurement includes social and environmental criteria in the award [8,9]. Social economy entities have values and principles that correspond to social, environmental, and ethical criteria, which can be included in public procurement documents.

Social companies are those companies belonging to the social economy. Those companies do have an economic activity, but their objective is purely social, so the measurement of the social value should be more important than that of the economic value. Nevertheless, the only way they have to

measure their impact is through the economic criteria that traditional accountancy provides. As the size of this third sector grows, the demand to have indicators or methodologies to measure their social value and social impact grows. Social value is the quantification of the relative importance that people place on the changes they experience in their lives. Some, but not all, of this value is captured in market prices. It is important to consider and measure this social value from the perspective of those affected by an organization's work. Social impact is the effect that an organization's actions have on the well-being of the community. The methodologies and indicators for the social economy sector have not yet been widely recognized, neither in the economic nor in the academic field [10,11]. At present, there are some methodologies to measure social value but there is no methodology parallel to traditional accounting, as none of them follow the same rules and logic, so we have focused on the need for social accounting. We can define social accounting as "a systematic analysis of the effects of an organization on its communities of interest or stakeholders, with stakeholder input as part of the data that are analyzed for the accounting statement" [12]. The polyhedral model is the social accounting model developed by ECRI (Ethics in Finance and Social Value, University of the Basque Country), which we used to quantify social value. This model is supported by GEAccounting, a non-profit group that promotes and performs its use. It permits the monetization of social value and takes into consideration all actors [13,14]. It follows the same rules and logic as it is based on real data, and the results are presented in the same language as that of traditional accounting, in monetary units and ratios. The aim of social accounting is to be complementary to traditional accountancy. As we can see in Figure 1, many organizations have already done social accounting with the polyhedral model since 2011, being mostly social companies.

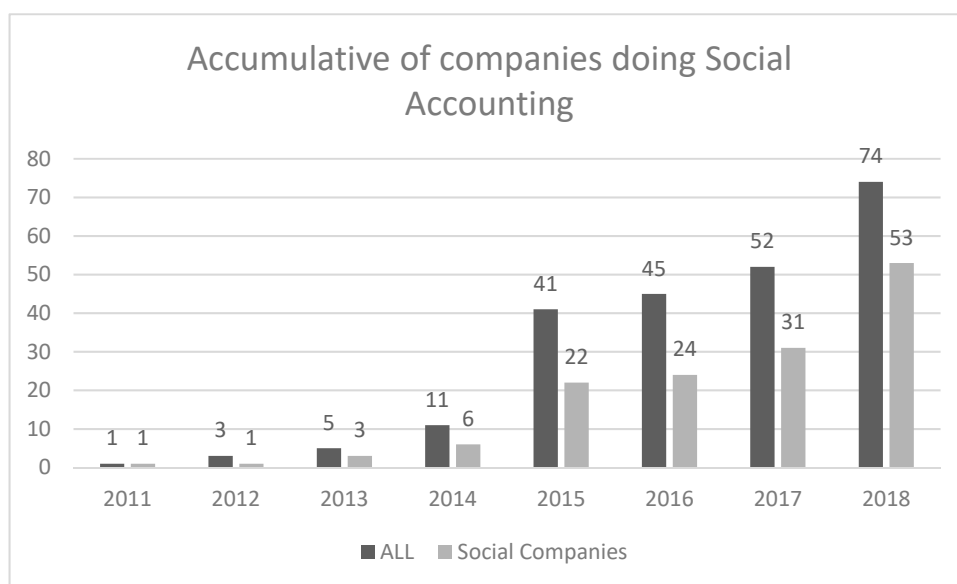


Figure 1. Evolution in the calculation of social value with the polyhedral model. Source: Own elaboration based on GEAccounting data.

The rate of companies doing social accounting is increasing year by year; nevertheless, there has not yet been any analysis of the impact of the result and the process itself on the generation of change-emerging factors. Normally, organizations that approach social accounting usually do so from a reputational perspective [13]. However, the monetization of social value, i.e., social accounting, allows them: on the one hand, to prove that companies within the social economy sector contribute a significant value to society; and on the other hand, to identify a set of indicators that can be subsequently introduced into management. Nevertheless, it has not yet been analyzed how these first expectations change once immersed in the calculation, nor the impact, change-generating factors, and use of these results in the company.

