

# Social Return on Investment (SROI) for Civil Society Organization (CSO) in Indonesia

## (A Case Study of Rumah Dongeng Pelangi)

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**Abstract**—As the rising of the number of civil society organization (CSO) every year in Indonesia, the need to fulfil the financial resources is crucial and important. Since the CSO has been using two kinds of financial sources, internal and external, the existence of Social Return on Investment (SROI) becomes crucial to be the indicator to justify the usage effectivity of the donation received by the CSO. In Indonesia, many CSO still using faith-based relationship and undefined standard of value added to define the effectiveness of their program impacts. One of this CSO is Rumah Dongeng Pelangi, a CSO focused on the early child education through storytelling method. This paper evaluates the annual and continuous programs that have been held for more than three years in a row. These programs are Ramadhan Bucket List, Christmas Bucket List, Satu Kakak Satu Adik, and Panggung Boneka untuk 1000 Anak Indonesia. The SROI for those programs is Rp 3.95. Satu Kakak Satu Adik becomes the most impactful program and Panggung Boneka untuk 1000 Anak Indonesia becomes program with the longest impact duration.

**Keywords**—social return on investment, civil society organization, impact of program, storytelling

### I. INTRODUCTION

As the rising of the number of civil society organization (CSO) every year in Indonesia, the need to fulfil the financial resources is crucial and important. The CSO usually divided their financial capital into two usages, donation or event budget and operational cost [1]. To fulfil both, most of CSO have two sources of financial capital, internal and external sources.

Since CSO accepted financial capital from external source, the method to define the usage and the impact created by using the donation was being asked by donors. However, most of CSO still using faith-based relationship and undefined standard of value-added evaluation [1]. Hence, the existence of the correct tools to help the donors and stakeholders to understand the usage of the fund they donate.

This paper evaluates the social return on investment (SROI) for and Indonesian CSO focusing itself on the early children education through storytelling method named Rumah Dongeng Pelangi (RDP). RDP has been operating since 2010 in Jabodetabek area. The existence of SROI within the organization is zero. Therefore, for this paper, the programs

that will be evaluated are 4 of the annual programs that have been continuing for more than 3 years in a row. Those programs are Satu Kakak Satu Adik (One Brother One Sister), Ramadhan Bucket List, Christmas Bucket List, and Panggung Boneka untuk 1000 Anak Indonesia (Puppet Stage for 1000 Indonesian Children).

Satu Kakak Satu Adik (One Brother One Sister) is a program that inviting foster children to have a movie-date with donors and playing together for a day. The donor will have to pay certain amount for ticket and lunch fee also donation for the foster home.

Ramadhan and Christmas Bucket List have similar concept. The volunteers of RDP will be collecting the list of gifts the foster children were expecting for their Lebaran or Christmas. Those lists later will be published through the social media of RDP and the donors will be buying the gift as listed for the foster child they choose. Later, the gift will be delivered and there will be storytelling performance from the volunteers.

Panggung Boneka untuk 1000 Anak Indonesia (Puppet Stage for 1000 Indonesian Children) is the only annual program of RDP that do not involve foster children. This program consists of 6-month storytelling training for low budgeted pre-school teachers.

The primary objective of this research is to evaluate the impact of all of these annual programs of RDP and design a clear definition and performance report about the impact of the programs held by RDP. This research is subjective and specially measured for RDP.

### II. LITERATURE REVIEW

#### A. Social Return on Investment

Social Return on Investment (SROI) is a tool for measuring and calculating for much broader concept of value by measuring the changes experienced by people organizations in a relevant way [2]. By using SROI, social and environmental returns could have more opportunity to demonstrate wider value creation [3]. SROI is created to make social value more visible for a wider audience, such as commissioners and funders in particular [4]. SROI then provides both a quantified ration of social return on investment calculation and qualitative

evidence. The usage of SROI could help the organization to be more transparent and accountably [3].

SROI consisted of two types with different usage, they are evaluative and forecast [2]. Evaluative type was conducted based on actual outcomes experienced by the organization. Meanwhile Forecast type was calculated to predict how much social value will be created by a program planned by organization. To hold a proper SROI analysis, they are some principles that have to be taken into consideration, such as the involvement of stakeholders, the understanding of changes happened, properly value the things that matter, only include what is material, do not over-claim, be transparent, and do verification to the result [2].

