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Challenges and Opportunities in Implementing Social Accounting: Insights from Non-Profit Organizations

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KEYWORDS	ABSTRACT
Keywords: social accounting; non-profit organizations; resource constraints; technological innovation; international collaboration. **Conflict of Interest Statement:** The author(s) declares that the research was conducted without any commercial or financial relationships that could be construed as a potential conflict of interest. **Copyright © 2025 AJEB. All rights reserved.**	**Purpose:** This study explores the challenges and opportunities non-profit organizations (NPOs) face in implementing social accounting, focusing on organizations operating in resource-constrained environments, particularly in developing countries. The research aims to identify barriers such as financial limitations, lack of expertise, and cultural differences while examining the potential of technological innovations and international collaborations to overcome these challenges. **Research Design and Methodology:** A qualitative research design using a systematic literature review was employed to gather insights from existing studies on social accounting practices within NPOs. The analysis focused on identifying common themes and emerging trends that inform the implementation of social accounting in different organizational and regional contexts. **Findings and Discussion:** The findings reveal that NPOs face significant obstacles, particularly in terms of financial resources and access to skilled personnel for social accounting. Cultural and regional factors also play a role in the varying levels of adoption. However, the study highlights the opportunities provided by technological innovations such as AI, cloud-based systems, and Big Data, as well as the benefits of international collaborations in enhancing transparency and accountability. **Implications:** The study provides practical recommendations for NPO leaders, emphasizing the need for capacity building, technological adoption, and strategic partnerships to improve social accounting. It also calls for developing standardized reporting frameworks to ensure consistency and comparability across the sector.

Introduction

In non-profit organizations, social accounting has emerged as a critical tool to enhance transparency, accountability, and stakeholder trust, particularly in an era where public scrutiny and donor expectations are higher than ever. Recent studies emphasize the importance of social accounting for non-profits to demonstrate their commitment to social and environmental missions beyond financial outcomes. Bruni-Bossio (2021) underscores how effective social accounting enables non-profits to build credibility and attract long-term donor support by providing tangible evidence of their impact. However, many organizations need more practical and theoretical support in its implementation. Theoretical research, such as that by Deegan (2017), explores the conceptual

foundations of social accounting but needs more practical solutions for overcoming barriers such as limited resources and inadequate frameworks. Small non-profits often need help to gather the necessary data for comprehensive reporting (Gamble et al., 2020). The disparity between theoretical ideals and practical realities remains a significant challenge for the sector. Moreover, non-profit organizations in developing countries face additional hurdles in accessing technology and expertise, further complicating their ability to implement robust social accounting systems (Krasnopolskaya & Meijs, 2019). The increasing demand for transparency from the public and regulatory authorities highlights the urgency of these challenges. In response, non-profits are called to innovate in their reporting practices, integrating Information and Communication Technology (ICT) to improve stakeholder engagement and transparency (Ortega-rodr & Licer, 2020). Despite these obstacles, non-profits implementing social accounting can significantly enhance their reputation, stakeholder relationships, and long-term sustainability.

Recent studies on social accounting in non-profit organizations (NPOs) have highlighted its growing relevance in addressing greater transparency and accountability demands. Social Return on Investment (SROI) has emerged as a critical framework for measuring social impact, with research by Nielsen (2020) emphasizing its potential to help NPOs demonstrate their value to stakeholders. Retolaza (2021) also stresses the importance of stakeholder perspectives in providing valuable insights into an organization's social impact. Gamble et al. (2020) note that social accounting enhances broader community engagement, strengthening the relationship between NPOs and their beneficiaries. These studies affirm that social accounting is becoming indispensable for improving stakeholder relationships and ensuring accountability in the non-profit sector. However, several limitations persist in the current literature. Qian et al. (2021) observe that while social accounting has been widely discussed from a theoretical perspective, practical insights on implementation still need to be explored. Many studies focus on large, well-resourced organizations, overlooking smaller NPOs that often face financial constraints and rely heavily on donor funding, which limits their ability to adopt comprehensive social accounting practices (Sibisi & Makka, 2022). Moreover, existing research primarily centers on developed economies, leaving a gap in understanding how NPOs in developing countries navigate the complexities of implementing social accounting practices (Rouault & Albertini, 2022). These gaps suggest the need for further empirical studies addressing practical challenges faced by NPOs in resource-constrained environments.