There is an academic and social interest for establishing how business models create value for stakeholders [15], as sustainable organizations are those that positively impact all stakeholder groups. For social ventures, see [16,17]. With social accounting [18,19], it is possible to identify and quantify the distribution of value between the various stakeholders of an organization. The consolidation of the value generated for the full set of stakeholders reflects the overall value generated by the organization.

The main objective of this paper is to determine the principal change factors in social companies after implementing social accounting, and to determine the differences between expectations and actions of doing social accounting. Therefore, the first hypothesis of our research would be, firstly, that social companies start doing social accounting from a reputational objective but their motivation and expectations change once the process is finished, and, secondly, that social accounting creates some change factors in the company.

This paper contributes in two fundamental ways to the current literature on practice theory. Firstly, recognizing the importance of practices in the ongoing operations of organizations, and, secondly, proving that the social economy is an ongoing production that emerges through social companies' recurrent actions. Practice theory is an emerging field as it is practiced in relation to organizational phenomena [20]. It goes through the notion that social life is an ongoing production and thus emerges through people's recurrent actions. That practice is consequential for social life is, for many practice theorists, associated with a strong humanist orientation and the foregrounding of human agency [21]. For Bourdieu [22], the habit is a "generative principle of regulated improvisations". Social accounting is fundamental for social companies in decision making, but organizations integrate it unconsciously. Normally, a practice follows a theory developed in the first place, but there are a great number of practices adopted that do not follow a theory but a routine. With practice theory, we study those actions and try to theorize them; it is essentially inductive. We go from practice to theory instead of doing it the other way back. In this paper, based on an analysis of interviews, we will try to explain what the change factors in the implementation of Social Accounting in social economy companies are.

The structure of this paper is the following. After the introduction, where a short situation-background is described, we will deepen in the literature and different point of views, analyzing the theory that we contribute to "practice theory". Then, the methodology used will be described, with which we reached our results. To finish, we will discuss the results obtained, conclusions, and implications.

2. Method

The aim of this paper is to determine the principal change factors in social companies after implementing social accounting. As we have argued in the literature review, the polyhedral model is the only system that allows the monetization of social value and takes into consideration all the stakeholders [13,14]. The advantages of this methodology compared to traditional accounting are the following: It is the most complete system, useful in all types of organizations, it calculates the social value generated for each stakeholder as well as an integral social value, it provides a visible result, and it is more homogeneous.

2.1. Sample

We study Spanish social economy companies that have the intention to apply the polyhedral model to calculate their social value, and social economy companies that have already implemented it (see Table 1).

Table 1. Sample.

| Phase | Company | Legal Form | Sector | Employees | Income | Interview Date | Duration | First Year SA |
|-------|----------------------------------|-------------------------|------------------------|-----------|---------------|----------------|-----------|---------------|
| Pre | Rubricatus | Foundation | Laboral Insertion | 152 | 1,806,401 | 28/02/2019 | 12.31 min | - |
| Pre | Cps francesc Palau | Social promotion center | Orientation, insertion | 9 | 240,192 | 05/03/2019 | 14 min | - |
| Pre | Fundació civica Esperanzah | Foundation | Intervention | | | 06/03/2019 | 8.22 min | - |
| Pre | Heres consultoría Impacto Social | Cooperative | Consultancy | 17 | 100 | 14/03/2019 | 7.15 min | - |
| Pre | Cuinajusta | Foundation | Catering | | | 12/03/2019 | 8.56 min | - |
| Pre | Cogami | Confederation | Laboral Insertion | 306 | 3,741,475 | 17/12/2018 | 12.13 min | - |
| Pre | Saoprat | Association | Laboral Insertion | 44 | | 30/07/2019 | 16 min | - |
| Pre | Eroski | Cooperative | Consume | 11,172 | 1,950,860,000 | 22/01/2019 | 18.03 min | - |
| Pre | Fundesplai | Foundation | Formation, Insertion | 1,5 | 31,461,497 | 17/07/2019 | 8.45 min | - |
| Pre | Artium | Foundation | Culture | 15 | 3,500,000 | 27/09/2019 | 13.31 min | - |
| Post | Ucan | Cooperative | Agriculture | 506 | 514,508 | 16/11/2018 | 12.13 min | 2017 |
| Post | Anel | Association | Group | 14 | 1,188,000 | 11/01/2019 | 16.37 min | 2017 |
| Post | Lantegi Batuak | Foundation | Laboral Insertion | 2862 | 52,000,000 | 28/03/2019 | 20.09 min | 2011 |
| Post | Grupo Clade | | Grupo Empresas | 5866 | 316,466,000 | 16/11/2018 | 23.13 min | 2017 |
| Post | Lavola | Cooperative | Consume | 139 | 7,003,359 | 23/01/2019 | 18.17 min | 2017 |
| Post | Som Fundació | Foundation | Consultancy | | | 25/02/2019 | 14.42 min | 2016 |
| Post | Empresas Insercion Navarra | Association | Laboral Insertion | | | 16/11/2018 | 5.40 min | 2017 |
| Post | Futubide | Foundation | Laboral Insertion | 13 | 762,418 | 27/08/2019 | 10.20 min | 2015 |
| Post | Acción contra el Hambre | NGO | Intervention - poverty | 8 | | 23/07/2019 | 16.24 min | 2015 |
| Post | Katea Legaña | Foundation | Laboral Insertion | 911 | 16,969,756 | 30/07/2019 | 15.52 min | 2013 |

