



Beyond reporting: transforming the finance function into a promoter of social value creation

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Beyond reporting: transforming the finance function into a promoter of social value creation

ABSTRACT

Purpose: In today's business landscape, organizations face increasing expectations to deliver on social value goals. The finance function is under pressure to evolve from traditional reporting to actively promoting social value creation initiatives that encompass environmental, social, and governance (ESG), Corporate Social Responsibility (CSR), and Equality, Diversity, and Inclusion (EDI). This study explores whether the finance function should limiting itself to reporting on social value (the reporter role), or conversely take a leading role and transition from a compliance-oriented focus to a more active role in social value creation (the promoter role).

Design/methodology/approach: Utilizing a structured three-stage methodology, this research combines a literature review, interviews with senior finance experts, and insights from round table sessions. The balanced Scorecard framework is applied to structure the collected information.

Findings: The study results show a divided financial function, both in the literature and in practice. There are clearly proponents of limiting the finance function to the reporter role, while there are also many financial professionals who want to have the promoter role. This latter group does see a progressive model wherein finance functions can transition through three stages: reporting, integration into business partnering, and leadership in social value initiatives.

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3 **Originality/value:** This research addresses a key gap in literature by offering a state of affairs
4 regarding the position of the finance function toward the issue of social value creation in the
5 organization. The research also offers a phased approach to those finance professionals that
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7 want to expand their role in social value creation.
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11 12 13 14 **Research Limitations/Implications:**

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16 This study's reliance on a limited set of academic and managerial sources may not capture the
17 full range of perspectives on the finance function's evolving role in social value creation. The
18 relatively small number of participants in roundtable discussions, due to network limitations,
19 could restrict the generalizability of findings. Future research should explore additional
20 keywords, databases, and expand participant numbers to enhance diversity of insights. Bringing
21 finance experts and roundtable participants together could provide a more comprehensive
22 viewpoint on finance's potential role as either a reporter or promoter of social value.
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33 34 35 **Practical Implications**

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37 The study offers a structured pathway for finance functions transitioning from reporting to
38 actively promoting social value creation. This process, structured across reporting, business
39 partnering, and leadership stages, provides finance professionals with a practical guide to
40 expand their roles. Finance leaders may consider enhancing skills in sustainability and
41 collaboration while addressing obstacles such as mindset shifts and compliance-focused
42 constraints. The findings support finance functions in establishing internal dialogues on their
43 role in social value, helping align strategic objectives with social impact initiatives to meet
44 organizational and societal expectations.
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58 **Keywords:** social value creation, finance function, ESG/CSR/EDI
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Informed consent : We informed all participants (both the finance experts and the round table participants) as to why the research was conducted, what the goal of the research was, and that anonymity was protected at all times (their names are not mentioned anywhere in the article).



1. INTRODUCTION

As global challenges like climate change, inequality, and resource scarcity become more urgent, organizations are increasingly expected to contribute to social good alongside their economic objectives (Coppola and Rinkel, 2020; Polman and Winston, 2021; Rygh, 2020; Samans and Nelson, 2022; Weissbrod and Bocken, 2017). Social value creation – a broad concept encompassing Environmental, Social, and Governance (ESG), Corporate Social Responsibility (CSR), and Equality, Diversity, and Inclusion (EDI) initiatives – has become a core component of modern business practices (Government Commercial Function, 2020). Social value creation is the process that results in the creation of something of value for society (Dietz and Porter, 2012) by providing solutions to social problems (Dacin *et al.*, 2011; Mair and Marti, 2006). Social value is created when resources, inputs, processes, and policies are combined to generate improvements in the lives of individuals and/or the society as a whole (Emerson, 2000). It is the result of the strategic and operational actions of an organization (being part of a broad ecosystem) that feels intrinsically motivated to create internal social value (benefiting the well-being of employees, going beyond the requirements of decent employment practices), and external social value (that benefits customers, suppliers, government, society, communities, and planet earth), yielding economic, environmental, and social benefits (de Waal *et al.*, 2023).

The shift signals that organizations are being held accountable not only for profits but also for their impact on people and the planet (Dietz and Porter, 2012; Rygh, 2020). Within this context, the role of the finance function is evolving. Traditionally, finance departments have focused on tasks such as performance reporting, budget control, and compliance. However, in an era of heightened social and environmental accountability, finance functions are being called upon to engage more deeply with social value issues. This involves not only reporting social impact metrics but also helping drive the organization's strategy around ESG, CSR, and EDI.