SROI was design to measure the value of social benefits created in relation to the relative cost spent to achieve those benefits [3]. The formula then stated as in

$$SROI = \frac{\text{Net Present Value of Benefits}}{\text{Net Present Value of Investment}} \quad (1)$$

SROI analysis involves six stages [4], they are:

- Establishing scope and identifying key stakeholders
- Mapping outcomes
- Evidencing outcomes and giving them value
- Establishing impact
- Calculating the SROI
- Reporting, using and embedding

#### B. Civil Society Organization

Civil Society Organization or CSO is a form of social interaction between individual and the state which is manifested in the form of community cooperative, structure of voluntary association and networks of public communication [5]. The key features of CSO are the separation from the state and the market; formed by people with common needs, interest and values; and development of CSO cannot be controlled easily by outsiders [6].

Different with non-government organizations (NGOs), CSO is encompassing all organizations and associations that exist outside the country and the market [6,7]. In Indonesia, many of CSO received funding from internal and external source of organization. The external funding sources are formed as donors that give funds both regularly and not. Therefore, the tool to communicating the impact created by CSO from the funds received from the donors is important [2].

### III. CASE STUDY

Rumah Dongeng Pelangi or RDP is a civil society organization (CSO) founded on 2010 by Emanuella Mila based on her interest about storytelling. Based on Bekasi, RDP has been actively promoting storytelling as teaching method for early child education. RDP actively introduce storytelling methods for parents, teachers, and children, both by charity and

commercial events. RDP continuously held charity event with mainly focus on foster children.

Within the list of charity events held by RDP, there are some events that held continuously and regularly every year. Those events are Satu Kakak Satu Adik, Ramadhan Bucket List, Christmas Bucket List, and Panggung Boneka untuk 1000 Anak Indonesia. These events mostly are funded by donors and design for foster children, except Panggung Boneka program.

Satu Kakak Satu Adik (One Brother One Sister) is a program design to give a special experience for both donors and foster children. On this event, donors were asked to treat his "younger siblings" who is a foster child to watch a movie together and spending time together for a day. Donors were asked to buy a certain package consisted of two movie tickets, lunch for two, and donation for foster home. All of the money received from the registration then seemed as an income for RDP to hold this event. From this money, RDP will provide transportations for picking up foster children and driving them back home. RDP will also book a cinema room and rent a meeting point place for this event.

The event will be started by introducing each pair of "Kakak" and "Adik". After each "Kakak" have been paired with all of "Adik" present, RDP team will open the event by presenting some storytelling performance and games. Later, both "Kakak" and "Adik" will be moved to the cinema booked before to watch the movie together. After watching movie, all of participants will get their lunch and souvenirs from sponsors.

Ramadhan Bucket List and Christmas Bucket List generally have similar concept. The volunteer of RDP will be visiting a foster home that will be celebrating Lebaran or Christmas and collecting the wish lists of the children there. Those lists then will be published to RDP's social media and RDP will ask donors to fulfil those lists for the foster child. Those wish lists are consisted of any gift the children wish to have for celebrating their Lebaran or Christmas. The donors then will choose any foster child they want to fulfil his wish before purchasing the gift wished and sending the gift to RDP's basecamp. In the same time, RDP also open some donation for donors to support the needs of foster home such as toiletries, furniture, etc.

After all wish lists have been fulfilled, RDP will be delivering those gifts to the foster home. There RDP will hold an event to celebrate the early Lebaran or Christmas with foster children. The event will be consisted of storytelling performance, games, and gift distribution. RDP will also bring some delicious food to be shared together with the children, they will have breakfast snack especially for Ramadhan Bucket List.

Panggung Boneka untuk 1000 Anak Indonesia or Puppet Stage for 1000 Indonesian Children is an annual program of RDP design not for foster children. This program was made with intention to promote storytelling method for low-budgeted pre-school or kindergarten teachers. Those pre-school or kindergarten mostly free of tuition fee or event doesn't have a proper place or building. RDP will give 6 months training for the teachers on those kindergartens about teaching through

storytelling methods. This program mostly held after the school time and was done weekly.