Source: Own elaboration.

Regarding the population, based on data provided by GEAccounting, the total number of organizations belonging to the third sector that have implemented this specific model is 53 companies, of which 20 entities participated in the study (37.73% of the population). Some of the organizations that were interviewed are among the most representative of the population in their respective geographical area (e.g., ANEL, UCAN, Asociación Navarra de Empresas de Inserción Sociolaboral, EROSKI, GRUPO CLADE, Fundació Cívica Esperanzah, COGAMI), since most of them are associations or groups of social economy companies belonging to a single or different sectors (see Table 1). Thus, we consider the sample sufficiently representative of the population.

All the analyzed 20 companies are organizations that belong to the social economy sector. Ten of them are committed to do the calculation of their social value with the polyhedral model (PRE), and ten of them have already finished the process (POST); furthermore, some of them have been calculating it for years.

2.2. Research Method

Qualitative method has been applied as a research method since it is considered as a viable research model in business and management [23].

Since the aim of the study is to establish what the change factors after the implementation of social accounting in social companies are, and to determine the differences between expectations and actions of doing social accounting, we have applied a qualitative explanatory research method based on the analysis of interviews [24].

Regarding the number of companies to study, we followed the criterion of Eisenhardt [25], who suggests that the appropriate sample size is between 4 and 10. We have used a random sampling.

On the other hand, taking into account Langley and Royer [26], who consider that not all cases within a group should be conducted in exactly the same way, we have differentiated between two groups of organizations according to the implementation phase in which they are found. Since we observe that the perception of companies on initial motivation and real expectations may distort throughout the process, we consider it appropriate to interview companies in the initial phase prior to implementation in a separate way. For all these reasons, we considered it convenient to comparatively analyze 20 companies (10 cases for each group of organizations, according to the criterion of Eisenhardt previously indicated), seeking a coincidence in the results of the different cases, which will add validity to the proposed theory. We analyzed 20 social companies. In addition to this, the saturation was reached at this level, that is, the point where new information was no longer obtained and answers began to be redundant [27]. As Table 2 shows, in total, 20 interviews were conducted, recorded, and transcribed to analyze social impact. Evidence in this study was collected by the use of semi-structured in-depth personal interviews, with directed focus on the topics and with prior knowledge between the interviewee and interviewer. The interviews were directed to 20 persons responsible for the application of the polyhedral model in Spanish social companies. A small number of broad open-ended questions (see Tables 3 and 4) guided the interviews. The interview's duration ranged from 5 to 23 min. Data collection was performed over a ten-month period (from November 2018 to September 2019).