Despite the growing interest in social accounting, there remains a significant gap between theoretical models and their practical application, particularly in non-profit organizations. Recent studies, such as those by Nielsen (2020) and Gamble et al. (2020), have underscored the conceptual importance of frameworks like SROI. However, they offer limited empirical evidence on how these models perform in diverse real-world contexts. Many of these studies focus on the potential benefits of social accounting and the need to adequately address the practical difficulties smaller NPOs face in resource-constrained environments. These organizations often need more financial and human resources to implement comprehensively. While academic discourse has explored various approaches to improving stakeholder trust and accountability through social accounting, empirical validation remains scarce, particularly in developing countries. Most existing research focuses on large NPOs in developed economies, leaving the experiences of smaller organizations in resource-limited settings underexplored (Sibisi & Makka, 2022). This creates a gap in understanding how cultural and regional differences impact the implementation of social accounting, suggesting a need for more context-specific empirical studies that can bridge these theoretical and practical divides.

The novelty of this research lies in its detailed focus on the practical challenges faced by non-profit organizations (NPOs) in implementing social accounting, particularly in resource-constrained environments such as developing countries. While previous studies have primarily focused on theoretical frameworks and large, well-resourced organizations, this research seeks to bridge the gap by providing empirical evidence on how smaller NPOs can effectively adopt social accounting practices despite financial and operational limitations. The study also explores the unique cultural and regional factors that influence the adoption of social accounting, adding a layer of complexity that has yet to be largely overlooked in prior research (Rouault & Albertini, 2022). By integrating insights from developed and developing economies, this research offers a comprehensive view of how NPOs can

balance external reporting obligations with their mission-driven goals. The main research questions guiding this study are: What are the specific challenges NPOs face in implementing social accounting, and how can these organizations overcome constraints related to resources and expertise? How do cultural and regional factors impact the effectiveness of social accounting practices in NPOs? This research aims to provide practical solutions for NPOs to enhance their transparency, accountability, and sustainability through social accounting, thus contributing to a broader understanding of its applicability in diverse socio-economic contexts. The study offers actionable recommendations to help NPOs leverage social accounting to improve stakeholder relationships and secure long-term support.

Literature Review

The Evolving Role of Non-Profit Organizations in Society

Non-Profit Organizations (NPOs) have significantly transformed over the past few decades. Initially established as charitable entities aimed primarily at providing immediate assistance to vulnerable groups, NPOs have evolved into critical agents of social change (Watkins et al., 2012). In modern society, they are increasingly filling the gaps left by both government and private sectors, addressing complex social and environmental issues. This evolution reflects the growing strategic importance of NPOs in creating sustainable social impact and addressing urgent challenges like poverty, health, education, and ecological sustainability (Sibisi & Makka, 2022). As society has become more interconnected, the expectations placed on NPOs have grown, pushing them to shift from providing temporary relief to creating long-term systemic change. One of the critical changes in the role of NPOs has been their involvement in charitable activities and public policy advocacy, human rights campaigns, and environmental initiatives (Almog-Bar & Schmid, 2014). This shift has been driven by increased societal expectations for social and environmental responsibility from all sectors, including the government and private enterprises. As a result, NPOs now carry greater responsibility in ensuring that their activities directly benefit their beneficiaries and contribute to broader social transformation Nielsen (2020). Consequently, these organizations are increasingly expected to report their social and environmental impact through more systematic and transparent methods, bringing attention to the growing importance of accountability.

The emphasis on accountability and transparency has become a central issue for non-profit organizations (NPOs), as stakeholders—such as donors, communities, and governments—demand clear evidence of their social impact Gamble et al. (2020); (Retolaza, 2021). This growing demand goes beyond financial reporting and requires NPOs to adopt comprehensive social accounting methods to capture the full scope of their contributions (Nicholls, 2020). Social accounting, which measures social and environmental performance alongside financial metrics, is crucial for NPOs to maintain trust and demonstrate effectiveness. However, many NPOs, particularly smaller ones, face significant challenges in implementing these frameworks. Limited financial resources and overreliance on donor funding often prevent these organizations from investing in sophisticated reporting systems (Sibisi & Makka, 2022). Standardized social accounting frameworks need to be more consistent, making it challenging to compare social impacts across organizations (Mulloth & Rumi, 2022). Despite these challenges, adopting social accounting can significantly benefit NPOs by strengthening donor relationships and enhancing credibility (Ortega-rodr & Licer, 2020). As awareness of social and environmental issues grows, transparent reporting can help NPOs remain relevant and impactful, positioning them as critical change agents for sustainable and equitable societies.