At the end of the program, RDP will donate a puppet stage and a bucket full of hand puppets for the school. Hopefully the teacher could always implement all of the teaching methods learned in the program.

#### IV. METHODOLOGY

The research carried out by using guidelines, principles, and methods of SROI measurement design by The SROI Network (Social Value International). The evaluation held between Augusts to September 2019 by evaluating the data within the last three years. The needed data were gained through some in-depth interview with stakeholders.

The respondent of this research is some representatives of RDP's stakeholders. RDP's stakeholders are founder, volunteers, and donors. In this research, foster children and low budgeted pre-school were also interviewed to alter the impact of RDP's annual programs. The data collected then analysed to get a measurement of the impact, the costs of any resources, and then proceed with the calculation of present value and SROI ratio.

Meanwhile conducting this research, there are some factors of limitations, such as the difficulty to collect data, the difficulty to monetized the value created and some subjectivity applied when hold this research.

#### V. DISCUSSION

As the first stage of the research, we identified the stakeholders for each program evaluated. Some programs have similar stakeholders such as volunteers, ABUBA as the regular sponsor of the programs, donors, foster children, and foster home. The difference of stakeholders list was found on Panggung Boneka untuk 1000 Anak Indonesia since the target of this program is pre-school and pre-school teachers. The Table 1 below shows the stakeholders, roles, and impact on the programs.

After identifying the stakeholders and mapped out the impact of the programs, the next stage is to identify the impact and defining the valuation approach for each stakeholder of each programs. This data presented on Table 2.

For the last stage, valuation and SROI calculation held to analyse all information and assumption into financial value. The result of in-depth interview and database used to verify the calculation. All of calculations were done by some assumptions and being converted into a Net Present Value (NPV). The assumptions and calculation result gained in this stage presented in Table 3.

TABLE I. STAKEHOLDERS, ROLES AND IMPACT ON PROGRAMS

No.	Stakeholders	Roles in Program	Impact on Program
<b>Ramadhan Bucket List and Christmas Bucket List</b>			
1	Volunteers	The event organizer Collecting wish lists Receiving gifts	Experience Chance to perform storytelling
2	Sponsor	Supporting lunch/dinners Provide souvenirs	Fulfilling the company's CSR duties
3	Donors (Gift Senders)	Senders of gifts Fulfill the wish lists	Sharing their fortune to others Doing charity activity
4	Foster Children	The main target of the event	Getting their wish list fulfilled Learn from storytelling performance
5	Foster Home	Provide place for the event	Receiving donation
<b>Satu Kakak Satu Adik</b>			
1	Volunteers	The event organizer	Experience Chance to perform storytelling
2	Sponsor	Supporting lunch Provide souvenirs	Fulfilling the company's CSR duties
3	Donors ("Kakak")	The market of the program Purchase a registry package Being "Kakak" for the event	Experience
4	Foster Children	The object of the event Being "Adik" for the event	Experience Learn from storytelling performance
<b>Panggung Boneka untuk 1000 Anak Indonesia</b>			
1	Volunteers	Teaching storytelling method Get donation for the events Prepare the teaching materials	Experience
2	Pre-School	Providing place and time	Puppet Stage Free education for better future
3	Pre-School Teachers	The main target of the program Learning storytelling methods	Education about storytelling methods

TABLE II. THE APPROACH OF VALUATION IMPACT TO STAKEHOLDERS

No.	Stakeholders	Valuation Approach
<b>Ramadhan Bucket List and Christmas Bucket List</b>		
1	Volunteers	Cost of membership of a social club Commercial storytelling fee
2	Sponsor	Cost of food spent Souvenirs budget
3	Donors (Gift Senders)	Average cost of gifts given
4	Foster Children	Average cost of gift received
5	Foster Home	Commercial storytelling fee Monthly donation
<b>Satu Kakak Satu Adik</b>		
1	Volunteers	Cost of membership of social club Commercial storytelling fee
2	Sponsor	Cost of food spent Souvenirs budget
3	Donors ("Kakak")	Cost of regular movie tickets + snacks
4	Foster Children	Cost of regular movie tickets + snacks Commercial storytelling fee
<b>Panggung Boneka untuk 1000 Anak Indonesia</b>		
1	Volunteers	Double of commercial storytelling fee
2	Pre-School	Cost of puppet stage making Cost of hands puppet donated
3	Pre-School Teachers	Commercial storytelling charge