Table 2. Research technical file.

| Research Method | Qualitative Analysis |
|------------------------------|---|
| Qualitative Technique | Analysis of interviews |
| Population | Spanish social companies that have the intention of applying the polyhedral model to calculate their social value or that have already used it |
| Sample | 20 Spanish social companies: 10 enterprises committed to calculate social value by the polyhedral model 10 companies that have already finished the calculation |
| Data collection technique | In-depth interviews with directed focus (face to face, by skype, and by telephone) were recorded and transcribed |
| Data collection instrument | Semi-structured questionnaire with open-ended questions Documents |
| Duration of interviews | 15 min on average |
| Period of time of field work | From November 2018 to September 2019 |

Source: Own elaboration.

Table 3. Interview questions for companies before starting social accounting.

| “PRE” Interview Questions |
|---|
| <ol style="list-style-type: none"> 1. What are your reasons and motivation to start doing social accounting? 2. What are your expectations? What results do you think you will obtain? 3. What is your current relationship with stakeholders? 4. Once finished, will you communicate or integrate the results? |

Table 4. Interview questions for companies who have finished social accounting.

| “POST” Interview Questions. |
|--|
| <ol style="list-style-type: none"> 1. What were the reasons that motivated you to do social accounting? 2. What were your expectations? 3. How did you decide to use this model instead of others? 4. Have you communicated the results? How? 5. Do you think it has had any influence on the relationship with stakeholders? 6. Have you integrated the results in management or decision making? |

2.3. Interviewee Profile

Most interviewees were general managers of the companies that formed part of the sample; in the rest of the cases, they were chief financial officer (CFO), technical secretary, quality management officer, corporate sustainability projects manager, personnel officer, and adviser/model implementer. In all cases, they had a broad perspective on their organization’s strategy and were able to address questions regarding social accounting implementation in their respective companies.

2.4. Conducting the Interview

Before the beginning of each interview, the aim of the research was outlined to the interviewee. The first contact with the interviewed organizations was either in person or by email, and the interviews were conducted in person when possible, and via skype or call if not. The average duration of the interviews was 15 min, and all of them were recorded and transcribed. In half of the interviews, they were guided by two expert interviewers.

The use of a semi-structured interview gives the interviewer the freedom to introduce certain questions depending on who is being interviewed and depending on the development of the interview. The interviewers asked open-ended questions in order to invite the interviewees to participate in a conversation. Nevertheless, specifying and direct questions were used to develop more precise descriptions from general statements [28].

2.5. Evidence Analysis

As a method of information analysis, a content analysis was carried out in two steps: (1) review and categorization of the information; (2) search and identification of patterns.

The information collected was analyzed based on a set of categories defined by the questions in the interview. Each category was analyzed to identify significant patterns that were reviewed in view of the evidence. From the patterns that were emerging, the conclusions were obtained.

This study provides a comparative analysis within and across two groups of companies: (a) Spanish social enterprises that have applied social accounting and have been recognized as successful; and (b) Spanish social enterprises that have the intention to apply this system. In all cases, the method used in the calculation of social value was the polyhedral method. We sought to identify patterns and regularities within the same group of organizations and across different groups of organizations. An analysis was first carried out within each interview, in order to identify their own patterns, and then interviews were compared to each other to identify convergences and divergences. Comparative analysis of cases is very useful in long-term dynamics [29]. We compiled information about the companies from interviews, Internet sources, and congresses attended.

Finally, with the purpose of contrasting the analyses and results obtained through the content analysis of the 20 interviews conducted, we used the software NVivo 12.

3. Results

Among the twenty companies interviewed, ten have not yet realized social accounting but are already committed, and ten have already finished the process. The companies that have not started yet were asked for their reasons and motivations for taking the decision to calculate their social value, the expectations they have, what they are going to do with the results, and the relationship they have with stakeholders. We need to see what moves entities to the point where they see social accounting as necessary, and we have to analyze what are the expectations they start with and the relationship they have with stakeholders before interviewing them and considering them, letting them know how important they are for the company.

The reason for deciding to calculate social value that was mentioned the most was the need to justify subsidies received from public administrations. Not only to justify but also, as Inma Perez from Rubricatus says in her interview, "to change the idea that society has about these social companies, as entities that receive subsidies. There is a need to show the value of the work that we do." Another reason that appeared frequently, more in bigger companies, is the importance of the organization's mission and the use of social accounting to measure its veracity and impact. A few times, a consciousness about being a member of the social economy sector was seen as a couple of companies mentioned the need to see whether they fulfill the values that social companies must have or not have through social accounting. Elena Calandria from Cuinajusta says: "third-sector companies need to detect those points we are not attending to as social economy sector companies or should maybe pay more attention to." As third-sector companies, they feel a commitment to do this well, and they want to know which points they do and do not know, and which points they are not attending to, in order to improve.

