

Introduction to the special issue

Social innovation has gained prominence in research, public policy and for the political economy over the last decade. On the research front, several social innovation research centers have been created in North and Latin America, as well as in Europe. These research centers build on different intellectual traditions (e.g. sociology, management, economics, geography), on different conceptions of social innovation (e.g. as a product and/or a process, which aims to respond to local needs or radically transform society), as well as on different research methods (e.g. from more participatory to more classical research methods). On the public policy front, several governments have been designing and funding social innovation policies in the European Union, Québec and Canada among others. On the political-economic front, in the context of post-industrial societies and economies, social innovation is recognized as a source of value creation for society, territories, and organizations as well as a novel way to address complex challenges such as ecological and democratic crises. As Westley *et al.* (2014, p. 234) state, “[t]he evident seriousness of today’s most pressing social problems adds momentum to discussions around the concept of social innovation.” While social innovation may be seen as a panacea, citizens, researchers and policy makers alike know it is by no means simple to grasp, generate, replicate or organize. This special issue of *Management Decision* aims to shed light on the challenges of organizing (for) social innovation in social enterprises.

The roots of this special issue of management decision

In 2016, our initial intention with the call for papers for this special issue was to connect two blossoming communities of scholars. The first one is interested in the management of organizational tensions and paradoxes. As clearly demonstrated by recent reviews made by Smith and Lewis (2011), Putnam *et al.* (2016) and Schad *et al.* (2016), this community is highly dynamic, and fast growing. Paradox scholars have studied a wide range of paradoxes and related phenomena in various organizational contexts: for example, between exploration and exploitation, control and autonomy, and continuity and change, to name but a few. Our proposed special issue aimed to generate further insights on some paradoxes that have more recently gained interest with respect to social enterprises broadly defined and social innovation, for example between social and financial goals (Smith *et al.*, 2013), but also on others that had, to best of our knowledge, not yet been explored in the paradox literature. One of these less-studied paradoxes is that between innovation and institutionalization, common in the diffusion of social innovations, a challenge notably observed in initiatives aimed at scaling up social innovation projects (Westley *et al.*, 2014). We also aimed to reach a second, growing community of researchers interested in social enterprises that foster social innovation, whether these relate to individual or collective initiatives, hybrid and other pluralistic forms of organization. While in the USA the social enterprise management literature often refers to the social-purpose business, in Europe and Quebec, traditionally, the focus has been on social and solidarity organizations such as cooperatives and nonprofits, among others (see for instance Defourny and Nyssens, 2010). We hoped our call would generate empirical accounts of multiple types of social enterprises to gain insights into the additional paradoxes potentially generated by the democratic and collective nature of social and solidarity organizations.

We circulated our call for papers in these communities and invited scholars to explore and examine more specifically the nexus between social innovation – as an intent and aspiration



toward social and societal change so as to address unmet social needs – and organizing/ organizations, which are the locus where social innovation and related tensions may emerge. Our assumptions on the nexus between social innovation and organizing were the following. First, organizing processes and organizations in which social innovation occur may have different forms and labels; in other words, social innovation is not restricted to a single sector or to a specific organizational form. Second, while some organizational forms – such as social enterprises or cooperatives – may have “natural” affinities with social innovation as they themselves result from past social innovations, these organizations may face paradoxical situations and tensions in triggering and generating social innovation, and the generation of social innovation may challenge them directly. Third, we assumed that examining processes and the inherent tensions in these processes was more fruitful than focusing on elusively defined, or self-attributed “successes” or “failures” of social innovation.

By adopting an explicitly open conception of the organizational forms through which social innovation can emerge, this special issue aimed to foster comparisons and dialogue between communities of researchers and to showcase social innovations in multiple, diverse contexts.

