Social Innovation

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Period III, 2024

Responsible Teacher:

Associate Prof. Myrto Chliova, PhD

Teaching Assistant:

Juliana Rodrigues, PhD Candidate

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Session 3: Agenda

14.15-14.30 : Warm up

14.30-15.00 : Trade-offs and balancing

15.00-15.15 : Break

15.15-15.50 : Student presentation

15.50-16.50 : Guest speaker: Mikko Salo

16.50 – 17.00: Reflection

Intended learning outcomes

#1: Identify and discuss competently social innovation initiatives that are taking place across sectors such as the corporate, startup, nonprofit, citizen, and government sector.

#2: Analyze competently tensions between the pursuit of social and pragmatic (e.g., financial) objectives in social innovation initiatives and apply effectively theoretical knowledge to propose appropriate ways to resolve such tensions.
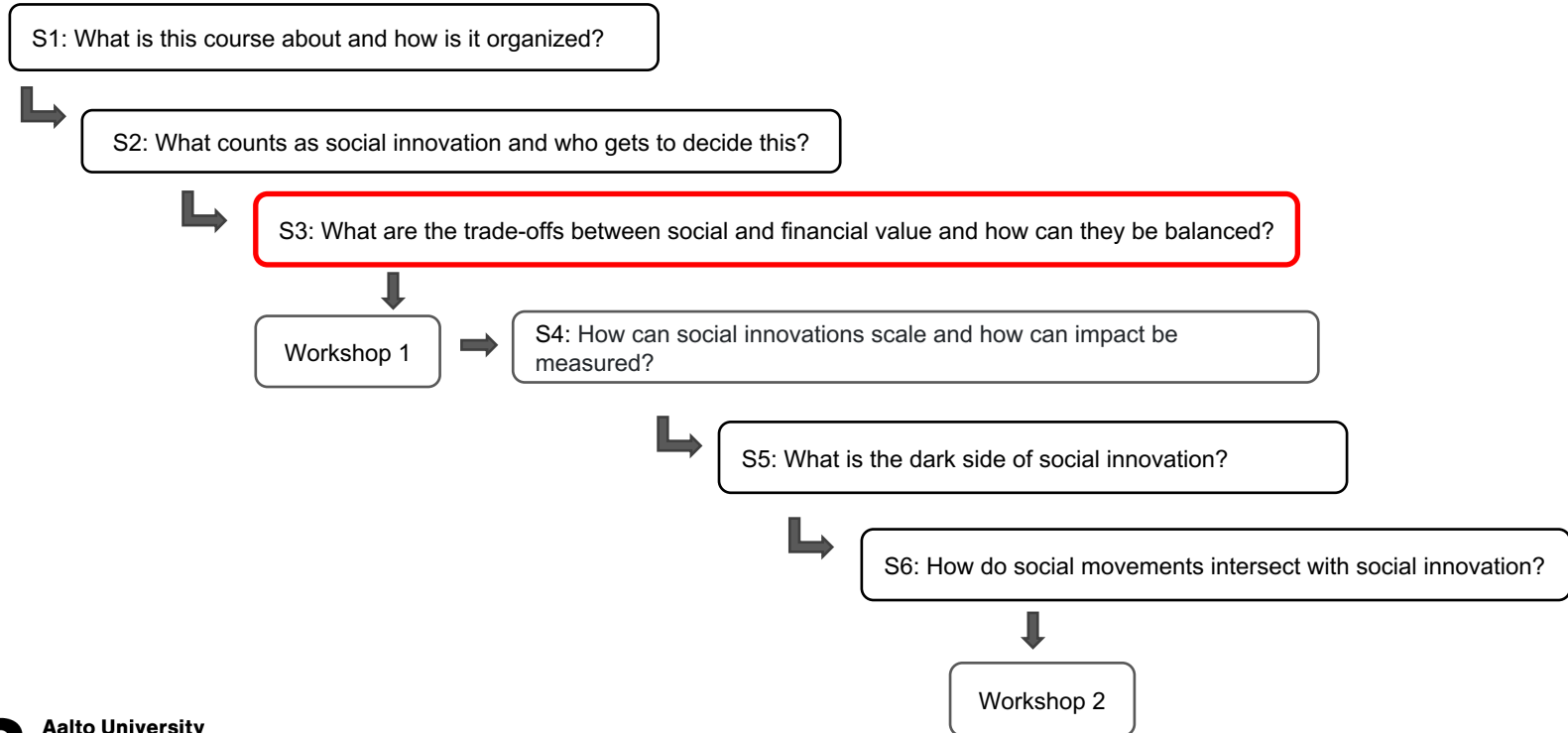
#3: Acquire a thorough understanding of a concrete social problem that interests you, and generate a compelling plan for how to develop a social innovation initiative to address it.
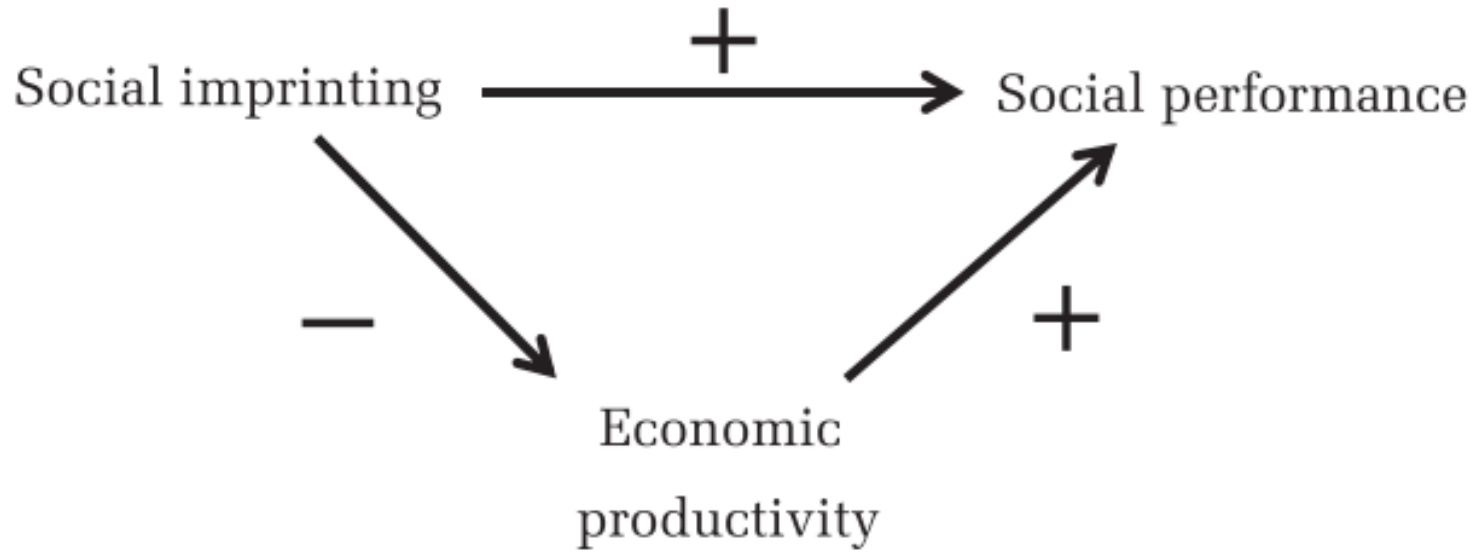
#4: Reflect deeply on the opportunities, barriers and limitations of implementing social innovation initiatives across the corporate, startup, nonprofit, citizen, and government sector.