When talking about expectations, there are fewer consensuses. Some companies wish to quantify all the work they do that does not go through traditional accounting, some others want to obtain information unknown until now, others expect to explain the untouchables, and others want to measure the impact of donations. Only one organization expects to integrate social accounting in the balanced scorecard (BSC). However, even with the disparity of answers, we can see a mutual feeling of consciousness in the objective of giving value to society, and the possibility through social accounting to quantify it. As Rosana from Cogami says, "we do a lot of work for society, but we do not know yet how to give it a value, and it is very important."

Concerning the results, all the interviewees want to output their results. Most of those interviewed are convinced that they will communicate them both in an internal and external way, some of them

will also publish them, and a few companies want to compare their results year after year or integrate them in the strategic plan of the company.

Lastly, we wanted to see what the relation with the stakeholders was. Some of them, especially small companies, were convinced of having a good and close relationship with stakeholders, while others admitted not having any relation with some of their stakeholders, or as Ruben Bagües from Heres said, “there is no other relation than client-provider.”

Thus, we can conclude that companies that start social accounting do it from a reputational perspective and are willing to communicate and publish the results, rather than integrating them in their decision making or strategy. Anyway, the expectations and motivation are high, especially when talking about subsidies, as they see a need to prove that they not only receive help, but also give back to society a lot.

Most of the social organizations interviewed who already have the results of their social accounting have calculated it over time; Lantegi Batuak is the first company that calculated it in 2011 and has been doing it year by year ever since.

The companies' motivation, reasons, and expectations when they started the process of social accounting were as a need to have a tool that integrated all social and economic results. Most of them believe corporate social responsibility reports are already done, and there is a need to visualize their social actions through an integral tool showing a global photo of the company. An idea that people mentioned many times through interviews was the need for these companies to be focused on persons and not on economical results, and to see and visualize how much they help people in their quality of life. As Josep Treserras from Som Fundacio said, “as a social company that works with people, you see and help people improve their quality of life, and this also goes back to society. You know it is this way, but if you do not have a way to see and visualize it, it gets lost.”

Once the results of their social accounting were obtained, all the companies, ten out of ten, communicated their results in an internal way, but only three of them did so in an external way. Internally, results were communicated in assemblies, to the directive committee or directly to stakeholders, using mostly an audiovisual presentation, comprehensible to everyone. Externally, communications were done mostly through social networks. Apart from communicating, there are only three companies who have integrated social accounting in the management of the company. These are: Anel, where social accounting has been integrated in the European Foundation Quality Management (EFQM) model; Lantegi Batuak, where they are in the process of integrating it in the company's strategy; and “Acción Contra el Hambre”, where strategic planning is done partly based on social accounting.

Companies that have done social accounting for consecutive years see the utility of the model in the ‘Communication’, as it permits information of the stakeholders of the generated value; ‘Benchmarking’, allowing comparison with other companies in the same sector; ‘Strategy’;; incorporating the information to the strategic design through the integrated dashboard; ‘Management’ empowering workers, managers, and the rest of stakeholders; and ‘Impact’, measuring analytical accounting by gender, territory, or sustainable development goals.

Another issue that interested us was to see how the relationship with stakeholders changed or improved during the process. All the companies agree that this is the principal result of social accounting. As Patxi Vera from UCAN says, “we have found stakeholders that we did not even think were our stakeholders. The stakeholders are happy to be identified as stakeholders, because that means they are part of the company, and so, important for the company.” Lantegi Batuak, being the first company doing social accounting, has already calculated it for eight years and, in another forward step, is prioritizing stakeholders and the actions directed to them.

The companies all admit that they started the process to get a result, but they agree that the process itself is enough. “It has been different to what we were seeking. We were looking for knowledge and a final result, and that has been less relevant”, said Antonio Martinez, from ANEL. Although in the beginning before starting social accounting, no one worried much about stakeholders as no one

mentioned them, in the end all the companies, once they had finished social accounting, agreed that this was the principal result of social accounting, the improvement and approach to stakeholders.