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3 Nonetheless, the majority of articles in both the academic and managerial literature focuses
4 mainly on the reporting process. This is because in many European countries a reporting
5 obligation applies. Such as in the Netherlands where from 2023 onwards for companies of
6 public interest such as listed companies, and companies of at least 250 employees, a turnover
7 of 20 million euros and/or a balance sheet total of 40 million euros this obligation has been in
8 force (AFM, 2023; Schlicher *et al.*, 2022). However, social value creation it is not just about
9 reporting but much more than that about really making changes in the organization so that it by
10 its creation of social value actually contributes to society.
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24 We contend that the finance function, instead of just restricting itself to reporting the social
25 value created, should take a leading role in promoting the creation of social value in the
26 organization. After all, this creation is of increasing importance to the finance function because
27 of various reasons (AFM, 2023; CFO Magazine, 2022; Coppola and Rinkel, 2020; Deloitte,
28 2021; EY, 2022; Gascoigne, 2022; Willekes *et al.*, 2022):
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- 34 - social value is becoming a C-suite topic, in which the reporting requirements are on the plate
35 of the CFO and the finance function;
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- 38 - legislation and regulations (such as the Corporate Sustainability Reporting Directive or
39 CSRD, the EU Taxonomy, and the SFDR EU Taxonomie) are increasing, with as result a move
40 of social value reporting from a currently non-binding theme to a mandatory compliance
41 theme;
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- 46 - companies are committing themselves to more and more guidelines and benchmarks, to
47 further stimulate sustainability and transparency regard social value (Global Reporting
48 Initiative, International Integrated Reporting Council, Sustainability Accounting Standards
49 Board, Down Jones Sustainability Index, MSCI/Sustainalytics, Carbon Disclosure Project).
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3 The present study investigates whether the finance function should limit itself to social value
4 reporting or, alternatively, take a more active role in promoting social initiatives within the
5 organization. We define the finance function broadly to include both finance and accounting
6 roles, given their interconnected responsibilities in managing and communicating
7 organizational resources. Thus, in this paper the term ‘finance function’ refers to all the
8 financial processes of an organization. The professionals responsible for financial processes
9 usually work in the finance department, but can also operate in other parts of the organization,
10 for instance as business unit controllers (de Waal *et al.*, 2019).
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24 In our research we are looking for an answer to two questions: *1. How do finance professionals*
25 *identify their role in social value creation: as a reporter or as an active promoter?, and 2. If*
26 *the finance function wants to transition to an active promoter role, how can transition be*
27 *shaped?* We obtain answers in a three-stage research approach. Firstly, we identify what the
28 literature has to say about this issue. Secondly, we engage with finance experts who are known
29 for having a vision and opinion about the future of the finance function. Thirdly, we organize
30 several round table sessions with finance professionals to get their opinion on their role
31 regarding the creation of social value. Our research results will contribute to the discourse in
32 the literature on the changing role of the finance function in modern-day organizations. This
33 satisfies the call Ascani *et al.* (2021) and Schalteger and Zvezdov (2015) make for more
34 research on the role of the finance function in terms of social value. Practically, it will help
35 finance professionals determine their role and position vis-a-vis their role in the process of
36 social value creation in their organization.
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56 The remainder of this article is structured as follows. The next section reviews the results of the
57 literature review. Then, the approach to the round table sessions is described. Subsequently, the
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empirical research results are given and compared with the theoretical findings. The article ends with a conclusion, research limitations and opportunities for future research.

2. LITERATURE REVIEW

The increasing focus on ESG standards, CSR, and EDI reflects society's rising expectations that organizations contribute to social value. The finance function is seen as integral to these efforts, given its access to critical data, expertise in measurement and reporting, and involvement in decision-making processes. However, the current literature presents mixed perspectives on the extent of finance's role in social value creation, with some sources advocating a focus on reporting and compliance, while others call for an active role in promoting social value across the organization.

2.1 Review of the academic literature

We searched the literature databases EBSCO, Emerald and Google Scholar for relevant sources using the keywords 'finance function', 'finance department', 'chief finance officer', 'finance professionals', in combination with the keywords 'social value' and 'social value creation'. Because the initial search did not yield many hits, we also used the keywords 'ESG', 'EDI', 'CSR' and 'sustainability'. We only looked at recent literature, i.e. not older than 15 years, because social value as an integrated concept of ESG, CSR and EDI is a relatively recent phenomenon. The search resulted in the still rather paltry number of ten sources (Ascani *et al.*, 2021; Eberhardt-Toth and Wasieleski, 2013; Egan and Tweedie, 2016; Huang *et al.*, 2022; Khalid *et al.*, 2022; Schaltegger, 2017; Schaltegger and Zvezdov, 2015; Sun and Rakhman, 2013; Willekes *et al.*, 2022; Williams, 2015).

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3 It is clear from our literature review that limited academic research has been done into the role
4 of the finance function vis-à-vis social value creation. Where research has been done, an active
5 role of the finance function in monitoring and control of the social value created in the
6 organization (entailing challenging goals set by the organization, taking responsibility for
7 reliability and compliance of reported data, analyzing and monitoring actuals vs. targets) is
8 advocated (Ascani *et al.*, 2021; Willekes *et al.*, 2022). From this limited review a picture of the
9 current status emerges that shows the finance function at this moment has limited involvement
10 in monitoring and controlling social value in the organisation (Ascani *et al.*, 2021; Willekes *et*
11 *al.*, 2022). Possible causes for this are: the current mindset of financials (too focused on
12 financial data), lack of knowledge and skills regarding social value, lack of uniform reporting
13 standards and support systems, and lack of collaboration with other organizational units in this
14 area (Ascani *et al.* , 2021; Egan & Tweedie, 2018; Schalteger, 2017; Willekes *et al.*, 2022;
15 Williams, 2015).

