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Review

Social impact and evaluation: A rational management theory approach

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Organization and person have a theoretical and ontological link; being the first teleological extension of the latter, it is impossible to think of one without the other. In a similar way, the complex of economy itself cannot overlook the needs of the person and seek for the reach of maximization results with unhesitating self-interest. In this paper, it is argued that every organization is born to satisfy people's, or stakeholders' interests, so that a Rational Management must evaluate both the financial-economic results and the social impact of its activity, in order to achieve the maximum level of information in the decision making. Nonetheless, this approach needs a dramatic shift of conceiving the economy and the role of the organization, which must bring back the person (human being) at the center of any theoretical model, lest the creation of unfairness and inequalities. The Rational Management Theory proposed serves this scope, by implementing a rational decision making based on all the aspects of the outcome generated by the organization. This approach is relevant to the current literature, because it shifts the neoclassical economic conception of the activities to one more human-sized and conscious, and applies indifferently to any kind of organization, whether it is public, private or non-profit.

Key words: Rational management, business, social impact, management theory, evaluation, organization, person.

INTRODUCTION

Organizations and business management: An anthropological vision

Since the early works of the major exponents in economic science, person's centrality has always been shaped in the economic circle. The scope of every human activity reflects itself to satisfy those personal impulses that stimulate every subject to obtain predetermined goals, which they configure in the form of needs and necessities. The satisfaction of these needs is the core of a person's work and others that create their own social environment. Organizations, according to a first definition in this perspective, coined by Zappa, are nothing more than "*an economic coordination established for the satisfaction of human needs*" (Zappa, 1950, p. 54), or better "*an economic institute able to persist that performs production or procurement and wealth consumption, for the satisfaction of human needs, in a*

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continuous coordination" (Zappa, 1957, p. 37).

Similarly, Ferrero said that: "*any organization is a human instrument to operate in economic activ*ity" (Ferrero, 1968, p. 3). In accordance with these assumptions, it gives to the organization an instrumental and secondary role and nature in relation with the primary aspect of person's needs, which remains in a strict contact with the subject and beyond his/her existence. So, organizations are teleologically linked to a person (Ferrero, 1980), and are the very expression of their will and act in an economically organized context. At the same level, it can be argued that organizations must comply with the same rules as the human action. Economics can be seen as the science of the human choice, which are operated in a context of limited resources and of human needs.

We could begin by quoting R. Posner, who individuates the human being as "*rational maximizers of their satisfactions*" (Posner, 1997, p. 1552), with satisfactions and usefulness defined as personal interest (Brosio, 2008). In this context, human beings should be able to choose the action that maximize the best possible outcome (Sparti, 2002), both at the individual level and in aggregation expressions (in this case, the organizations), because an organization exists only when people interact with each other in the exercise of those functions that help to achieve certain goals (Weick, 1985). Walking in a time warp back for centuries, Aristotle claimed that a human being is an entity whose specific difference is to be able to rationally govern emotions and actions. Any person is no different from an animal without this emotional and conscious choice distinction, otherwise the foundation of ethics as a theory of rational deliberation would be impossible. Only human being as is able to decide between alternative actions, and it is the result of voluntary decision that make human being conscious of his actions, and deliberates about the goals (Pasqui, 1996).

Seeing ethics as a theory of rational deliberation can put the foundations for its application into economics (Economic ethics, or Economethics). J. M. Keynes also focused his work on the ethical problem and on the binomial ethics-economic[1], because any goal can be reached by different decisional paths (Castellani, 2015); those paths presuppose an ethical evaluation of the effects, or impact, of any action. Ethics and economics must be considered united and inseparable, and it is not possible to reduce the human behavior in the economy to the "invisible hand" so dear to Adam Smith and the classical and neoclassical economics. By this, we would believe that the non-human, non-personal market mechanism permits everyone to egoistically seek for the maximization of individual interests, altogether contributing to optimize social value. The question appears to be more delicate than this. We can see that the ethics-economic binomial is more valid if it can face itself responsibility and accountability of actions (Castellani and Ferri, 2016), which are today lost in the phenomena of "organized irresponsibility" (Beck, 2002). As A.K. Sen wrote, "*the economy is an engine, we can know all its pieces, but it does not go on by itself, in fact it is a question of responsibility, it is a question of choice*" (Castellani, 2015, p. 25). As argued by M. Friedman, corporate social responsibility is meant purely to increase profits, with a point of view strongly orientated to the stockholder (Friedman, 2007). In contrast, the point of view given by W. Evan and E. Freeman, the purpose of CSR, and social aspect integration in economics, is a complete representation of financial-economic and social data according to a multi-fiduciary *do ut des* with multiple and diverse stakeholders (Evan and Freeman, 1988). So, the making of economic choices necessarily assumes the necessity of ethical assessments. It can be argued that economic activity based on purely quantitative aspects triggers a cyclical mechanism where the aspect of productivity becomes a categorical imperative. By this perspective, the economy risks to sterilize its own personal value, exceeded by quantitative criteria at the expense of qualitative aspects, not of secondary importance. Economics must be seen in an anthropological and anthropocentric way, respecting the "personality" of human action and his very rational sense. The Homo sapiens must not be overtook by *Homo oeconomicus*, or *Econs* (Thaler, 2015), because the latter is a simplification of the first just for theoretical purposes.