Interview Analysis through NVivo

To contrast the content analysis and results obtained through the 20 interviews, we used the software NVivo 12, which counts the word frequency for each question. We classified the different questions into seven nodes (see Table 5).

Table 5. Nodes used in NVivo.

| Nodes |
|------------------------------------|
| Pre—expectations and motivations |
| Pre—relationship with stakeholders |
| Pre—use of results |
| Post—reasons and expectations |
| Post—communication of the results |
| Post—expectations fulfillment |
| Post—social accounting inclusion |

Figure 2 shows how the main ideas were identified and grouped, following as a strategy the estimation of the number of repetitions or words frequency by nodes based on the NVivo 12 program. Then, we compared patterns about our areas of interest by using tables and matrices [29,30].

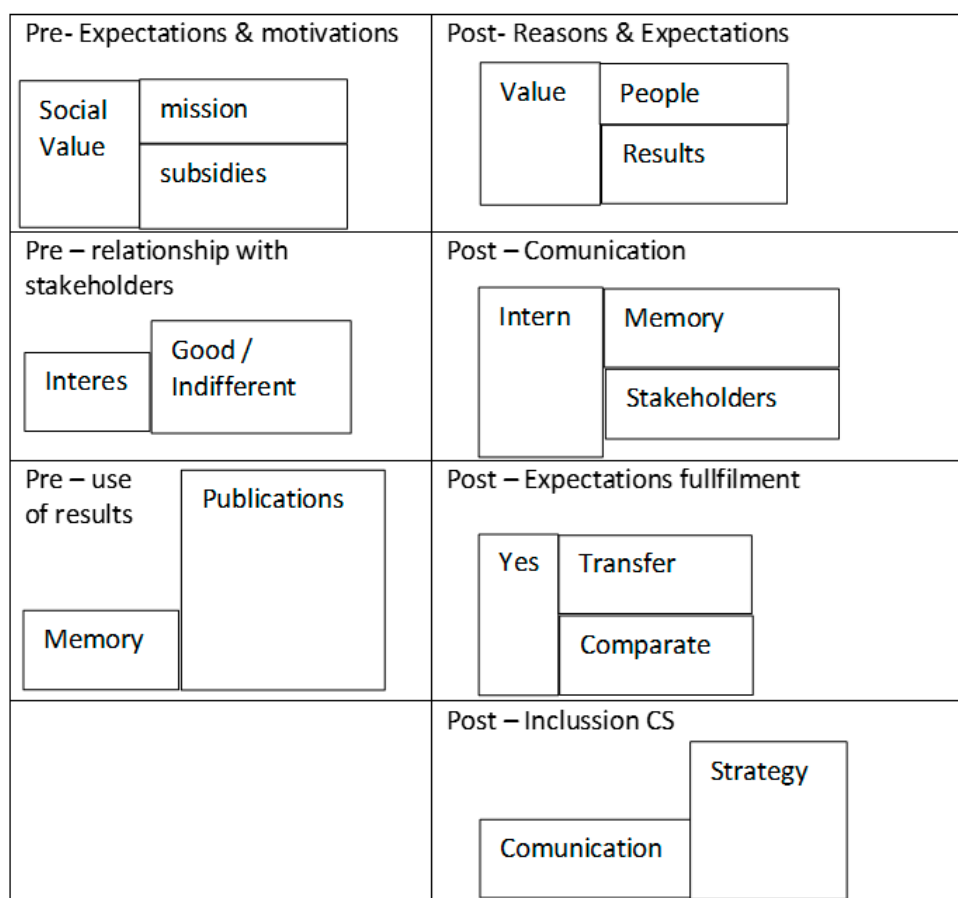


Figure 2. Word frequency by nodes. Source: Own elaboration based on NVivo 12.

We corroborate that the results obtained through NVivo support the analysis of the interviews we conducted previously in Section 3.

4. Discussion and Conclusions

Based on the analysis of the evolution in the number of enterprises that have implemented the polyhedral model in the social accounting system, we can conclude, on one hand, that there is an increasing number of companies (especially social companies) incorporating social accounting. The calculation of social value with the polyhedral model contributes to its legitimacy as a generally accepted social accounting method, contributing to the sustainability of the economy and society. On the other hand, the increasing interest from social enterprises in the application of this method shows a greater commitment from this type of company to the monetization of social value.