#### VI. CONCLUSION AND RECOMMENDATION

The SROI of four annual programs of Rumah Dongeng Pelangi is 3.97. The impact of the programs spread widely to the stakeholders of every program. Satu Kakak Satu Adik (One Brother One Sister) is the most impactful program, yet both

with Panggung Boneka untuk 1000 Anak Indonesia (Puppet Stage for 1000 Indonesian Children) have the longest impact duration. Both programs have their own strength to have the longest duration of impact.

Both Satu Kakak Satu Adik (One Brother One Sister) and Panggung Boneka untuk 1000 Anak Indonesia (Puppet Stage for 1000 Indonesian Children) have the longest impact duration which is 5 years. The impact duration for other programs are 3 years. The impact of Satu Kakak Satu Adik (One Brother One Sister) program was caused by the impact and experience gained from having more intimate relationship between the “Kakak” and “Adik” for a day. Meanwhile the impact of Panggung Boneka untuk 1000 Anak Indonesia (Puppet Stage for 1000 Indonesian Children) could be long since the shared value is an education method that could be used for a long time with a little adjustment along the way.

TABLE III. SROI CALCULATION RESULTS

No.	Stakeholders	Assumption	Result of Calculation (IDR)
<b>Ramadhan Bucket List and Christmas Bucket List</b>			
1	Volunteers	25 volunteers were needed Outcome was expected to last for 3 years	3,436,875
2	Sponsor	100 packs of lunch needed Outcomes for lunch were expected to last for 3 years Outcomes for souvenirs were expected to last for 1 year	3,582,500
3	Donors (Gift Senders)	140 gifts were expected to be received Outcomes were expected to last for 3 years	10,500,000
4	Foster Children	70 children were expected Outcomes were presumed to last for 3 years	4,375,000
5	Foster Home	Only 1 foster home were invited Outcomes for storytelling were expected to last for 3 years Outcomes of donation received were expected to last for 1 year	10,395,000
<b>Satu Kakak Satu Adik</b>			
1	Volunteers	25 volunteers were needed Outcome was expected to last for 3 years	3,436,875
2	Sponsor	150 packs of lunch were expected Outcomes were presumed to last for 3 years	5,373,750
3	Donors (“Kakak”)	50 Donors were expected Outcomes were presumed to last for 5 years	5,000,000
4	Foster Children	50 children were expected Outcomes were presumed to last for both 3 and 5 years	32,000,000
<b>Panggung Boneka untuk 1000 Anak Indonesia</b>			
1	Volunteers	10 volunteers were needed Outcomes were presumed to last for 3 years	2,167,500.00
2	Pre-School	40 students in school were expected to receive impact Outcomes were expected to last for 5 years	12,500,000.00
3	Pre-School Teachers	5 teachers join the program Outcomes were presume to last for 5 years	14,400,000.00

The evaluation of SROI done to the four annual programs of Rumah Dongeng Pelangi shown that the organization could maximize the capitals it has. It shows that the programs Rumah

Dongeng Pelangi designed already executed correctly and effectively. There could be more impactful program that Rumah Dongeng Pelangi held that could have bigger impact with longer impact duration.

It is recommended to Rumah Dongeng Pelangi to maximize the utilization of its volunteers. Based on the recorded past event and the human resource record, the number of the passive volunteers is quite high. Only when all of the volunteers were utilized then the SROI of Rumah Dongeng Pelangi could be higher even without creating any other program.

It is also recommended for other CSOs to use SROI as a tool to evaluate the impact created through their programs. Especially for CSO who accept external funding. The SROI calculation could be done as annual report for its funding. The calculation could be done for CSOs’ annual or routine programs by interviewing and observing the impact experienced by their stakeholders. The implication of SROI could help CSOs to give broader understanding about CSOs programs and the effectiveness of the programs to their present and future external funders. Thus, it could help CSOs to gather more funding to expand their program and give broader impact to its stakeholders.

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