2.2 Review of the managerial literature

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35 Because the academic literature on social value creation and the finance function is limited, we
36 turned to the managerial literature. We hoped to find additional information on our research
37 topic because managerial literature in general is more on top of developments in organizations
38 (McMullen, 2016; Tangi *et al.*, 2021; Thrassou *et al.*, 2019). According to Mirvis *et al.* (2021).
39 This type of literature – generally consisting of research that is reported in white papers and in
40 research reports by consultancy and professional associations – identifies real-life phenomena
41 much quicker than theory-driven management research which is reported in academic journals.
42 We mainly used Google with the same keywords as used during the academic literature review.
43 The result was again not lavish, but at least ten sources could be added (Brands and Littan,
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2020; CFO Forum, 2021; Coppola and Rinkel, 2020; de Lange-Snijders *et al.*, 2023; Deloitte, 2021; EY, 2022; Gascoigne, 2022; PWC Australia, 2022; Simon, 2023; Schlicher *et al.*, 2022).

The majority of managerial literature sources advocates a leadership role of the finance function in social value creation, for a variety of reasons:

- the finance function has the processes and tools to map social value factors, integrate these into organisational processes and decision making, and thus drive performance in this area;
- the finance function can regularly talk to stakeholders about SW and involve them in the social value creation by the organisation;
- the finance function is able to promote the social value strategy and objectives in its contacts with all organisational units, and as a business partner can maintain control over the attention that organisational units devote to social value creation;
- the finance function has the big picture overview to connect financial performance and non-financial social value performance, match the creation of social value with the creation of financial value, and relate social value creation to organisational values.

Despite this optimism, the managerial literature warns that finance functions currently still have a big focus on finance and are mainly focused on compliance and reporting of social value creation, and that therefore a considerable shift has to be made in the outlook and accompanying behavior of financials toward social value creation.

2.3 Integration and comparison of the academic and managerial literatures

For analyzing the findings of the academic and managerial literature review, we use the Balanced Scorecard (BSC) framework. The BSC (Kaplan and Norton, 1992) is a well-established and widely used tool in academic and organizational research. It provides a

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3 structured way to evaluate various aspects of organizational performance, going beyond
4 financial measures by incorporating non-financial perspectives critical for social value
5 initiatives. It includes four perspectives:
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10 - Financial: evaluates financial performance and the efficient use of resources;
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12 - Customer: focuses on meeting customer and stakeholder needs and expectations;
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14 - Internal Processes: assesses the efficiency and effectiveness of internal processes that
15 contribute to goals;
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17 - Learning and Growth: examines the organization's capacity to innovate, improve, and
18 develop capabilities over time.
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26 The Balanced Scorecard provides a comprehensive, multidimensional view of organizational
27 performance, which is useful for understanding the dual roles (reporter vs. promoter) in social
28 value creation. The framework effectively separates compliance-focused activities from
29 strategic, value-driven initiatives, making it well-suited to analyzing the differences between
30 reporting on social value and actively promoting it. By applying the BSC, we can evaluate the
31 finance function's role in social value creation, analyzing whether finance professionals identify
32 more with the reporter role (focusing on compliance and reporting accuracy) or the promoter
33 role (actively fostering and leading social value initiatives). The results of the analysis are given
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58 The key insights from the BSC analysis are:
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- 3 ▪ *Reporter Role*: Finance professionals in the reporter role focus on compliance and accuracy
- 4 across all BSc dimensions. In the financial and internal processes dimensions, they prioritize
- 5 reliable data, standardized reporting, and regulatory adherence. In the customer/stakeholder
- 6 dimension, they deliver consistent information to meet expectations without actively
- 7 engaging in strategic stakeholder dialogue. Finally, in learning and growth, reporters develop
- 8 technical skills for compliance but lack training in sustainability leadership.
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- 12 ▪ *Promoter Role*: In contrast, finance professionals as promoters take a proactive approach
- 13 across all BSC perspectives. Financially, they align social and financial goals, viewing social
- 14 initiatives as long-term investments. They engage stakeholders actively, integrating their
- 15 feedback into business strategy. In internal processes, promoters foster cross-departmental
- 16 collaboration, using these processes as a foundation for embedding social value throughout
- 17 the organization. Lastly, in learning and growth, promoters prioritize continuous skill
- 18 development in sustainability, leadership, and stakeholder engagement.
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35 In order to obtain a first answer on research question 1, *How do finance professionals identify*

36 *their role in social value creation: as a reporter or as an active promotor?*, from a theoretical

37 point of view, we determined for each academic and managerial literature source whether it

38 predominantly argued for the finance function to mainly have a reporter role or a promoter role.

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44 Figure1 depicts the outcome, in percentage of each type of literature source.