This way, organizations take shape "in space" and "in time" (Puddu, 2010). The first dimension is reflected in the need of monitoring performances on the financial aspect (financial resources generation or its consumption), on the economic aspect (productive factors creation or consumption), on wealth (generation or consumption) and "social" (impact generation, positive or negative on society, environment, workers, community in which they work according to "non-financial" and sustainability criteria). Organizations take shape in the second dimension mentioned (time), being management featured by the occurrence of events in a periodic and recurrent way, and also the capability of the activity to be durable on time (Zappa, 1957), in which every act is signed in a pre-established and harmonic shape (Marchi, 2014), where a given state of order, once reached, is surpassed by the simple succession of events. The survival/ conservation, requires to revise its terms (Giannessi, 1960). At the same time, the goals of the organizations are necessarily focused on people's needs, in an anthropological and anthropocentric vision, dynamic (Marchi, 2014; Onida, 1982) and systemic (Besta, 1922; D'Ippolito, 1963), the analysis of the mentioned needs allows to define organizations in a topological way. The contribution purposes the integration of non-financial aspects (measurement of organizations' social impact) into the *Rational Management Theory* based on the financial statement, without entering into the merits of no

[1] He argued that "*every day it seems more evident that the moral problem of our age is love for money*" (Keynes, 2016, p. 295).

one instrument and linked application methods[2]. The purpose of this paper is enforced by the perspective to encourage the political corporate security responsibility, or in our meaning political corporate social responsibility, including social security, health, education, protection of human rights, and/or environment (Bures, 2015), sensitizing the main business characters (big companies' Managers and Directors, SMEs, public sector, and whichever interested to be ethic in business activity) to use a daily Rational Management approach based on the integrated financial statement related with the theoretical assumption expressed in Table 2 (Social impact linked to financial statement). We assume that there are several different interpretations of PCSR, according to "*political CSR can be understood as a movement of the corporation into the political sphere in order to respond to environmental and social challenges such as human rights, global warming, or deforestation*" (Scherer and Palazzo, 2011). This is an introduction ambit definition. An important theme in our discussion is to focus the attention on management quality practices (MQPs) related with CSR, as suggested by Najah Attig and Sean Cleary (Attig and Cleary, 2015). In accordance with an underlined perspective stakeholders' low awareness of and unfavorable attributions towards companies' CSR activities remain critical impediments in companies' attempts to maximize business benefits from their CSR activities, highlighting a need for companies to communicate CSR more effectively to stakeholders (Du et al., 2010). In the reference context, stakeholders may perceive predominantly extrinsic incentives in companies' social initiatives. They could see a blind-scope in companies incentives thinking that these companies want to increase their profits, behind a veil of CSR (Lindgreen and Swaen, 2010). Concepts and theories of corporate social responsibility (CSR) have been examined and classified by scholars since the mid-1970s. However, owing to the evolving meaning of CSR and the huge number of scholars who have begun to analyze the issue in recent years fresh efforts are needed to understand new developments. Since there is a great heterogeneity of theories and approaches, the task remains a very hard one, mainly because heterogeneity derives from multi-disciplinary diversity (Secchi, 2007). Given this diversity, it is necessary to stand on a position, which in this theoretical article takes hold, taking into account that although an economic return of CSR exists at the image level, we propose a cultural and methodical approach that focuses on reporting on the evolutive need of current accounting systems by integrating the social aspects in it. To better underline this aspect we can consider Bruno Frey proposal. He said that maybe it is not true that people act only because they are motivated by the desire to earn money. People take many actions simply because they enjoy doing it, not only for money (Frey, 2005). This work sets theoretical bases for the future empirical analysis and the evolutionary dynamics of business phenomena in the perspective of person's centrality.