Today's session in context

S1: What is this course about and how is it organized?

S2: What counts as social innovation and who gets to decide this?

S3: What are the trade-offs between social and financial value and how can they be balanced?

Workshop 1

S4: How can social innovations scale and how can impact be measured?

S5: What is the dark side of social innovation?

S6: How do social movements intersect with social innovation?

Workshop 2

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Is there a trade-off between the social and commercial "logic"?

Or can we expect a "win-win" relationship?

Social imprinting → (+) → Social performance

Social imprinting → (−) → Economic productivity → (+) → Social performance

Social imprinting= emphasis on social mission

Source: Battilana et al., 2015.
Sample of work integration social enterprises (employee model)

Balancing practice #1: create spaces of negotiation

	ALPHA **Single integrator model**	**BETA** **Spaces of negotiation model**
Structure	Board composed of social activists	Board composed of social activists
	Executive director, with both social sector and business experience, in charge of both economic productivity and social performance	Executive director, with both social sector and business experience, in charge of both economic and social performance; deputy director, with business experience, specifically in charge of economic productivity
	Production supervisors manage production, while social counselors provide individualized social support	Production supervisors manage production, while social counselors provide individualized social support
Systems and processes	Ad hoc, one-on-one meetings organized by executive director with either social counselors or production supervisors to handle operational challenges as they arise	Regular and mandatory "regulation meetings," gathering social counselors and production supervisors to discuss both commercial and social operations
	Ad hoc planning of tasks to adapt to clients' and beneficiaries' demands as they arise	Formal planning system to schedule social and production activities, involving social counselors and production supervisors
	Beneficiaries' performance appraisal undertaken by social counselors	Formal performance appraisal process, requiring regular discussions between beneficiaries, social counselors, and production supervisors, to compare assessments of each beneficiary's performance and agree on next steps
		Spaces of negotiation

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Balancing practice #2: "selectively couple" social and commercial logics

Elements	SOCYCLE			TEMPORG		
	Social	Alternative (Decoupling/ Compromise)	Commercial	Social	Alternative (Decoupling/ Compromise)	Commercial
Legal status		✓				✓
Ownership	✓				✓	
Profit destination	✓			✓		
Site form	✓					✓
Site governance	✓			✓		
Procedures localization		✓			✓	
Brand			✓			✓
Monitoring			✓			✓
Professional affiliation	✓		✓	✓		✓
Mobilization of volunteers			✓			✓
Patterns of elements adopted[a]	5	2	4	3	2	6

Source: Pache & Santos, 2013.
Sample of work integration social enterprises

Paradox of organizations emphasizing more the opposite logic from their original one – Why?