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INSERT FIGURE 1 HERE

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3 Figure 1 clearly shows a difference of opinion between the two types of literature. The academic
4 literature clearly favors the finance function in the reporter role, while the managerial literature
5 advocates a promoter role. The latter is not surprising in itself because the managerial literature,
6 mainly originating from consultancy firms, can suffer from a positive bias (in this case: the
7 finance function should go outside of the confinement of the reporting process and take on a
8 leading role in social value creation), in the sense that enticing finance function to take on a
9 leading role might yield additional consultancy work and yield immediate benefits for the
10 organization (McMillan and Chen, 2012; Shugan, 2004). In contrast, the academic literature
11 seems more cautious and unsure of the quality of financial function to be able to do more than
12 reporting.
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28 3. RESEARCH APPROACH AND RESULTS

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30 This study employs a multi-method approach, combining a literature review, interviews, and
31 roundtable discussions. This approach allows for a comprehensive analysis of the finance
32 function's evolving role in social value creation.
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40 3.1 Interviews with finance experts

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42 This research was part of a larger research project into the finance function of the future. In this
43 study, interviews were conducted with 30 financial experts (from profit, government and
44 academia). Experts are defined as “a group of knowledgeable people: those who can provide
45 relevant input to the process, have the highest authority possible, and are committed and interested”
46 (Gutierrez, 1989, p.33). They bring knowledge, authority, and insight to a topic (Gupta and Clarke,
47 1996; Hill, 1982). The aim of the research was to obtain the opinion of progressive and innovative
48 financial professionals about the state and shape of the financial function in ten years' time. This
49 should provide a ‘working picture’ of the finance function of the future, which can help finance
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3 professionals prepare their function for this future state, and thereby make these better equipped
4 to deal with the many megatrends and disruptors currently (and in the future) influencing the
5 business world. The 30 visionary financial experts who were interviewed came from our networks.
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7 They were selected by us because they had a vision for the future of the finance function, which
8 was evidenced by writing an article about it, speaking about it at a seminar and/or demonstrating
9 it in a personal conversation with us. Each interview lasted between 1½ and 2 hours. Most
10 interviews were conducted by two of the authors. All interviews were, with consent of the
11 interviewees, recorded and later transcribed. As part of the interviews the following question was
12 asked: “What influence will the regulation/theme of social value, consisting of ESG, CSR and
13 EDI, have on the finance function in 2023?” The opinions and ideas of the 30 finance leaders were
14 collected from the transcriptions, combined, and summarized, to arrive at a first vision regarding
15 the role of the finance function in the creation of social value.
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33 Figure 2 summarizes the opinion of the 30 visionary experts regarding whether the finance
34 function should be a reporter or a promoter in regard to social value creation. This gives us
35 another answer on research question 1 *1. How do finance professionals identify their role in*
36 *social value creation: as a reporter or as an active promotor?*
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54 Figure 2 shows that the majority of the finance experts is of the opinion that the finance function
55 should focus on the reporter role. Their arguments for this were:
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- The core task of the finance function is performance monitoring and reporting. Social value creation basically expands the scope of performance monitoring and reporting, and thus falls naturally within the domain and the role of the finance function. In addition, the finance function is the owner and quality controller of the data within the organization, and social value just generates another type of data to be managed by the finance function.
- Social value generation will increasingly be part of the compliance of the organization and of its planning & control cycle, and most often the finance function is the owner of the compliance process and the planning & control cycle.
- Social value creation is a specialist process incorporated in the organisation. Therefore operational management should take a leading role in social value creation. In addition, the finance function is often already pushed into the reporting and compliance role by the organisation.
- The finance function is (still) often less concerned with social relevance and already looks on social value reporting as a chore. The function will therefore not quickly want to take a leading role in the generation process.

There is a minority of finance experts that does advocate the finance function taking the promoter role, with the following arguments:

- Because social value creation is a relatively new process for many organizations, a lot is still unknown (what to measure, how to measure, how to make social value quantifiable). The finance function, already used to dealing with many types of information and processes, has the experience to take the lead in answering the many questions still outstanding.
- Because of the (expected) large impact social value creation will have on the organisation (its processes, its value), the finance function has to take a leading role in developing social

value policies, creating broader strategic management based on social value creation, and alignment with suppliers and customers on this topic.

- The social value created will be monetized and will thus play a role in the competitiveness of the organisation, the finance function has to spot opportunities and develop alternative strategic and tactical scenario's going forward based on this. This fits with the task of the finance function to match the creation of social value with the creation of financial value, as the former cannot be achieved without the latter.
- To create social value in an organization a lot of internal cooperation between the organizational silo's is required. The finance function is in an excellent position, as the spider in the organizational web, to take the lead in this collaborative process.

3.2 Round table discussions with financial professionals

Subsequently, in two roundtables, we entered into dialogue with financial professionals to test, refine and supplement the draft vision which was compiled on the basis of the interviews with the finance experts. Groups of professionals are often brought together in round table discussions to exchange opinions, knowledge, views, and ideas in a time-efficient and effective manner, and such discussions are used in a wide variety of research fields (Crabtree and Miller, 1992; Merriam, 1998). The finance professionals who participated in the two round tables originated from our networks and were selected based on the length of experience working in finance functions and their organizational position and role, which were required to provide them with involvement in strategic developments of their industry, organization, and finance function. We used a limited number of professionals in each round table so that a good discussion could take place in which everybody had ample time to share their opinions and experience. Thus, during each roundtable a maximum of seven professionals participated, who had roles such as CFO, finance director, internal audit manager, finance advisor or head of planning & control. Each participant had at least