Contrasting the hypothesis with the conclusions, the first hypothesis was that social companies start doing social accounting with a reputational objective but their motivation and expectations change once the process is finished. This hypothesis has been confirmed; the principal reason for calculating their social value is to improve their reputation, as established by previous studies, wishing to make visible to society the created social value and to enhance their work for a more equitable society. Social accounting makes it possible to verify whether social companies are fulfilling their principles and values, and if not, to identify what are the non-attended areas as social economy sector companies or where they should pay more attention, in order to improve their performance regarding the social company's mission and values. Groups of companies and large companies consider social accounting as an instrument that integrates economic and social value, and the need to report on the quantification of social value is considered as a complement to the information provided through Global Reporting Initiative (GRI) reports. Anyway, the expectations and motivation are high, especially when talking about subsidies; they need to compare in monetary terms the subsidies received to the created value, and consequently to prove that they give back more value to society than the received financial support.

Regarding the implementation of results, most social economy companies mainly reported the results internally, and also, but to a lesser extent, externally. However, they rarely integrate it in their decision making or in their strategy or, at most, in their EFQM model. This may be due, on the one hand, to the fact that the companies have been calculating social value in a relatively short time horizon and, on the other hand, that only large companies that already publish their GRI reports are more inclined to integrate social value in their strategy. Companies that have already calculated their social value highlight the importance of the process itself, not only the result, to the extent that it has allowed them to clearly identify stakeholders and direct their actions toward those priority stakeholders, improving their relationship with them.

As our second hypothesis, we said that social accounting creates some change factors in the company. This hypothesis has also been confirmed. The change factors that we observed in social companies implementing social accounting are: (1) The improvement of the relationship with stakeholders, from being a relationship that organizations considered as good or indifferent to establishing a closer relationship where stakeholders feel important for the company; (2) The commitment of employees belonging to the company. Employees, once they know the result and the social value their organizations generate, feel proud and more committed to their company; (3) Curiosity and interest to compare results with other companies that have also done social accounting; (4) Networking with other organizations through social accounting, calculating companies in the same sector at the same time or companies that have already finished the process helping other companies that are going to start.

The principal implication of this study for social companies is that the calculation of social value itself will be more useful to the extent that each company calculates it year after year and, at the same time, a larger number of companies calculate it. Thus, each company can do a dynamic analysis of its evolution over time and compare to other companies in the third sector. In addition, the implementation of the social accounting results will be oriented in a different way depending on various variables,

such as size, legal form, activity, etc. Regardless of the implementation model, the social value calculation process allows social economy companies to reinforce their sense of belonging to this sector and their commitment to society due to their fulfillment of the mission and social values of society. Finally, transparency in the internal communication of results facilitates the process of empowering employees, some of the priority stakeholders in social economy enterprises, and consequently, a greater involvement in the implementation of the results of social accounting will be expected.

The results of this research provide qualitative information of an explanatory nature for the analysis of the impact of social accounting on companies in the social economy, a field of research hardly addressed in Spain.

This paper contributes fundamentally to practice theory in relation to how social accounting can generate legitimacy for a social company. Firstly, it recognizes the relevance of practices in the ongoing social accounting operations of social organizations, and, secondly, it shows that the social economy is an ongoing process that emerges through social companies' recurrent actions.

The main limitation of this study is the difficulty in identifying third-sector companies that are positioned in different phases of the social accounting process. Likewise, the development of mechanisms that facilitate the integration of accounting in a company's management and strategy will promote a process of improvement in compliance with the company's social values. Another limitation is that all the companies studied belong to the social economy sector, so the results are not extendable to all companies; in the future, a comparison of the impact on social and non-social entities could be done.

With regard to future research lines, the principal one is to measure the real impact and influence, for which two years after the implementation of social accounting should be left, as we expect to identify relevant issues about the implementation of the results of social accounting in social companies. Finally, another future line of research would be to focus on analyzing the impact of social accounting on the empowerment of employees, understood as a management strategy.

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Conflicts of Interest: The authors declare no conflict of interest.

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