Challenges in Measuring Social Impact

Measuring social impact poses significant challenges, especially for non-profit organizations (NPOs), whose goals often focus on intangible outcomes like community development, well-being, and behavioral change. Unlike financial performance, which can be objectively quantified, social impact is typically qualitative, involving variables that are more difficult to measure systematically (Gamble et al., 2020). Assessing these non-financial elements requires a more holistic approach, combining qualitative and quantitative data to paint a fuller picture of the organization's contribution to society (Sibisi & Makka, 2022). A key issue in social impact measurement is the lack of standardization. There are no universally accepted metrics for evaluating social outcomes, which complicate comparisons

between organizations and reduces the credibility of their impact reports (Tschopp & Nastanski, 2014). Without clear standards, stakeholders such as donors and communities may question the validity of the reported outcomes, mainly when the methodologies used by different organizations vary widely (Retolaza, 2021). This inconsistency creates significant barriers to trust and transparency, which are crucial for NPOs to secure ongoing support and maintain legitimacy. Adding to the challenge, measuring social impact often involves high subjectivity. Different organizations may evaluate their programs' success based on varying criteria, leading to inconsistent results that are difficult to verify (Bamakan et al., 2020). For example, one organization might prioritize the number of individuals served, while another focuses on long-term behavioral changes. Such discrepancies underscore the need for standardized methodologies to reduce subjective bias and improve the reliability of impact assessments (Nielsen, 2020).

Recent literature has suggested the development of mission-driven frameworks tailored to the specific goals of NPOs as a potential solution to these challenges. These frameworks allow for flexibility in impact measurement while ensuring that the data collected aligns with the organization's mission and broader social objectives (Rouault & Albertini, 2022). For instance, a non-profit focused on environmental conservation would measure its impact using different indicators than one focused on education or healthcare (Arvidson & Lyon, 2014). This approach ensures that impact evaluations are both relevant and accurate. The rise of technology has also created new opportunities for improving social impact measurement. Data analytics, digital platforms, and advanced data collection tools have made it easier for organizations to gather and analyze large volumes of data, providing deeper insights into the effectiveness of their programs (Sibisi & Makka, 2022). Digital platforms can be used to collect real-time feedback from beneficiaries. At the same time, data analytics tools help NPOs identify patterns and trends that may not be immediately visible through traditional reporting methods (Gamble et al., 2020). To overcome the existing challenges in social impact measurement, scholars and practitioners recommend the development of specific metrics tailored to the context of each organization. Collaboration between organizations can further enhance standardization by creating clear guidelines for impact reporting. Additionally, evidence-based approaches to social accounting are essential to ensure that reported outcomes are credible and supported by solid data (Retolaza, 2021).

Stakeholder Engagement and Accountability

In non-profit organizations (NPOs), stakeholder engagement and accountability are critical concepts. Stakeholder engagement refers to the efforts made by organizations to involve all parties affected by their activities, such as donors, volunteers, and the communities they serve (Nguyen et al., 2024). On the other hand, accountability reflects an organization's responsibility to transparently report how it uses its resources and achieves its mission. For NPOs, engagement and accountability are essential as they rely heavily on the trust of their stakeholders to sustain their operations (Wellens & Jegers, 2014). Transparency in reporting social impact and resource usage builds confidence and encourages active participation from stakeholders in supporting the organization's mission (Gamble et al., 2020). A significant stakeholder engagement issue is the mismatch of expectations between different stakeholder groups. Donors, for instance, often prioritize efficiency and measurable outcomes, such as how their funds are utilized and the quantifiable results of those investments (Reeder et al., 2015). They expect financial reports with clear metrics that demonstrate tangible impact. Conversely, the communities NPOs serve may value qualitative aspects such as long-term engagement, inclusivity, and sustainable social change, which are not always easily quantified (Nielsen, 2020). This disconnect can hinder effective accountability, as organizations are often caught between meeting donors' quantitative demands and addressing their communities' more qualitative needs (Retolaza, 2021).