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3 ten years' experience in finance functions of Dutch middle-sized and large companies. The reason
4 for conducting two round tables was to give the opportunity to participants in the second round
5 table to build on the results of the first round table, thus raising the overall quality of the discussion
6 results.
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14 The aim of the roundtables was to come up with a wider supported vision which can help the
15 financial function determine its role in the process of social value creation, contributing to the
16 further development of the finance profession on this vitally important subject. The following
17 questions were discussed during the two roundtables:
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- 23 - What role should the finance function play in the creation of social value: reporter or promoter?
- 24 - If the choice is promoter, how can the finance function achieve this?
- 25 - What skills does the finance function need for this promoter role?
- 26 - What obstacles are there for the finance function to take up the promoter role, and how can
27 these be addressed?
- 28 - If the choice is reporter, what skills does the finance function then need?
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40 Figure 2 also provides the opinion of the round table participants. It shows that the majority of
41 the round table participants, unlike the finance experts, were of the opinion that the finance
42 function should take the promoter role regarding social value creation. Their arguments for this
43 were as follows:
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- 48 ■ The CFO (and the finance function) also has to deal with the strategic long-term and that
49 includes dealing with social value creation, especially as social value also has consequences
50 for the competitiveness of the organisation. Thus social value creation has to go hand-in-
51 hand with financial value creation.
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3 ▪ The finance function is used to challenge and push other organizational units on issues, so it
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5 so it goes without saying that social value creation should be one of these issues. In addition,
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7 the CFO should, as part of the C-suite, set the right example in expressing the importance of
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9 social value and fostering its creation throughout the organization.
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12 ▪ As part of the promoter role the finance function should look actively how social value
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14 creation can be best reported and disseminated throughout the organization, in such a way
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16 that its strategic importance is (or becomes) clear to everyone.
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21 The round table experts that were of the opinion that the finance function should stick to the
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23 reporter role, said so because:

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26 ▪ they find that social value creation is something that takes place in the operation and is
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28 therefore the responsibility of the operational units;
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30 ▪ other organisational units do not (always) accept that the finance function takes a leading
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32 role in basically anything that directly concerns those organisational units;
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34 ▪ some finance function are not developed enough (yet) to take on this additional responsibility
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36 of actively promoting social value creation.
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42 3.3 Analysis of the various findings

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44 Figure 3 collects the various findings regarding the role of the finance function in the creation
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46 of social value by an organization. It shows there is quite a difference of opinion between the
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48 academic and managerial literature and between the visionary experts and the round table
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50 participants.
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As stated before, the difference in the literature might be explained by their different origins, where the managerial literature seems to be action-oriented. Interestingly, the round table participants did agree with this as they in majority also saw their role in the creation of social value as being a promoter. At first glance it is not clear why the majority of the finance experts were of the opinion that the finance function should take on the reporter role. When diving deeper into the answers of the visionaries that advocated the reporter role, it becomes clear that many of them seemed to make a reservation. They stated that if social value creation did not affect the value of the organization (either shareholder and/or social and/or reputational value and/or economic value), and therefore would not have direct strategic and financial consequences, then the finance function should ‘stick’ to reporting and monitoring social value creation. However, if social value would influence the organization’s financial value, the visionaries stated that this topic had to become part of the business partner role of the finance function. In this role, the financial professionals is expected to take the lead in evaluating consequences for the strategic priorities, data business model, local adaptations in processes, and the planning & control cycle. If we couple this reservation with statements of some of the round table participants where initially they saw the finance function focus on the reporting and monitoring side of social value creation. But when this is under control, they predicted that the finance function would evolve to a more active role in fostering social value creation (which has to go hand-in-hand with financial value creation) throughout the organization.

3.4 The transition process

As all finance experts and round table participants agreed that the finance function should, as a minimum, be involved in reporting and monitoring social value creation, the following

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3 transitioning process materialized when going from the reporter to the promoter role (see Figure
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19 Figure 4 provides the answer ion research question 2, *If the finance function wants to transition*
20 *to an active promoter role, how can transition be shaped?* The various situations in the
21
22 transitioning process are described as follows:
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26 ■ *Current situation: Reporting and monitoring.* In the initial stage, finance professionals focus
27 on ensuring regulatory compliance by accurately tracking and reporting social value metrics.
28 Regulatory frameworks such as the EU's CSRD require finance departments to maintain
29 transparent records of ESG, CSR, and EDI metrics. At this stage, finance functions primarily
30 engage in data management and reporting, and clearly have the reporting role.
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- 33 ■ *Intermediate situation: Business partnering with social value integration.* As a finance
34 function becomes more proficient in social value metrics, it begins incorporating these
35 insights into decision-making processes. By collaborating with departments such as HR,
36 Operations, and Marketing, finance professionals promote social initiatives that align with
37 organizational goals. Finance professionals in this role actively support business units in
38 setting and achieving social value objectives.
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- 41 ■ *Future situation: Leadership in social value creation.* In the final stage, the finance function
42 takes on a leadership role, initiating social value projects and influencing organizational
43 strategy. This promoter role requires a comprehensive understanding of social value impacts
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3 and cross-functional collaboration. Finance professionals at this stage advocate for aligning
4 social and financial value, creating a unified approach to corporate performance.
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10 The round table participants also discussed various topics that affect the transitioning process
11 as depicted in Figure 4. Firstly, they reviewed the obstacles the finance function can encounter
12 during the transitioning process. Broadly speaking, they agree with the obstacles as mentioned
13 in the literature, mentioned in the academic literature review section: the current mindset of
14 financials which is too focused on financial data, lack of knowledge and skills regarding social
15 value creation, and lack of uniform reporting standards and support systems. They did not agree
16 with the obstacle 'lack of collaboration with other organizational units' because they feel they
17 have, in their role as business partner, enough exposure and cooperation with the other
18 organizational units. The participants did add two additional obstacles: a lack of social value
19 experts, both in the organization and at consultancy firms to help with the transition (because
20 there is a fast growing demand for these specialists), and negative influences from outside.
21 Regarding the latter, the specifically mentioned Supervisory Boards setting different priorities
22 so the finance function is not allowed to deal with social value creation; and too much focus on
23 compliance with laws and regulations forcing the finance function to focus on the reporting
24 aspect of social value creation.
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47 Secondly, the round table participants talked about helpful preconditions and approaches for
48 the transitioning process:
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- 50 - the right tone at the top, in which senior management clearly states and advocates the
51 importance of social value creation and what the organisation wants to achieve in this
52 respect;
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- provide enough resources to actively achieve progress in social value creation, to minimize the risk of ‘greenwashing’;
- more attention in finance training sessions and courses (both internally and externally) for the topic of social value;
- regular internal ‘deep dives’ into the topic to foster know-how on the topic of social value;
- make social value as tangible as possible, both in how people talk about it (no high level or consultancy speak) as well as in actions that create social value on the work floor;
- always approach social value creation activities in a multidisciplinary teams;
- learn by doing, do not try to be perfect in the beginning. E.g. if a KPI does not work just replace it with another.