QUALITATIVE METHODOLOGY: LINKING ORGANIZATION, BUSINESS AND ETHICS

As mentioned previously, a person's centrality has always been shaped in the economic circle. Being companies' role, therefore, instrumental to the existence of man and its expression in an organized context, we can say that these follow the same rules of human action. As a person, companies also take dimensions "in space" and "in time", for this reason we chose a qualitative approach method of analysis and explanation of the case. Qualitative methods are now widely accepted in social sciences and business research because of the following reasons.

Human organizations and human behaviors' characteristics are difficult to comprehend and isolate, since they change constantly and can offer different dimensions of themselves to different auditors. Reflecting, as in this case, upon their function of organizational behaviors and management in their different faces, could be shown to the direct stakeholders of this paper with a better theoretical explanation than a quantitative method could do. So it rarely makes sense to look only at numerical measured evidence when trying to understand what is going on in an organization or other group of people. This kind of view is positive for the day by day management in business, but we have considered another rule for our paper, linked with the aim of transmit something to a final user of this work, purposing a point of view, teleologically oriented to the creation of a mentality to a real construction of ethics in business and social organization in which each person (internal or external) would be informed on the management and its social impact. This is not an ideal topic or utopia, but a real way to a better information and life quality in business in its long-term practices and strategic decision, that unavoidably impact on the reference micro and macro context. To better explain these concepts we elaborated some tables and schemes to link the economic and organizational meanings of business with a last but not the least social scope or impact that organizations take in place reflecting human activity in its multiple faces.

ORGANIZATIONAL SHAPES FOR BUSINESSES AND INSTITUTION: THE NEEDS AS A KEY OF ANALYSIS

Needs can have an individual nature, and can be

[2] This choice was made due to the fact that there is no legal constraint on applying an instrument to another, and because the existence of wide differences between various organizational types of economic activity, cannot made possible to define a"best" tool *tout-court*, for these reasons the introduction to management tools remains voluntary

Table 1. Capital sources and uses by organizational typology.

Organizational shapes / Source/Use of Capital		Consumer organizations		Production organizations	
		Public Institutions	Non-profit organizations	Enterprise and companies	Cooperatives
a) Capital sources					
a.1)	Equity/Endowment capital	No	Yes	Yes	Yes
a.2)	Revenues	No	No	Yes	Yes
a.3)	Tributes and taxes	Yes	No	No	No
a.4)	Grants	Yes	Yes	Yes	Yes
a.5)	Assets dismission	Yes	Yes	Yes	Yes
a.6)	Debt	Yes	Yes	Yes	Yes
b) Capital use					
b.1)	Operating costs	Yes	Yes	Yes	Yes
b.2)	Investments	Yes	Yes	Yes	Yes
b.3)	Debt repayment	Yes	Yes	Yes	Yes
b.4)	Dividends, Equity distribution	No	No	Yes	Yes<

Source: Adapted from Puddu (2010).

perceived by a person or in a collective way, than they can be perceived by a group of persons as a collectivity of members. Needs can be public, satisfied by public or national institutions, or private. The satisfaction of these needs should take place in a subsidiarity sense, researching solution able to satisfy directly to the external (then to organizations) only in second place, but always referring to organizations closer to person. The kind of needs to satisfy it could be a key to distinguish business and organization forms they can assume, able to determine a differentiation between accumulation processes and capital distribution (Puddu et al., 2014). With the intent to protect certain categories of needs, each legal system, subsequently, regulates their mode of satisfaction and the appropriate organization forms, generating rules able to create and maintain the persistence of economic situation, maximizing the utility and value generated by needs satisfaction in condition of economic efficiency, minimizing externalities and negative impacts. A major distinction can be made on Consumer and Production organizations. The first one satisfies collective needs, in condition of economic efficiency, with the goal to operate an earning redistribution (Public Institutions) or to provide and assist the community which it refers without profit goal (Non-profit organizations). Consumer organizations are featured by a reflected economic vitality (Ferrero, 1968), because they do not have access to the market in a direct way. This means that funds are mainly raised on external contribution (or in the case of Public Institutions, from taxation, imposed by law). Their uses concern operational costs, capital investments and debts repayment. Production organizations (enterprises, companies) satisfy different private needs, acquiring capital from external and accumulating wealth through their business. Some Production organizations are featured by a principle of mutuality and solidarity between owners, in which the accumulation of capital becomes secondary to the respect of the mutuality pact (Table 1).

