

Social Audit in AgroInvest

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Every organization that cares for its performance and clients will eventually come to the stage when it will start to examine its way of work, how did they get to where they are now, how are the clients doing, what is staff opinion on the institutional performance and structure, is the organization moving away from its core and social objectives, have we forgotten our identity, why are we doing what we are doing, are we only profit driven. All these types of questions, and many more, have been included in the Social audit tool. The social audit is actually a kit ready to use for processes in organization, such as strategic thinking and planning processes, learning and appraisal processes.

During the process, three dimensions were examined: *Intent and design*, *Information systems* and *Management systems*. The tool is a specific discussion guide leading the moderator and the examined party through the introspective method of enlightening certain processes and performance.

Intent and design

The first dimension represents the institutional Mission, its goals and objectives and how they reflect on the organization in practice. Is the Mission defined the best way to respond needs of main stakeholders? Does the promise that the institution has made to the world relate to the organizational setting in reality with reference to the clients, staff, community and owners? Do staff and management understand from the Mission what is the institution's goal and why it needs to be achieved?

The first dimension related to the organizational culture of AgroInvest, has an extremely important role in each of the planning and decision making processes. Therefore, the Mission and social goals are always being reexamined as a critical process, when management is striving to responsibly address cultural issues.

Information systems

This is the second dimension; the dimension parallel to the operations, procedures and practice in the institution. It is, by definition, the best way an organization can choose to translate the Mission into practice. However, the *Social audit* gives another context – it questions whether the organization implements its concepts and how it does this. Are the key people in the organization adopting, through everyday actions, the definition of mission and social objectives and do they have enough information to perform adequate actions to be aligned with organization's strategic goals. The question asked within this dimension takes into account staff at all levels.

Management systems

Management systems are the result of key decisions. They say much about how the organization treats its clients (the change we want to achieve), staff (commitment towards clients and organization), board of directors (support, actions required and performed on



the institutions highest levels), transparency towards external partners, good reporting results, expansion, fundraising. All this is being examined through asking simple questions and finding answers in practice. How does the management perceive the results? Does the management decide to go for profit rather than for staff and clients satisfaction? Or vice versa? What are the reasons for some decisions?

This is a simple, comprehensive, self-assessing means to recognize and critically address issues in the organization. Later on, through follow up questions and interviews conducted some ideas can be resolved or put to one side as discussion points. As the discussion continues, a clearer picture emerges and a conversation can be conducted, almost without noticing that the topic is guiding both parties to resolving the issue.

A very positive and inspiring tone has been given to the process, since the topic itself was very delicate and the discussion differs as the interviewers are replacing each other. The panel meeting is an opportunity to share all controversial or unclear matters. It provokes discussion, debate and finally highlights the action point/activity that should resolve the issue and clarifies which individual/team is responsible for it. In the AgroInvest case, this tool revealed many weak points in the systems and management processes and will result in creating a strategy with a holistic approach to the institution.

Dimension development process after Social Audit in AgroInvest

<p>Intent and Design</p>	<p>Since the main purpose of this dimension is to determine the level of commitment to the mission and goal process, it is important for AgroInvest to make sure the main purpose of the organization and mission is well articulated and well understood. Also to make sure that the mission and the social goals of AgroInvest are also understood by the clients, so that all stakeholders including clients can be familiar with the mission. AgroInvest will also develop new ways of contributing and giving something back to the community.</p>
<p>Information system</p>	<p>One problem for AgroInvest was the unstructured and informal information flow. Due to this a lot of important information was lost in the process. Therefore a basic need of formalizing and structuralizing the information systems was identified. Although the information system should not be too robust, it should have a workable structure, be easy and user friendly, in order to raise awareness at all levels in the organization.</p>

<p>Management system</p>	<p>There was a definite need to review the management system and incentives systems to involve the social perspective. The management and incentive systems in AgroInvest were financial and profit oriented. There is a developed bonus system including both individual and team bonuses, which has been developed for the branches but not for the managerial level. The need for a balanced incentive system was identified in order to keep the loan officers motivated and on target.</p> <p>A new system for customer service is going to be developed, at present there is no special system in customer service, but there is always a need to listen to clients more.</p>
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<p>Next steps in AgroInvest after the Social Audit</p>	
<p>After the Social Audit AgroInvest was committed to</p>	<ul style="list-style-type: none"> • Include SPM in future strategic plans. • Include social indicators in reporting and to the MIS • Include social indicators in the incentives system.
<p>Separate Action Plans were developed for operations, MIS and HR.</p>	
<p>Most important next steps for AgroInvest</p>	<ul style="list-style-type: none"> • Operations – reduce the number of clients per loan officer (currently 500/staff) • MIS – include new indicators and initiate a structured follow up procedure • HR – create an incentive system including social indicators