The special issue

In all, our call for papers generated 31 submissions from North America, South America, Europe and Asia. Here we want to seize the opportunity to thank the researchers who submitted their papers, but also the many reviewers involved in the process. They helped us evaluate the manuscripts and provided authors with insightful and constructive feedback aimed at enhancing the papers. These engaged reviewers stimulated fruitful exchanges and brought in diverse, rich perspectives on social innovation, social enterprises and paradoxes. The sequence of the articles follows the stages of social innovation: from Belgian nascent organizations (Dufays, 2018) and early stage Chinese social entrepreneurs (Yin and Chen, 2018), to some more established organizations, namely Québec’s multi-stakeholder cooperatives (MSCs) (Michaud and Audebrand, 2018) and a large market-based social enterprise (LMBSE) (Ben Selma *et al.*, 2018). The special issue ends with a Spanish cross-sector partnership in the field of work integration (Mato-Santioso *et al.*, 2018).

Frédéric Dufays’ “Exploring the drivers of tensions in social innovation management in the context of social entrepreneurial teams” aims to identify tensions experienced by social entrepreneurial teams that emerge during the invention and implementation stages of social innovation, and highlights the factors that influence the types of tension encountered. Based on four theoretically selected case studies, Dufays puts forward that in nascent social innovation teams, the predominant tensions were related to goals and identity during the invention stage, and related to time and knowledge during the implementation stage. Interestingly, Dufays’ results also suggest that social-business tensions are not necessarily predominant in social innovation management. Moreover, the size of the entrepreneurial team, the nature of the social innovation, and the interest orientation – that is, the overlap between the interests of entrepreneurial team members and beneficiaries – are found to play a role in the type of tensions encountered and their content. This research is in contrast to most existing studies, given its focus on nascent social innovation projects developed by teams, instead of individual social entrepreneurs.

Juelin Yin and Huan Chen’s “Dual-goal management in social enterprises: evidence from China” also focuses on nascent social enterprises. It aims to disentangle the strategies that social entrepreneurs adopt to manage the tensions between dual business and social goals to achieve organizational viability. The research was based on in-depth, semi-structured interviews with Chinese social entrepreneurs, observation of social enterprises as well as analysis of secondary sources. Yin and Chen conclude that depending on personal motivations and resource availability, social entrepreneurs’ strategies toward the pursuit of dual goals range from integration to differentiation in the short term, despite consensus on

the need for their concurrent development in the longer term. In addition, Yin and Chen find that Chinese social enterprises leverage resources, image management, continuous innovation and need-based services to create both social and economic value. Finally, they identify strategies by which synergistic benefits between dual goals may be achieved, namely through innovation (e.g. in resource utilization, in service format and content) and differentiation (e.g. in organization positioning), which would be beneficial in enhancing the competitiveness of social enterprises evolving in the “resource-constrained and institutionally ambiguous environment” of China.

While Dufays, and Yin and Chen looked at emergent, nascent social enterprises, both Michaud and Audebrand’s, and Ben Selma, Vézina, and Malo’ articles focus on social enterprises in more mature stages. Myriam Michaud and Luc Audebrand’s *Inside out, outside in*: “supporting members” in multi-stakeholder cooperatives (MSCs) examine MSCs, a relatively new, innovative type of cooperative, by focusing on the impact of a new member status, namely “supporting members” who are included in the cooperative’s ownership structure, participate in the decision-making process and contribute to the share capital without being formally defined as users of the cooperative’s services. Based on a qualitative study in the Canadian province of Québec, Michaud and Audebrand’s study suggests that including supporting members in the cooperative venture impacts the three core features of cooperatives, which are traditionally user-owned, user-controlled and user-benefiting. More specifically, the inclusion of supporting members allows MSCs to become an experiment in “stakeholder democracy” and a space for negotiation between organizations, citizens and institutions, as MSCs represent and embody some of the community’s needs and desires. The authors contribute to the paradox literature by describing the specific upward and downward spirals related to the inclusion of supporting members, that may reinforce the cooperative’s social mission or in a downward spiral threaten the cooperative’s sustainability. The paper also highlights innovative responses to these paradoxes and extends our understandings of cooperatives as hybrid organizations entangled in bundles of paradoxes.