5. CONCLUSION, LIMITATIONS AND FUTURE RESEARCH

This research set out to find the answer to two questions: *1. How do finance professionals identify their role in social value creation: as a reporter or as an active promotor?* and *2. If the finance function wants to transition to an active promoter role, how can transition be shaped?* The study results did not provide a unequivocal answer on research question 1, but did yield a proposal for a transitioning process thus answering research question 2. In this process the finance function goes from a position where it mainly focuses on the reporting and monitoring of the social value created in the organization; via an intermediate stage in which it starts to incorporate the topic of social value in its business partnering role thereby actively promoting social value in the organizational unit they work for; to a situation in which the finance function is the driver of social value creation throughout the organization. This transitioning process can help finance functions in their discussion, within the function and with the other organizational units and the management team, to determine their position and role in the social value creation process, now and in the future.

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3 There are several limitations to our study, that provide opportunities for future research. The
4 use of alternative key words during the reviews of the academic and professional literature
5 might have yielded additional literature sources, which could have strengthened the conclusions
6 from the reviews. Future research should endeavor to include other keywords and possibly also
7 additional literature databases. Another limitation is the number of round tables and the number
8 of participants. These always depend on convenience as researchers are dependent on their
9 networks to obtain cooperation of people. Future research could try to enlarge especially the
10 number of participants to include as many viewpoints as possible. It would have been
11 interesting, given the different outcomes, to bring the finance experts together with the
12 roundtable participants to directly, face-to-face, discuss their different viewpoints. This might
13 have resulted in a greater consensus. Future research should include the extra step of bringing
14 these two groups together. Finally, future research should focus on comparative studies across
15 industries and regions to explore best practices and address sector-specific challenges in social
16 value reporting and promotion.
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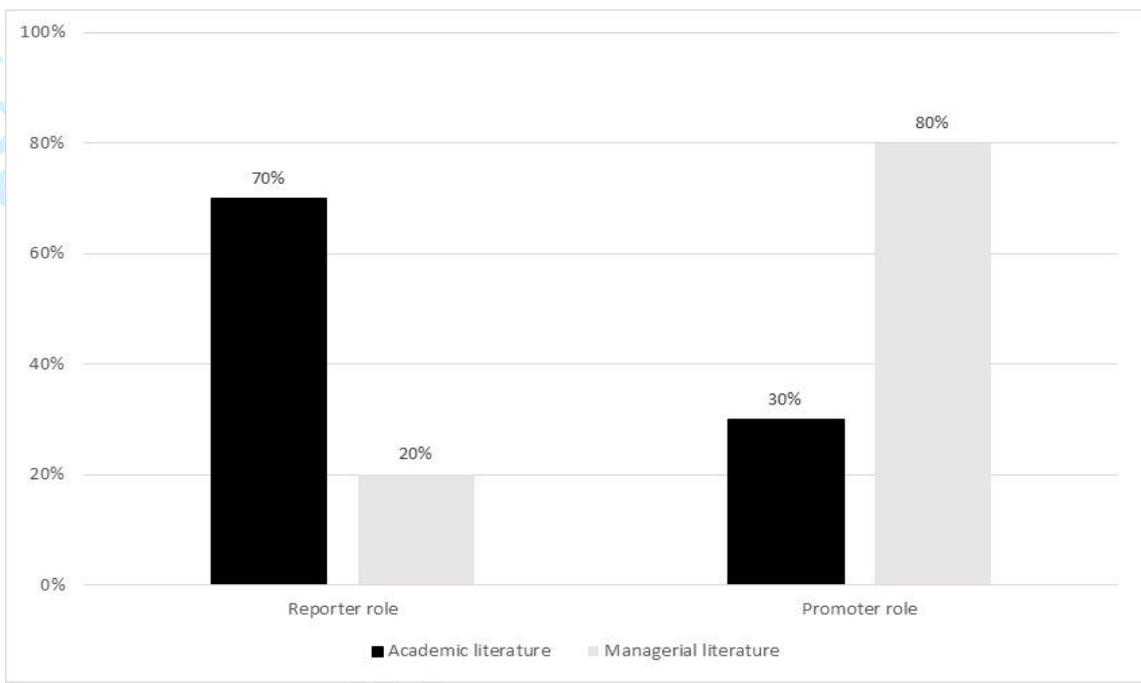