"We decided to use **a chameleon tactic**. They think we are the bad guys? Then we are going to prove them, in practice that we are not. And we are going to learn that job that we don't know."

Source: Pache & Santos, 2013.

Balancing practice #3

Hire "blank slate" employees and socialize them into BOTH logics from the beginning through apprenticeship

(Battilana & Dorado, 2010)

Photo credit: flickr//Daniel Gasienica

Balancing practice #4

Hire "pluralist" managers that can integrate employees motivated by different logics through removing ideology

Besharov, 2016

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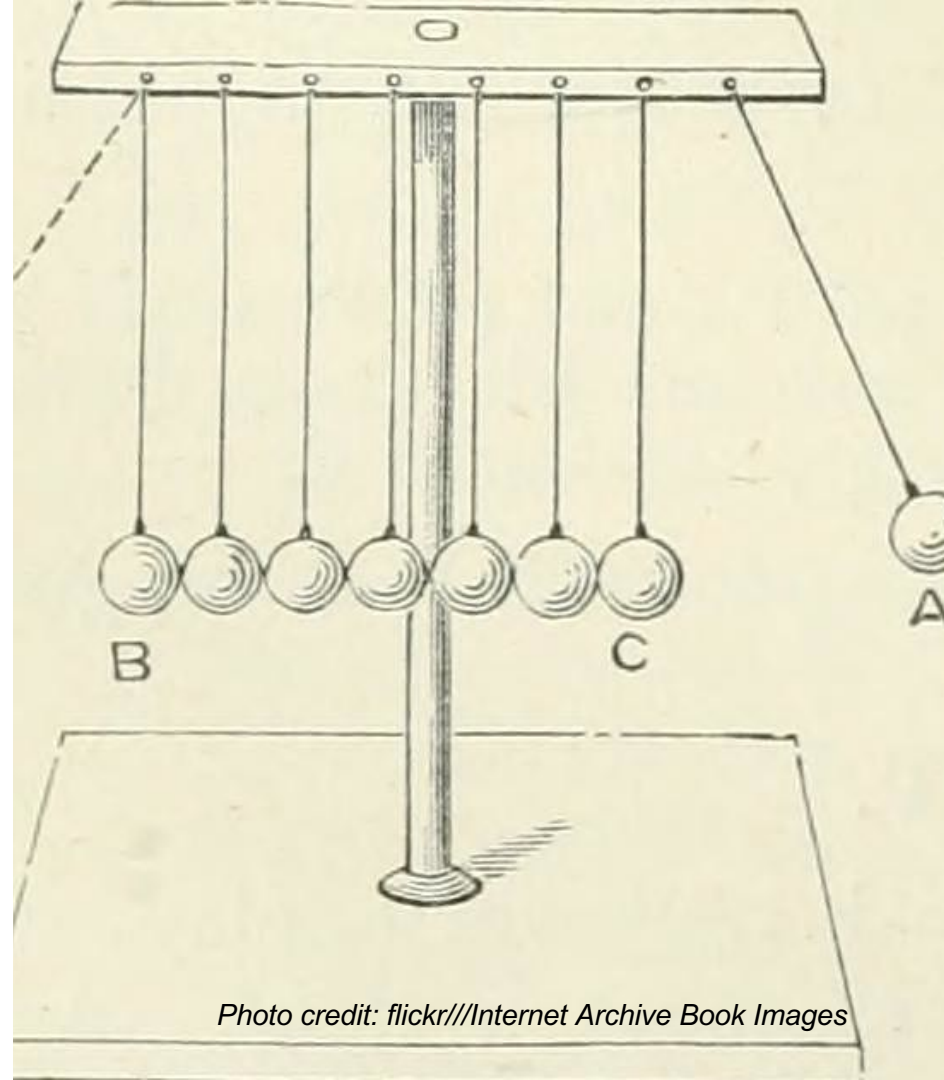School of Business

Do organizations always converge to a point of balance over time?

Balancing practice #5

Pendulum movement between social and business logic - guardrails prevent a swing too far on either side

Source: Besharov & Smith, 2019

B   C   A

Photo credit: flickr///Internet Archive Book Images

In pairs with someone from a different team:

Which of these and the structures / practices of the pre-reading would you apply to your teams' cases for today and why; which would you not apply and why

Break time!

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Student Presentation

Assignments for next time

- 2 Pre-readings

- Team assignments:

  - One mini case write-up
  - One commentary on a mini case of another team

- Individual reflection

or go to
https://presemo.aalto.fi/socinn2024

References

Battilana, J., & Dorado, S. (2010). Building sustainable hybrid organizations: The case of commercial microfinance organizations. *The Academy of Management Journal*, *53*(6), 1419–1440.

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Besharov, M. L. (2014). The relational ecology of identification: How organizational identification emerges when individuals hold divergent values. *Academy of Management Journal*, *57*(5), 1485–1512.

Pache, A.-C. C., & Santos, F. (2013). Inside the Hybrid Organization: Selective Coupling as a Response to Competing Institutional Logics. *Academy of Management Journal*, *56*(4), 972–1001.

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