In Table 1, the columns highlight the typology of organizations and the rows the ways of funding and of expenditure for each organizational typology. In particular, in public institutions the funding is mainly due to the taxes and assets disposal, or bank financing and public debt issuance, while the expenditure is mainly due to operating costs and investments, and debt refunds; at the same time, there are no revenues from products/services, neither risk capital and earnings management. Nonprofit organizations show a similar structure of funding and expenditure, with the sole difference that they cannot enforce people to pay taxes, but they can gain access to endowment capital from philanthropy and investors and some limited market revenues, but generally they rely on donations and non-remunerating funding. On the other hand, the production organizations have access to the market revenues and risk capital, with limited donations, regardless of whether they are enterprises, companies or cooperatives.

The order of the funding and expenditure typologies shown in the table is crucial for the vitality and going concern of the organization, so that relying on funding from non-controllable and external people or organizations leads to greater uncertainty and bounds to reimbursement, and the use of resources for operating costs and investments leads to improvement, efficiency and effectiveness of the activity.

Another aspect of observation is the one in which “social profile” is flanked by non-financial profile. Compound and Hybrid organizations have common features to Consumer organizations and Production organizations. Scientific international literature and entrepreneur practice in recent years evidently concerns a convergence process (Battiliana et al., 2012; Doherty et al., 2006; Venturi and Rago, 2015) about organizations and their organization forms in their fundamental characteristics. This process is due to a socio-economic crisis, that assumes a structural nature in the last ten years and also due to an overwhelming technological innovation, in which resources (financial, environmental and relational) becomes increasingly complex over the time in procurement; also, new needs to satisfy (non-productive or economical nature and in continuous change) require new response from organizations. While on the one hand we assist with the birth of new kind of activities strictly linked with the nature of consumer non-profit organizations, with style of management connected with traditional Production organizations; on the other hand, it involves setting an orientation towards an ever-increasing sustainability (environmental and social), generating non-strictly economics value by "traditional organizations". In the first case, new forms of social entrepreneurship are constantly growing, starting with the Italian social cooperatives (Borzaga and Defourny, 2001). This type of organizations is featured by a strong motivation to responsibility and to social objectives, typically connected to Consumer organizations, but in many cases applying Production organizations' incentives and remuneration models (Ridley-Duff and Bull, 2015) to increase sustainability and management efficacy.

An increasing number of legal systems are legitimizing the phenomenon, allowing the use of instrument technical/legislative traditionally reserved at Production organizations to favor the achievement and maintenance of economic and financial equilibrium (in some cases the accumulation of capital).

In the second case, are affirming forms of social responsibility and a general view on maximizing of economic and social value generated by organizations. These phenomena take place with different faces, both in practice with Corporate Social Responsibility policies (Bassen et al., 2005; Guthrie and Parker, 1989; Holme and Watts, 1999; Lindgreen and Swaen, 2010; McWilliams, 2000; Perrini and Tencati, 2006), environmental quality and social certifications[3] (Grieco et al., 2015; Migliavacca, 2016; Migliavacca et al., 2015; Tools and Resources for Assessing Social Impact (TRASI), 2013), and trough the creation of ad-hoc legislative instruments as Italian Benefit Corporations. This phenomenon also had repercussions on the public management's vision, with the birth of a set of studies on public procurements by Public Institutions and Public Institutions (Public Value Theory, Stoker, 2006). According to this theory, public policies should be promoted through the responsible involvement of communities and collaboration (Bovaird and Löffler, 2009; Kelly et al., 2002; Leat et al., 2002; Moore, 2003) related with a principle of circular subsidiarity (Cotturri, 2008; Zamagni, 2011), in which every subject becomes an active part of the actions looking for the satisfaction of own and others' needs.

The creation of non-economic and non-financial value can be identified with the term "social impact" (Becker and Vanclay, 2003; Burdge and Vanclay, 1999; Clark et al., 2004; Freudenburg, 1986; SEEE, 2009). The term Social impact identify "all social and cultural consequences on the population of any public or private action, which modifies the way people live, work, play, relate, organize themselves to satisfy their own needs and more in general, they act as members of the society" (Burdge and Vanclay, 1999) whether they are positive or negative, intentional or not (Vanclay, 2003), geographically limited or extended (Wainwright, 2002), which have a real and tangible effect on the other people or on the environment (SEEE, 2009).