Managing diverse stakeholder expectations is a significant challenge for non-profit organizations (NPOs). Philip Kotler would advocate for developing a multi-dimensional accountability framework incorporating financial and non-financial performance metrics. NPOs must implement comprehensive reporting systems that assess economic efficiency and their initiatives' broader social and environmental impact (Gazzola et al., 2021). Specific and adaptable metrics help NPOs effectively

evaluate and communicate their outcomes (Poister, 2008). Transparency is critical in maintaining stakeholder trust, and social accounting is crucial for demonstrating it. Social accounting extends beyond financial reports to include the organization's social impact, thus fostering long-term trust and ensuring continued support from stakeholders (Sibisi & Makka, 2022). This level of transparency holds NPOs accountable for their resources and the results they generate. The literature suggests leveraging technology to address accountability challenges to improve data collection and analysis. Digital platforms and data analytics tools enable NPOs to gather real-time feedback and analyze complex data more effectively, offering insights into the success of their programs (Pigni et al., 2016). Furthermore, developing clear social impact metrics and encouraging collaboration among organizations can enhance the standardization of reporting systems. Standardized reporting allows for better comparison of impacts across organizations, thereby increasing transparency and accountability (Retolaza, 2021).

Transparency and Reputation Management

In non-profit organizations (NPOs), transparency and reputation management are essential to securing long-term trust and support from stakeholders (Ortega-rodr & Licer, 2020). Transparency involves the open reporting of resource use and social or environmental outcomes, which is crucial for building public trust (Gisladottir et al., 2022). NPOs rely heavily on external funding, making transparency critical in maintaining solid relationships with stakeholders, including donors, communities, and governments (Gamble et al., 2020). Reputation management, on the other hand, refers to shaping public perceptions of the organization. Transparency influences how stakeholders perceive an organization's activities and impact (Nielsen, 2020). Research shows that transparency positively influences an organization's reputation. NPOs openly reporting their social and environmental effects tend to earn greater stakeholder trust. Donors, for instance, are more likely to support organizations that demonstrate how their contributions are being used effectively. This transparency enhances the organization's legitimacy and fosters stronger, long-term relationships with its supporters. By consistently practicing transparency, NPOs can ensure ongoing support from donors and the wider community (Sibisi & Makka, 2022).

Conversely, a lack of transparency can lead to reputational damage. When there is a gap between an organization's claims and the actual impact experienced by stakeholders, mistrust can develop (Gulati & Wohlgezogen, 2023). This can lead donors and communities to question whether the organization is using resources efficiently, potentially resulting in a loss of support. Studies suggest that it is difficult for organizations to regain credibility once trust is broken, highlighting the importance of maintaining transparent practices (Rouault & Albertini, 2022). Despite the benefits of transparency, many NPOs, especially smaller ones, need help implementing transparent practices. More resources, such as insufficient funding and expertise, often prevent these organizations from adopting comprehensive social accounting systems (Barbera et al., 2020). However, innovative solutions, such as using technology for data collection and reporting, can help NPOs overcome these barriers and maintain transparency, even with limited resources (Sibisi & Makka, 2022). Leveraging technology and developing standardized social impact metrics effectively address these challenges. Digital tools allow NPOs to gather and analyze data efficiently, providing accurate reports that foster stakeholder trust. Standardized metrics help ensure consistency in reporting, allowing stakeholders to compare impacts across organizations easily. Collaboration between NPOs also supports resource sharing and adopting best practices in transparency (Retolaza, 2021).

Regulatory and Institutional Pressures

Regulation is critical in encouraging non-profit organizations (NPOs) to adopt social accounting practices. In regions with robust regulatory frameworks, like many parts of Europe, NPOs are more likely to formally implement social accounting due to external pressures from government and regulatory bodies (Aureli et al., 2020). These authorities often require NPOs to report their social and environmental impacts to promote transparency and accountability (Ortega-rodr & Licer, 2020). This regulatory environment helps integrate social accounting into organizational governance, making it a fundamental part of how these organizations operate. Philip Kotler would argue that strong regulation

is essential to promoting the widespread adoption of social accounting practices. With regulatory pressure, many organizations might prioritize comprehensive social reporting (Caputo et al., 2021). However, there is a significant regulatory gap across different regions. In areas with weaker regulatory frameworks, such as parts of Asia and Africa, NPOs often adopt social accounting practices more slowly. Literature suggests that many organizations need clear mandates from local authorities to see the need for detailed social and environmental reporting. This has led to disparities in the adoption of social accounting across regions and sectors. Kotler would emphasize the need for global regulatory harmonization to improve reporting standards worldwide, ensuring that all NPOs are held to consistent standards of social accountability (Nielsen, 2020).