Figure 1: Opinion of the literature on the role of the finance function in social value creation

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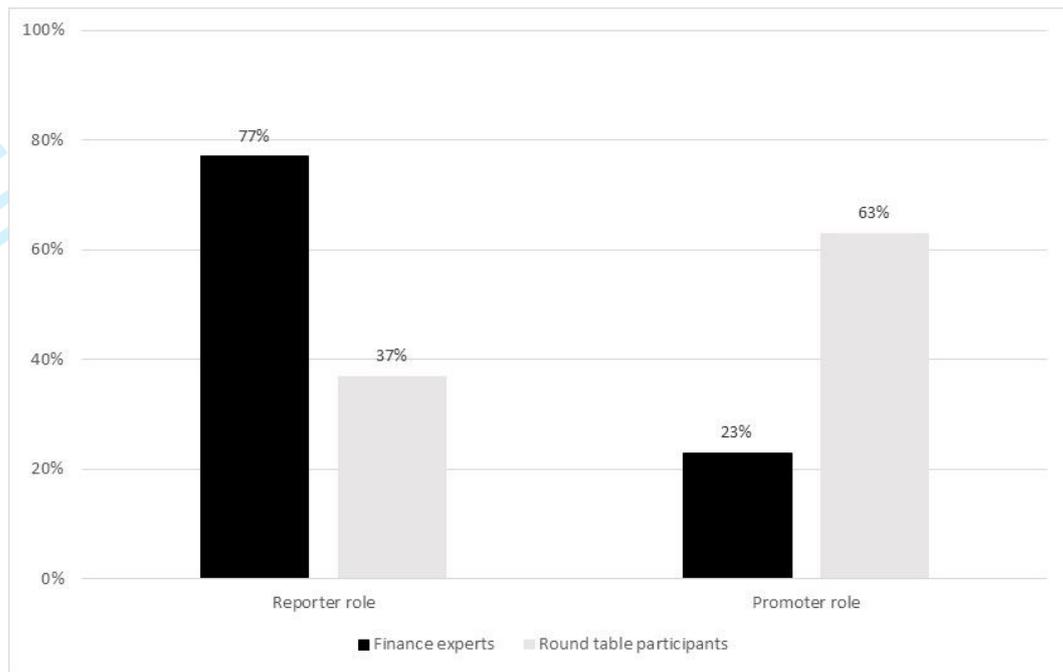


Figure 2: Opinion of finance experts and round table participants regarding the role of the finance function in social value creation