THE IMPACT VALUE CHAIN AND SOCIAL IMPACTS

In practice, attempts to account for social, environmental and economic impacts have become much more common among many organizations in the past few years. The management and balancing of social, environmental and economic sustainability is one of the most complex and urgent challenges facing both private and public sector organizations today, with these challenges of sustainability posing many risks to, and many opportunities for, advancing the aims and performance of organizations. Accounting and accountability processes and practices provide key tools to help organizations to more effectively identify and manage the risks and opportunities of sustainability (Bebbington et al., 2014).

A company operates according to a social license, without which it may be difficult managing and ensuring stakeholders' expectations. For this reason, organizations are linked with a continuous stakeholders' support (de Villiers and Maroun, 2017), and we add that without a perspective and an approach to social accounting, the mentioned support may decay, putting at risk organizations' survival unavoidably linked with human needs. The first steps in scientific literature in the measurement of social impact involves Social Accounting, born in the second post-war with the name of Environmental Accounting and Social (Social and Environmental Accounting, from the acronym "SEA", often added with an "R" of Reporting). Originally, literature focused mainly on environmental impact (Gray, 2001; Gray et al., 1995; Mathews, 1997), but during the years this primacy through the integration with a more-increasing number of social aspects, changing in a theoretical frame of accounting focused on stakeholder (Gray et al., 1997; Mook and Quarter, 2006), multi-dimensional (Guba and Lincoln, 1989; Mathews, 1997),

[3] Many instruments can be found at www.standardsmap.org

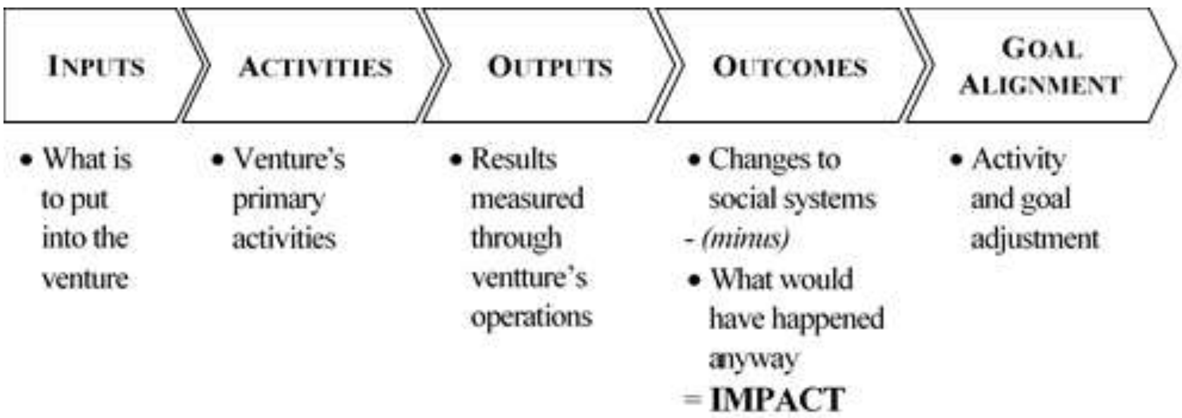

Figure 1. Impact value chain.
Source: Adapted from Clark et al. (2004).

in which the financial-economic informations are more integrated with social information (Gray, 2002; Mathews, 2004). In this way, social accounting reflects organizational values to satisfy own stakeholder's needs, and thus the organization becomes a reflection of their interests (Nicholls, 2010).

In the same way, social impact measurement instruments were seen as environmental instruments of measurement, in particular in public environmental policies (Becker, 2001; Interorganizational Committee on Guidelines, 1995; Vanclay, 1999). Only later, we have seen an evolution that produced a fertile field of study, more complex, multi-dimensional and object of multidisciplinary studies. In particular, it is affirmed by social enterprise (open sense), which its main goal is maximizing own social impact (Ridley-Duff and Bull, 2015). In fact, for such particular organizations, performance is not a feature that exist tout-court and can be measured without taking into account the stakeholders' performance (even social) which corresponds to the vision that makes the stakeholders, implicit or explicit, or "what the stakeholders have in mind when they use that term" (Zappalà and Lyons, 2009).