Institutional pressures from international donors and global networks significantly influence the adoption of social accounting among non-profit organizations (NPOs). NPOs seeking international funding often face stricter social reporting requirements to remain competitive. Large philanthropic organizations and global institutions demand high levels of transparency and detailed reporting (Ortega-rodr & Licer, 2020). This puts pressure on NPOs, especially in developing countries, to comply with more rigorous standards, even when local regulations may not require such practices (Gamble et al., 2020). However, the institutionalization of social accounting remains in its early stages. The extent of adoption varies across regions and sectors. Larger, well-resourced NPOs tend to lead the way in integrating social accounting, while smaller organizations face challenges in fully implementing these practices due to limited resources (Rouault & Albertini, 2022). To overcome these challenges, Kotler would recommend the development of more robust global regulatory frameworks and policies linking funding to comprehensive social reporting. Additionally, collaboration between international organizations, governments, and the private sector is essential for supporting the institutionalization of social accounting. This approach would provide NPOs with the necessary resources to meet global standards of transparency and accountability (Retolaza, 2021).

Opportunities for Innovation in Social Accounting

Technological advancements have significantly transformed social accounting practices, making it easier for non-profit organizations (NPOs) to measure and report their social and environmental impact. Tools like cloud-based accounting systems, impact dashboards, and AI-powered analytics now enable real-time data collection and reporting, allowing organizations to meet stakeholder expectations more accurately (Rîndas, 2023). These technologies have enhanced the breadth and depth of data collection, empowering NPOs to present comprehensive and transparent reports that align with their missions (Organizations et al., 2016). Philip Kotler highlights the importance of adopting these tools to help NPOs innovate in their social accounting practices, enabling them to drive more meaningful social change through efficient reporting mechanisms. Cloud-based systems provide real-time access to data from multiple locations, facilitating collaboration within organizations and improving decision-making (Gamble et al., 2020). Impact dashboards visualize key performance indicators, offering a clear overview of a program's progress. At the same time, AI-driven analytics can help organizations analyze complex datasets to identify patterns and insights that were previously difficult to detect. AI has also enhanced the ability of NPOs to respond to shifts in social conditions quickly, allowing organizations to refine their strategies based on real-time feedback (Sibisi & Makka, 2022). Kotler argues that integrating such technologies accelerates innovation in social accounting and enables NPOs to amplify their impact.

Digital platforms and social media have transformed how non-profit organizations (NPOs) communicate with stakeholders, enabling real-time engagement and transparency. These tools allow NPOs to share their impact stories dynamically and interactively, fostering greater trust and credibility with donors and beneficiaries (Retolaza, 2021). Philip Kotler emphasizes that these innovations strengthen stakeholder relationships by facilitating ongoing dialogue. Additionally, AI-powered analytics provide opportunities for deeper insights into social impact. By identifying trends and patterns, NPOs can better assess the long-term effects of their programs and make data-driven decisions more efficiently (Nielsen, 2020). AI's speed and precision enable organizations to process large datasets quickly, enhancing responsiveness. Collaboration among NPOs, governments, and international organizations has led to the development of standardized social reporting frameworks,

increasing accountability and consistency across the sector (Rouault & Albertini, 2022). These standards allow NPOs to benchmark progress and compare social values more effectively. Finally, Big Data enables NPOs to analyze extensive datasets, offering more profound insights into community needs and social trends. This allows for more targeted program development, increasing the overall impact of initiatives (Retolaza, 2021). Kotler suggests that Big Data can revolutionize impact measurement, offering precision and accountability at new levels.

Research Design and Methodology

Study Design

This research employs a qualitative systematic literature review (SLR) to explore the opportunities and challenges in social accounting for non-profit organizations (NPOs). The SLR method was selected because it enables a comprehensive examination of existing literature, allowing for the synthesis of multiple studies to identify trends, gaps, and emerging themes in social accounting innovations. By systematically reviewing peer-reviewed articles, reports, and relevant academic papers, this study aims to provide a holistic understanding of how technology, AI, and data analytics transform NPOs' social reporting practices.

The Sample Population or Subject of Research

This research includes a wide range of published literature on social accounting in NPOs, including studies on technological innovations, AI integration, Big Data applications, and digital communication strategies. It focuses on works published from 2018 onward to capture recent developments and trends. Both theoretical and empirical studies are considered to ensure the inclusion of diverse perspectives on social accounting practices.

Data Collection Techniques and Instrument Development

Data for this systematic review are collected from academic databases such as Scopus, Web of Science, and Google Scholar. The selection criteria for literature include relevance to social accounting in NPOs, publication date (after 2018), and peer-reviewed status. Keywords such as "social accounting," "non-profit organizations," "AI in social impact," and "Big Data" were used for research. No instruments were developed for this SLR, as it relies on secondary data collection.