In *Exploring the social innovation process in a LMBSE: a dynamic capabilities approach*, Majdi Ben Selma, Martine Vézina and Marie-Claire Malo demonstrate that LMBSEs have the potential to generate and organize social innovation. More specifically, through the lenses of Teece’s (2007) dynamic capabilities (“sensing,” “seizing” and “reconfiguring”), the authors analyze the process by which Desjardins Group launched the innovative Desjardins Environment Fund, the first investment fund in North America to integrate environmental screening. Their longitudinal case analysis shows that dynamic capabilities can be conceived of as stages in the process of social innovation. Sensing refers to the capability to identify a societal demand for social transformation. Seizing capability is about shaping societal demand into a commercial offer. Reconfiguring concerns organizational innovation to integrate existing and new knowledge through innovative routines. Microprocesses of both path dependency and path building are in action in each of the three stages. By exploring the organizational dimension of a social innovation process, Ben Selma, Vézina and Malo’s research highlights how managing dynamic capabilities is central to social innovation in the context of a LMBSE. Further, they explicitly discuss the managerial implications via an analysis of the microprocesses at work in the social innovation process, showing how these microprocesses are both connected to the specific character of the cooperative and its institutionalized nature.

The last article of this special issue focuses on the paradoxes related to the emergence of a Spanish cross-sectoral partnership (CSP) designed to address the important societal issue of work integration. Vanessa Mato-Santoso, Marta Rey Garcia and Nuria Calvo’s “Collective social enterprises for social innovation: Understanding the potential and limitations of cross-sector partnerships in the field of work integration” aims to understand the sources of the competitive advantage of CSPs as a strategic option for social innovation. Their conceptual

design integrates two interrelated dimensions of CSP's competitiveness – resources and coordination – and their corresponding indicators. The case study is a large CSP in the field of work integration studied during its formation and implementation stages (2012–2016) in Spain. The authors identify three types of tensions which influence partnership outcomes: the tensions between hierarchical and horizontal commitment; the tension between competition and collaboration; and the tension between managerial efficiency and social transformation. The originality of this research is to highlight the pivotal role of product development for the organizing of social innovation in a CSP context and to propose a conceptual framework that paves the way for future research on the sources of competitive advantage of CSPs, facilitating the assessment of their performance in terms of socially innovative outcomes.

Together, the five papers included in this special issue enrich and expand our initial assumptions about the challenges and paradoxes of organizing for social innovation in social enterprises. From a Spanish cross-sector partnership, Chinese social business ventures, Belgian collective social enterprises, Québec solidarity cooperatives to a long established Canadian financial cooperative we observe that social innovation may take different forms and emerge in very different contexts. The variety of empirical cases studied display a common denominator: that of the diverse tensions and paradoxes, be they explicitly exposed (as in Dufays; Mato-Santioso *et al.*; Michaud and Audebrand and Yin and Chen's papers) or implicitly touched upon throughout the case (in Ben Selma *et al.*). Yet the diversity of cases also allows us to see that the often-explored social/business tension is just one of many tensions and paradoxes that accompany social enterprises and social innovation. Indeed, collective social enterprises that bring together multiple stakeholders or organizations in democratic governance arrangements definitely offer stimulating avenues for advancing our understanding of paradoxes and of their management, more broadly.

From a processual view on social innovation, the papers show that social innovation may be facilitated by the involvement of multiple stakeholders (see Dufays, Michaud and Audebrand, and Mato-Santioso *et al.*). We also observe that the combination of a democratic organizational governance structure, together with dynamic capabilities can allow more mature and “institutionalized” organizations to generate further social innovation (Ben Selma *et al.*). Finally, while most of the empirical cases presented in this special issue are bottom-up initiatives and while most authors have adopted managerial (and even strategic) perspectives to study them, we must acknowledge the important role the State can and should play in designing legal and institutional contexts that foster social innovation through innovative organizational statuses (as shown in Michaud and Audebrand, and Yin and Chen).

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