Measuring social impact is not only a process of identifying future effects of a current action (Becker, 2001), but an analysis and management of the consequences expected or not of any action on stakeholder, generating an effective change on social environment (Becker and Vanclay, 2003; Zand and Sorensen, 1975). One of the best theoretical model known for identifying the dimension and characteristics of a social impact is represented by "the Logical Model" (McCawley, 2001). According to this model, every activity can be divided in five moments (input, activity, output, outcome and impact). This theory presents many traits in common with other more or less independent (Epstein and Yuthas, 2014; Porter and Kramer, 2011; VV, 1996). "The Impact Value Chain" (Clark et al., 2004) is a specification of the "Logic Model", in which social impact is considered the difference between outcomes and "what would happen in any case, even if in the absence of business activity". "The Impact Value Chain", also presents an additional rationalization, coherent with the *Rational Management Theory*, adding a further moment at the process called "alignment of goals" (Figure 1).

Social impact analysis, together with the economic, financial and asset dimensions allows creating a theoretical model for the management of every kind of organizations.

INSTRUMENTS FOR INTEGRATION OF SOCIAL ASPECT INTO ORGANIZATIONS' MANAGEMENT

Each organization should adopt an instrument for management of its own social dimension, suitable to the activity and peculiarities, recognizing and balancing stakeholders' needs, in a way to obtain relevant information to manage own business and make decisions (GECES, 2013; Rainero and Brescia, 2016), demonstrating the objectivity and reliability of the instruments adopted (Turner et al., 2014). In response to the evolutionary phenomenon of organizations, increasingly addressing the management of their impact on society, many instruments of various nature have been conceived in order to allow a better monitoring and comprehension about socially generated impact (Arena et al., 2015, p. 201; Bengo et al., 2016; Grieco et al., 2015; Migliavacca et al., 2015), although they are often used in a fragmented way and without methodological rigor that characterizes accounting records and traditional accounting (Zappalà and Lyons, 2009).

Social-oriented management instruments and "best practices" in the complex, represent a minimum percentage and only one-third of these looks to the complex[4] of management (Grieco et al., 2015; Migliavacca et al., 2015), while the majority refers to instrument used *a posteriori.*

Among these, the Social Impact Assessment instruments, produced and designed in practice, represent the absolute majority with certifications issued by third parties on the organization activity. Mainly are composed by synthetic indicators (Bengo et al., 2016), including more or less sector-oriented measures as, Social Return on Investment (Arvidson et al., 2013; Chun, 2001; Gair, 2009; Mertens et al., 2015; Millar and Hall, 2013; New Economics Foundation (NEF), 2014); the Local Multiplier 3 (LM3) (Sacks, 2002); the Gamma Model (Grabenwarter and Liechtenstein, 2011); the BACO Ratio (Fund, 2007), designed for Philanthropy, and many others (Migliavacca, 2016). A second category consists of instruments more or less evolved and diffused, oriented to the process of accounting theories have been developed with the intent to integrate economic/financial accounting with social one, including “Triple Bottom Line” (TBL, Elkington, 2004, 1994), the “Blended value accounting” (Emerson, 2003; Nicholls, 2009), and much more other instruments of Social Environmental Accounting and “integrated” accounting (Gray et al., 2009; Mathews, 1997; Mook et al., 2003; Mook and Quarter, 2006). As regards social reporting, several attempts have been made to create a separate instrument (Social and Sustainability Reports, GRI, 2006; Manni, 1998; Pedrini, 2012; Rusconi, 1988) or integrated with the financial/economic aspect (Integrated Reporting, Cheng et al., 2014; International Integrated Reporting Committee, 2011, 2013; Supino and Sica, 2011) in order to provide more information on the management trend on “social” dimension.

The schematic representations or sheets of valuation, forms a third and important category, very used in the practice and in literature. Between these instruments there is the Balanced Scorecard (Kaplan and Norton, 2001), one of the managerial instrument that allows monitoring of own performances and to translate own competitive strategies in synthetic indicators, integrating financial aspects and economics of one about the business activity with different nature data (even social aspects), balanced short-term performance with other aspect that guarantees organization sustainability and durability. In particular, similar instruments, based on this model were designed to monitor *a posteriori* and prospectively the performance of the organization under multiple aspects, amplifying social and environmental ones. Some examples present in international literature are the Triple Bottom Line – BSC (Dias-Sardinha and Reijnders, 2005), the Sustainability BSC (Hahn and Wagner, 2001; Hubbard, 2009; Schäfer and Langer, 2005; Schaltegger, 2004), the Balance tool (Bull, 2007) and others.

[4] With a preventive”period" of analysis and management, one concomitant and the last one final.