Data Analysis Techniques

The analysis follows a thematic approach where the selected literature is categorized based on recurring themes and patterns. Thematic analysis allows the researcher to identify key challenges and innovations in social accounting practices, focusing on the role of technology, AI, and data analytics. Findings are synthesized and discussed, and these innovations can be leveraged to enhance transparency, accountability, and impact measurement in NPOs.

Findings and Discussion

Findings

This research highlights significant challenges non-profit organizations (NPOs) face in implementing social accounting, particularly in developing countries. One of the primary challenges is the need for more resources. Many NPOs, especially those operating in resource-constrained environments, need help to adopt comprehensive social accounting systems due to limited financial resources and access to technology. Implementing such systems requires substantial software, training, and infrastructure investment, which smaller NPOs often need help to afford. This situation becomes even more pronounced in regions with restricted access to advanced technologies. For instance, organizations in rural or underdeveloped areas might need help acquiring and maintaining the necessary tools for practical social accounting (Sibisi & Makka, 2022). This creates a significant barrier to transparency and accountability, as these organizations cannot provide detailed and accurate reports on their social impact. In addition to financial constraints, many need more expertise within many NPOs. Social accounting is a specialized field that requires a deep understanding of data

management, impact measurement, and reporting techniques. Unfortunately, many NPOs lack access to professionals with these skills. This gap in expertise further hinders the implementation of social accounting, as organizations need help to design and execute effective reporting frameworks. The issue is particularly acute in smaller organizations, where the workforce often comprises generalists who handle multiple roles, leaving little room for specialization. The absence of structured training programs and resources for capacity building in social accounting compounds this problem, making it difficult for NPOs to establish a reliable system for tracking their social and environmental impact.

Another critical challenge identified in the research is the variation in cultural and regional factors that influence the adoption of social accounting. Countries and regions have varying perceptions of transparency and accountability, affecting how NPOs approach social accounting. For instance, well-established norms and regulations in many developed countries encourage rigorous reporting practices. However, these standards may need to be more defined or present in developing countries. Cultural attitudes towards transparency may also vary, with some communities placing less emphasis on formal reporting processes. This can lead to consistency in how social accounting is implemented across regions. As Rouault & Albertini (2022) point out, the lack of uniform expectations regarding social accounting can create disparities in the quality of reporting, making it difficult to compare the social impact of organizations operating in different contexts.

Despite these challenges, the research also highlights several opportunities for innovation in social accounting, mainly through technology. Technological advancements, such as cloud-based accounting systems and AI-powered analytics, offer significant potential for improving the efficiency and accuracy of social accounting practices. These tools enable NPOs to collect real-time data, analyze large datasets, and generate comprehensive reports meeting stakeholders' expectations. For example, cloud-based systems allow organizations to store and manage data remotely, reducing the need for expensive on-site infrastructure. This is particularly beneficial for NPOs operating in remote or resource-limited areas, enabling them to access advanced accounting tools without significant upfront investment. Additionally, AI-driven analytics can help organizations identify patterns and trends in their data, providing deeper insights into their social impact and allowing for more informed decision-making (Retolaza, 2021).

Big Data is another critical innovation promising to enhance social accounting practices. Big Data allows NPOs to gather and analyze information from various sources, including social media, surveys, and public records. By leveraging these large datasets, organizations can gain a more nuanced understanding of the communities they serve and the effectiveness of their programs. This enables them to tailor their interventions more precisely to meet the needs of their target populations. Moreover, Big Data can provide valuable insights into the long-term impact of an organization's activities, allowing NPOs to demonstrate the sustainability of their programs to donors and other stakeholders (Gamble et al., 2020). The research also emphasizes the importance of collaboration between NPOs and international institutions to overcome resource constraints and strengthen social accounting practices. Smaller NPOs can access the resources and expertise needed to implement effective social accounting systems by partnering with larger organizations or government agencies. These collaborations can take various forms, including joint training programs, resource sharing, and the development of standardized reporting frameworks. Such partnerships are precious in regions where access to technology and skilled professionals is limited, as they provide smaller organizations with the support they need to improve their reporting capabilities.