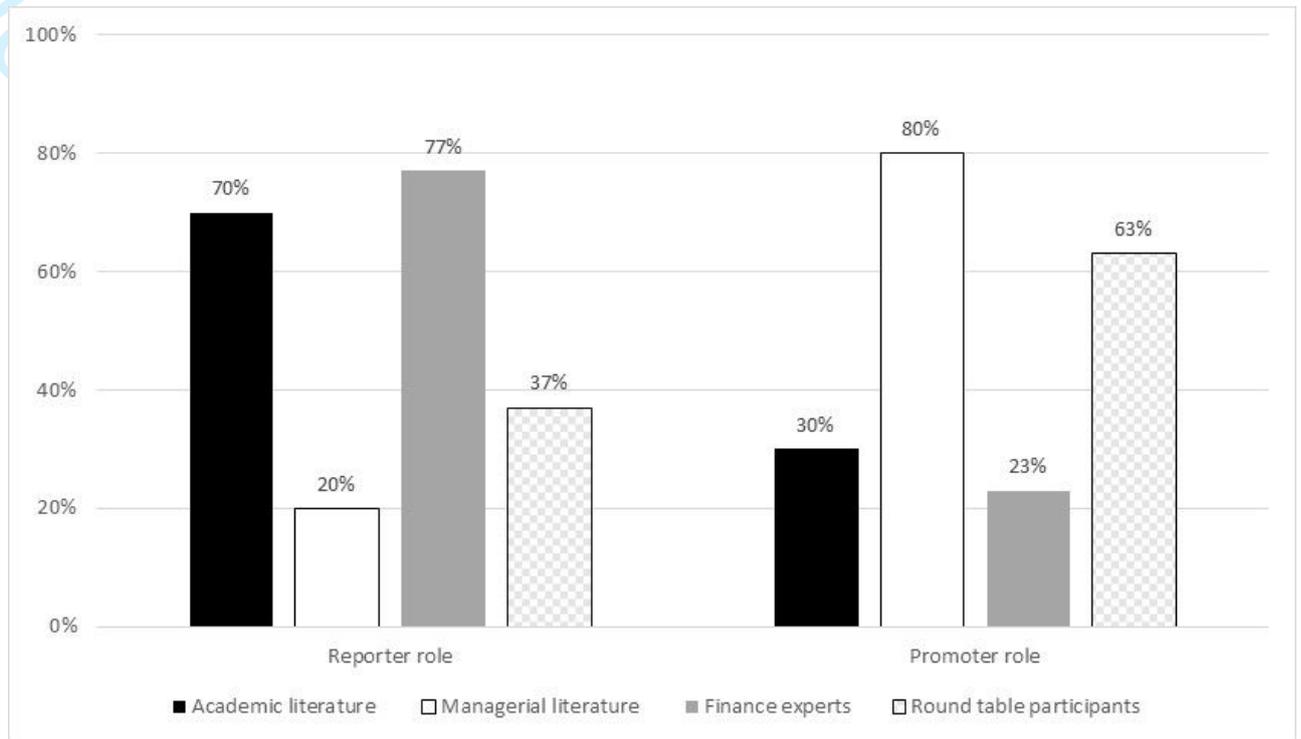


Figure 3: Overview of the opinions regarding the role of the finance function in the social value creation process of an organization

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Figure 4: Transitioning process of the development of finance function's role in social value creation

Perspective	Finance function as Reporter	Finance function as Promoter
Financial	<p><i>Role:</i> Finance function collects, organizes, and ensures compliance with social value metrics.</p> <p><i>Rationale:</i> Finance function prioritizes reliable, transparent data collection for compliance, mitigating financial risks.</p>	<p><i>Role:</i> Finance function uses data to identify and support investments in social value, seeing these as drivers for long-term financial stability and profitability.</p> <p><i>Rationale:</i> Finance function aligns social value with financial goals, using data to enhance both financial performance and stakeholder trust.</p>
	<p><i>Role:</i> Finance function establishes governance structures that support accurate reporting for financial and social value metrics.</p> <p><i>Rationale:</i> Finance function ensures structural integrity and reliable reporting channels, primarily for compliance.</p>	<p><i>Role:</i> Finance function builds adaptive infrastructure that integrates social value into business strategy, supporting social value creation initiatives.</p> <p><i>Rationale:</i> Finance function develops governance mechanisms that view social investments as essential to financial resilience and competitive advantage.</p>
Customer (Stakeholder)	<p><i>Role:</i> Finance function trains finance professionals to meet compliance standards in social value reporting.</p> <p><i>Rationale:</i> Finance function focuses on developing technical skills to meet regulatory expectations, without engaging in active stakeholder dialogue.</p>	<p><i>Role:</i> Finance function cultivates broad skills, including stakeholder engagement and advocacy for social value creation initiatives.</p> <p><i>Rationale:</i> Finance function engages stakeholders actively, integrating their feedback into strategic social value and financial goals to improve organizational reputation and alignment with stakeholder values.</p>
	<p><i>Role:</i> Finance function maintains a traditional finance role focused on compliance and reporting accuracy for stakeholders.</p> <p><i>Rationale:</i> Finance function delivers standardized information to meet regulatory and stakeholder demands, and is on request involved in strategic discussions.</p>	<p><i>Role:</i> Finance function acts as a bridge across departments, aligning social value and financial goals for a more comprehensive stakeholder strategy.</p> <p><i>Rationale:</i> Finance function uses organizational alignment to foster collaboration, enhancing transparency and engagement with stakeholders on social value creation initiatives.</p>
Internal Processes	<p><i>Role:</i> Finance function sets up reporting controls that ensure accurate, compliant data collection and</p>	<p><i>Role:</i> Finance function develops processes that embed social value in business operations, supporting cross-</p>

	<p>reporting. <i>Rationale:</i> Finance function prioritizes reliable processes to meet regulatory standards without extending into social strategy.</p>	<p>departmental integration of social value creation initiatives. <i>Rationale:</i> Finance function views internal processes as tools for embedding social value, using them to integrate social value considerations across business functions.</p>
	<p><i>Role:</i> Finance function utilizes basic reporting tools to ensure accuracy and timeliness in compliance-based reporting. <i>Rationale:</i> Finance function focuses on technological efficiency to fulfill reporting needs but limits their use to compliance functions.</p>	<p><i>Role:</i> Finance function leverages advanced analytics and visualization tools to analyze social value impact data for strategic insights. <i>Rationale:</i> Finance function uses technology to gain insights into social value, informing proactive decision-making and creating real-time reports for internal and external stakeholders.</p>
Learning and Growth	<p><i>Role:</i> Finance function builds technical competencies in social value metrics, ensuring data accuracy and regulatory compliance. <i>Rationale:</i> Finance function focuses on developing essential compliance skills without broader leadership training.</p>	<p><i>Role:</i> Finance function invests in sustainability, change management, and leadership training for finance professionals. <i>Rationale:</i> Finance function fosters a growth mindset within the finance function, equipping finance professionals to drive social value creation and influence the organizational culture.</p>
	<p><i>Role:</i> Finance function supports a limited role in social value creation, maintaining organizational alignment around financial compliance. <i>Rationale:</i> Finance function operates within traditional structures that prioritize financial compliance over social value creation initiatives.</p>	<p><i>Role:</i> Finance function fosters a culture of sustainability and cross-functional collaboration to promote social value creation organization-wide. <i>Rationale:</i> Finance function drives organizational alignment with social value goals, embedding social value into corporate culture and facilitating ongoing learning across functions.</p>

Table 1: Summary of the academic and managerial literature findings

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