RATIONAL MANAGEMENT THEORY BASED ON THE INTEGRATED FINANCIAL STATEMENT

Organizations, as seen, tend to achieve goals that refer to persons’ needs satisfaction in an economic efficiency condition, reaching a state of order in which financial, economic, equity and social aspects reach a balance and are optimized. The state of order can be modified for the simple run of time; in this way, it states a presence of organizations in the time, through the one they operate as well as their durability.

This is crucial to rationalization of management, reaching a system in which fundamental aspects are balanced and optimized through the time. In this way, management assumes a periodicity and cyclicality of decision to achieve its goals (Ferrero, 1980; Puddu, 2005; Rainero and Migliavacca, 2017). Dimensions are linked in the time and space, so management has to be focused on all sizes and decisions taken in an “integrated” way (Indelicato, 2014) and not as “watertight compartments”[5]. The first phase of management is represented by Programming, in which the objectives are precisely identified and underlined, as well as defining the actions to reach them. In this phase are formalized budgets documents, one for each aspects of management - financial budget of sources and uses, which highlights financial variations; the asset and liabilities budget, which highlights the dimension of activities, liabilities and net worth that needs to be achieved in the period; the income statement, which identifies future costs and revenues based on resources invested; along with a social management planning document, which analyzes in a preventive way the externalities and social impact desired for the administrative period. The second phase is called Execution, and consists in implementing the decisions taken in the first phase, in which are executed actions expected to satisfy needs for which organization was born (mission). At this stage it is necessary to account for financial, economic, assets and social aspects, in a double way (financial/economic and social).

The third phase is about Control, and consists in verifying the actions and coherence of results achieved with the decisions taken in the Programming and Execution phases, both with deviation analysis and with measuring own social impact. It is crucial to communicate the results achieved to all the stakeholders; this need is satisfied through the redaction of financial statement and other document of social reporting, or through a single integrated management document. This document states the basis for a new phase of programming management, in order to reach new goals of ensuring organizations’ durability. An example of Integrated management

[5] This is particularly the case for the social aspect, which is often considered”separate" from economic/ financial ones, for which *ad hoc* documents are created (social budget, sustainability reports, etc...) or measuring and management instruments are used *una tantum* (Zappalà and Lyons, 2009)

Table 2. Phases and aspects of Rational Management.

Management aspects		Management phases		
		Programming	**Executing**	**Controlling**
Financial		Financial forecast/budget	Financial Accounting Managerial Accounting	Cash flow/financial statement
Financial Resources Use	Financial sources			
Financial variation				
Equity		Assets and liabilities forecast/budget		Balance
Assets	Liabilities			
Equity				
Economic		Economic budget		Income statement / Profit and losses
Costs	Proventi			
Profit				
Social		Social impact forecast	Social Accounting	Social report
Externalities				
Social Impact				
Balance/Relevance		Integrated budget	Integrated Accounting	Integrated Financial Statement

Source: Adapted from Puddu (2010).

document is the Integrated Financial Statement, which can be written applying the International Integrated Reporting Committee (IIRC) guidelines, Global Reporting Initiative (GRI) or others: in absence of legislative regulation about this integrated document, its editing remain fully voluntary on the legal and methodological angle, but on the other hand it is mainly important for organization survival in a social context linked with other dimensions.

Table 2 explains documents about each phase of management, focused on mentioned aspects. As regards financial aspect the ambit of analysis is focused on financial resources and uses, with linked financial variation; under the asset aspect, the ambit of analysis is focused on assets and liabilities and relative difference (net worth); under the economic aspect, the ambit of the analysis is focused on costs and revenues, which difference is represented with operating result (profit/loss). All aspects must be analyzed in a double way preventive and ex-post, monitored through accounting records. As regards social aspects it is necessary to focus the attention on the externalities and on the expected and generated social impact by the organization, whose achievement and deviations are monitored through the non-financial accounting (Figure 2).