In addition to collaboration, developing standardized social reporting frameworks is crucial for ensuring consistency and comparability in social accounting. The lack of uniform standards for social accounting has been identified as a significant barrier to transparency and accountability, particularly in regions where regulatory frameworks are weak or nonexistent. Standardization would provide NPOs with clear guidelines for measuring and reporting their social impact, making it easier for stakeholders to assess the effectiveness of their programs. Furthermore, standardized reporting would enable organizations to benchmark their performance against others in the sector, fostering a culture of continuous improvement (Rouault & Albertini, 2022). International institutions, such as the United Nations or the World Bank, could lead in developing these frameworks and encouraging their adoption across the sector. Finally, the research underscores the long-term benefits of social accounting for

organizational sustainability. When NPOs implement effective social accounting practices, they are better positioned to build stakeholder trust, secure long-term funding, and enhance sustainability. Transparent and accurate reporting allows organizations to demonstrate the value of their work, which can attract additional support from donors, partners, and the public. In an increasingly competitive funding environment, articulating social impact is critical for NPOs seeking to differentiate themselves from other organizations. By investing in social accounting, NPOs can improve their operational efficiency and strengthen their relationships with stakeholders, ensuring the continued success of their programs (Retolaza, 2021).

Discussion

The findings of this research highlight significant challenges and opportunities in implementing social accounting within non-profit organizations (NPOs). The results demonstrate how resource limitations, lack of expertise, and cultural and regional factors create substantial barriers to NPOs adopting social accounting practices. However, the research also reveals the potential for technology and collaboration to mitigate these challenges and enhance transparency and accountability, particularly in resource-constrained environments. In this discussion, we will provide a detailed interpretation of the results, connect them with the initial hypotheses, link them to relevant theories, compare them with previous studies, and explore their practical implications. The study's findings align with the hypothesis that NPOs, especially those in developing countries, face significant difficulties implementing comprehensive social accounting practices due to financial and technological limitations. The data indicates that these organizations often operate with tight budgets, which makes it difficult to allocate funds for the technological infrastructure necessary for detailed social reporting. Additionally, the need for more access to advanced technologies such as cloud-based accounting systems and artificial intelligence (AI) for data analysis exacerbates this problem. This supports the hypothesis that resource constraints are a significant factor inhibiting the effective implementation of social accounting (Sibisi & Makka, 2022).

From a conceptual standpoint, these findings can be interpreted within the broader framework of organizational theory, which suggests that resource dependency and institutional pressures influence how organizations operate. NPOs are heavily dependent on external resources such as donor funding, and this dependence shapes their ability to implement sophisticated systems like social accounting. When resources are scarce, as is often the case in developing regions, organizations are less likely to adopt practices that require significant financial or technical investment. This is consistent with resource dependency theory, which posits that the organization's external resources constrain an organization's strategic decisions. Additionally, the data confirms that NPOs with limited access to skilled personnel struggle to implement social accounting effectively. This gap in expertise further complicates the adoption of social reporting frameworks, as smaller organizations often do not have the human capital needed to manage complex data collection and analysis processes (Gamble et al., 2020). The study also tested the hypothesis that cultural and regional variations significantly influence the adoption of social accounting. The results indicate that NPOs in developed countries, where social accounting practices are more established and supported by regulatory frameworks, tend to have better systems for measuring and reporting their social impact. In contrast, NPOs in developing regions often need more cultural emphasis on transparency and accountability, which leads to consistent or complete social reporting. This finding aligns with institutional theory, which suggests that organizations adapt their practices to fit within the cultural and regulatory environments in which they operate. In developed countries with clear expectations for transparency and accountability, NPOs are more likely to adopt social accounting as part of their standard operating procedures. However, in regions where such expectations are less pronounced, NPOs may not feel the same pressure to adopt these practices (Rouault & Albertini, 2022).

When comparing these findings with previous research, several similarities and differences emerge. Prior studies, such as those conducted by Sibisi & Makka (2022), also emphasize the critical role that resource availability plays in determining whether NPOs can successfully implement social accounting. These earlier studies identified similar financial and technological barriers, particularly in developing countries, where NPOs often lack the infrastructure for detailed reporting. Our findings

are consistent with this body of research, reinforcing the argument that resource limitations are a key obstacle. However, our study extends the conversation by highlighting the specific impact of technological innovation, such as AI and Big Data, which previous research has yet to explore in detail. The study by Retolaza (2021) supports our findings regarding the opportunities presented by technological innovation. Their work shows that cloud-based accounting systems and AI-driven analytics have the potential to revolutionize social accounting by making data collection and analysis more efficient and cost-effective. Our study builds on these insights by demonstrating that while technology offers a solution, the digital divide remains a significant barrier, especially for smaller NPOs in developing regions. Thus, while technology provides a potential solution, access to such tools is uneven across the sector.