CONCLUSION AND FUTURE CONSIDERATIONS

From a strategic point of view, in a crisis era, organizations must face all the emerging new needs of the diverse stakeholders. According to the anthropological approach, organizations are born specifically to satisfy these needs, setting goals and formulating strategies. In this theoretical reference framework, it is possible to identify a real organizations' dimension in the space that they have to keep under control both with the financial and economic aspects, last but not the least, wealth and generated value. These aspects need to be added to the peer important aspect of "social", which needs monitoring together with other aspects, in order to achieve the goals in a sustainable financial, economic context without weighing heavily on the shoulders of community, environment or people involved in organizations' activities. The space dimension changes over time, and balance reached in a given period changes and falls down during turn of events. This requires a continuous change and movement of the organization in its environment which must be managed with a rational approach, through a cyclical multi-stage process, in which activities and objectives are defined, conducted and monitored, generating documents which make traceable the results, justifying and motivating, allowing a wide control in every moment. A similar rational process necessitates a profound change in mentality, starting from the actual situation in which economic, financial and assets aspects are constantly monitored, while the impact analysis of the activity on the internal and external environment remains episodically signed to documents sporadically produced, and non-constant analysis. Scientific literature and organizations produced, produces a huge quantity of monitoring, maximizing, evaluation of social impact instruments without organics vision and without integrated link between social impact and decision making process. The ability of organizations to induce this mentality change and to meet, in ever new and better ways, emerging

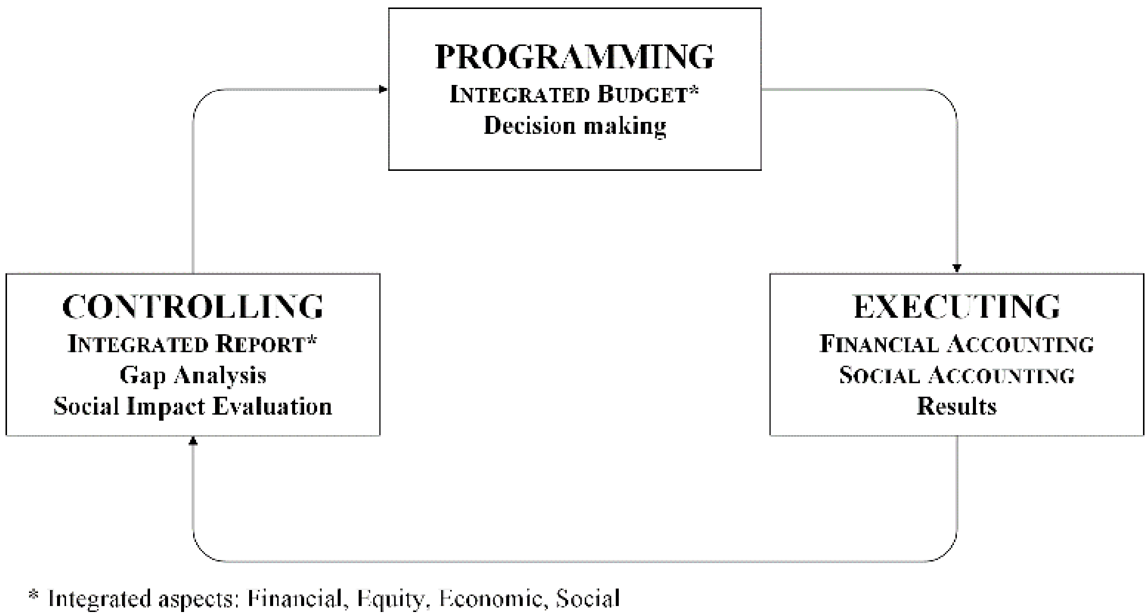

Figure 2. Information cycle of the Rational Management Theory.
Source: Adapted from Clark et al. (2004).

people and society's needs, through new kind of collaboration and new schemes of action, is the very social innovation, triggering a virtuous circle of socio-economic, environmental and community conditions improvement. This contribution provides theoretical ideas and a reflection on a referring framework in which every aspect can integrate itself with the other ones and management can maximize generated value on community, territory and people who are involved and interested in the existence of the organization. In this new theoretical framework, it is necessary that the organizations create a profound change of mentality, that can produce an innovative strong motivation in organizations' management and at organizational level, to consciously create and maximize own social and environmental, internal and external impact, conducting a real social innovation.

A limit of this research is related to the definition of person and its role as active part of administration rational process[6]. On the basis of this contribution, empirical researches will be conducted; in order to verify which modes, procedures and instruments are used in organizations with a mainly social vocation or "traditional", tending to maximize their sustainability in each factor of success or destruction.

[6] An integrated Rational Management process, based on management documents, sets its basis on the definition of person, but in a different way from the definition of Homo oeconomicus signed by classical economic theories. this last mentioned sense is missing rational aspect (it is necessary to use a "rationalizing" instrument), egoism (because the analysis is focused on stakeholders and social environment) and perfect information (not necessarily persons are able to know their utility function in every moment and coldly calculate the result of own actions, from this point descends the necessity to analyze management in three phases with a continuous monitoring.

CONFLICT OF INTERESTS

The authors have not declared any conflict of interests.

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