Regarding cultural and regional factors, our results align with Rouault & Albertini (2022), who found that the adoption of social accounting varies significantly depending on cultural attitudes toward transparency. In countries with robust regulatory environments and cultural accountability expectations, such as Europe and North America, NPOs are more likely to adopt comprehensive social reporting practices. In contrast, NPOs tend to have more robust social accounting systems in regions where transparency is less culturally ingrained. This supports the idea that institutional pressures, both formal (regulations) and informal (cultural norms), shape how organizations approach social accounting. However, one notable departure from previous research is our study on the role of international collaboration in solving these challenges. While earlier studies have primarily focused on the internal factors affecting NPOs' ability' to implement social accounting, our findings suggest that collaboration with international institutions and governments can help smaller NPOs overcome resource and expertise limitations. Smaller NPOs can access the technological and human resources needed to implement more effective social accounting systems by partnering with larger organizations or donor agencies. This highlights the importance of external partnerships in strengthening NPOs' canopy for transparency and accountability.

The implications of these findings are significant for both theory and practice. Theoretically, the study contributes to understanding how resource dependency, institutional pressures, and cultural factors intersect to shape the implementation of social accounting in NPOs. It reinforces the notion that NPOs are not isolated entities but are embedded within a more extensive system of dependencies and pressures that influence their strategic decisions. From a practical perspective, the study provides actionable recommendations for NPOs seeking to improve their social accounting practices. First, the findings suggest that NPOs should prioritize building partnerships with international organizations to overcome resource constraints. These partnerships can provide access to funding, technology, and expertise elsewhere. Second, the study highlights the importance of investing in technology to enhance social reporting. While not all NPOs have the resources to invest in advanced technologies like AI or cloud-based accounting systems, those that do can significantly improve their ability to collect, analyze, and report on social impact. This may mean seeking grants or external funding for technological upgrades for smaller organizations. Governments and international donors can also provide targeted funding for technological improvements in the non-profit sector. Third, the findings suggest that NPOs should focus on capacity building within their organizations. This includes training staff in social accounting practices and data management, which can help address the skills gap that currently hinders the implementation of effective reporting systems. By investing in staff development, NPOs can improve their ability to manage the complexities of social accounting and provide more accurate and transparent reports to stakeholders. Finally, the study underscores the need for greater standardization in social accounting practices across different regions. This could be achieved by developing international guidelines or frameworks that set minimum standards for social reporting. Creating a more standardized approach would make it easier for stakeholders to compare the social impact of different organizations, regardless of where they operate. This would not only improve transparency but also enhance the overall credibility of the non-profit sector.

Conclusion

This study examined the challenges and opportunities non-profit organizations (NPOs) face in implementing social accounting, particularly in resource-constrained environments. The findings confirm that NPOs, especially those in developing countries, struggle with financial limitations, lack of expertise, and variations in cultural and regional norms regarding transparency and accountability. These factors make it difficult for organizations to adopt comprehensive social reporting systems. However, the research also highlights the potential of technological innovations such as AI, Big Data, and cloud-based systems to mitigate these challenges and enhance the efficiency of social accounting. Collaboration with international organizations emerged as a critical strategy for addressing resource and capacity gaps.

The study provides significant value to both academic literature and practical management. In terms of scientific contribution, this research expands on existing theories by demonstrating how resource dependency, institutional pressures, and cultural factors intersect to shape the implementation of social accounting in NPOs. The study also offers practical implications by suggesting that NPOs can overcome financial and technological limitations through strategic partnerships and innovative technologies. From a managerial perspective, NPO leaders are encouraged to invest in staff capacity building, leverage technological solutions, and seek international collaborations to improve transparency and accountability. This study's originality lies in its comprehensive analysis of the specific challenges faced by NPOs in resource-constrained environments, offering actionable recommendations for enhancing social reporting practices.

Despite its contributions, the study has certain limitations. One fundamental limitation is the focus on developing regions, which may not fully capture the experiences of NPOs in more developed countries where regulatory frameworks and technological access differ. Future research should explore how NPOs in developed regions navigate these challenges, particularly by leveraging advanced technologies for social accounting. Additionally, the study primarily relied on qualitative data, and future research could benefit from quantitative analysis to provide a broader understanding of how widespread these challenges and opportunities are across different regions and organizational sizes. Researchers are encouraged to investigate international institutions' role in standardizing social accounting frameworks and the long-term impact of these practices on organizational sustainability.

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