





# Review of the Academic and Practitioner Literature on Social Innovation

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## Literature Scan

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The [Michael Lee-Chin Family Institute for Corporate Citizenship](#) at the Rotman School of Management, University of Toronto, helps current and future business leaders integrate sustainability into business strategy and practices.  

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## Definitions of social innovation

- “Social innovation is a novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals” (Phills, Deiglmeier & Miller, 2008).
- “Social innovation is an initiative, product or process or program that profoundly changes the basic routines, resource and authority flows or beliefs of any social system. Successful social innovations have durability and broad impact. While social innovation has recognizable stages and phases, achieving durability and scale is a dynamic process that requires both emergence of opportunity and deliberate agency, and a connection between the two. The capacity of any society to create a steady flow of social innovations, particularly those which re-engage vulnerable populations, is an important contributor to the overall social and ecological resilience” (Westley, 2008).
- “Social innovation is the process of developing and deploying effective solutions to challenging and often systemic social and environmental issues in support of social progress” (Centre for Social Innovation, Stanford).

## Mechanisms of social innovation

From Phills, J. A., Deiglmeier, K., & Miller, D. T. (2008, Fall). “Rediscovering Social Innovation.” *Stanford Social Innovation Review; Stanford*, 6(4), 34–43.

### 1. *Exchanging Ideas and Values*

“When nonprofits, businesses, and governments were relatively sequestered, their ideas likewise remained locked inside their sectors’ walls. Nonprofits rarely discussed management or legislation. Businesses seldom sought solutions to social problems, and their contacts with government were often adversarial. And governments taxed and regulated business and handed off responsibility for many social ills to nonprofits.

In recent years, however, nonprofit and government leaders have looked to businesses to learn about management, entrepreneurship, performance measurement, and revenue generation. Government and business leaders have sought nonprofits’ wisdom on social and environmental issues, grassroots organizing, philanthropy, and advocacy. And business and nonprofit leaders have engaged with governments to shape public policy. As a consequence of this cross-pollination, a host of social innovations have emerged.

### 2. *Shifting Roles and Relationships*

A second source of contemporary social innovations is the shifting roles and relationships between the three sectors. Businesses are leading the way on many social issues, working with governments and nonprofits as partners rather than as adversaries or supplicants. Similarly, nonprofits are partnering with businesses and governments in social endeavors. Meanwhile, governments have moved away

from the antagonistic roles of regulator and taxpayer and toward the more collaborative roles of partner and supporter.

### 3. *Integrating Private Capital with Public and Philanthropic Support*

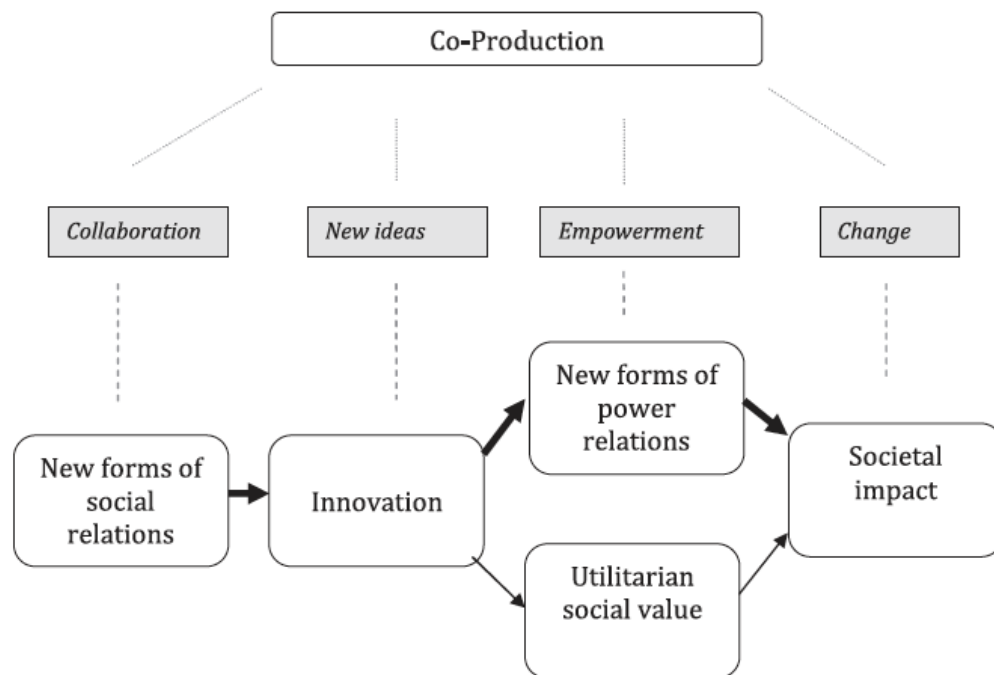
Many social innovations involve the creation of new business models that can meet the needs of underserved populations more efficiently, effectively, and if not profitably, at least sustainably. They do this by having lower cost structures and more efficient delivery channels, and often by blending market and nonmarket approaches, in particular by combining commercial revenue with public or philanthropic financial support. These hybrid business models involve trade-offs and are rife with tensions, but they do overcome many of the limitations purely commercial or charitable organizations face when attacking social problems and needs.”

## Frameworks of Social Innovation

### Framework 1: Social Innovation Pathways

Adapted from Ayob, N., Teasdale, S., & Fagan, K. (2016). “How Social Innovation ‘Came to Be’: Tracing the Evolution of a Contested Concept.” *Journal of Social Policy; Cambridge*, 45, 635–653.

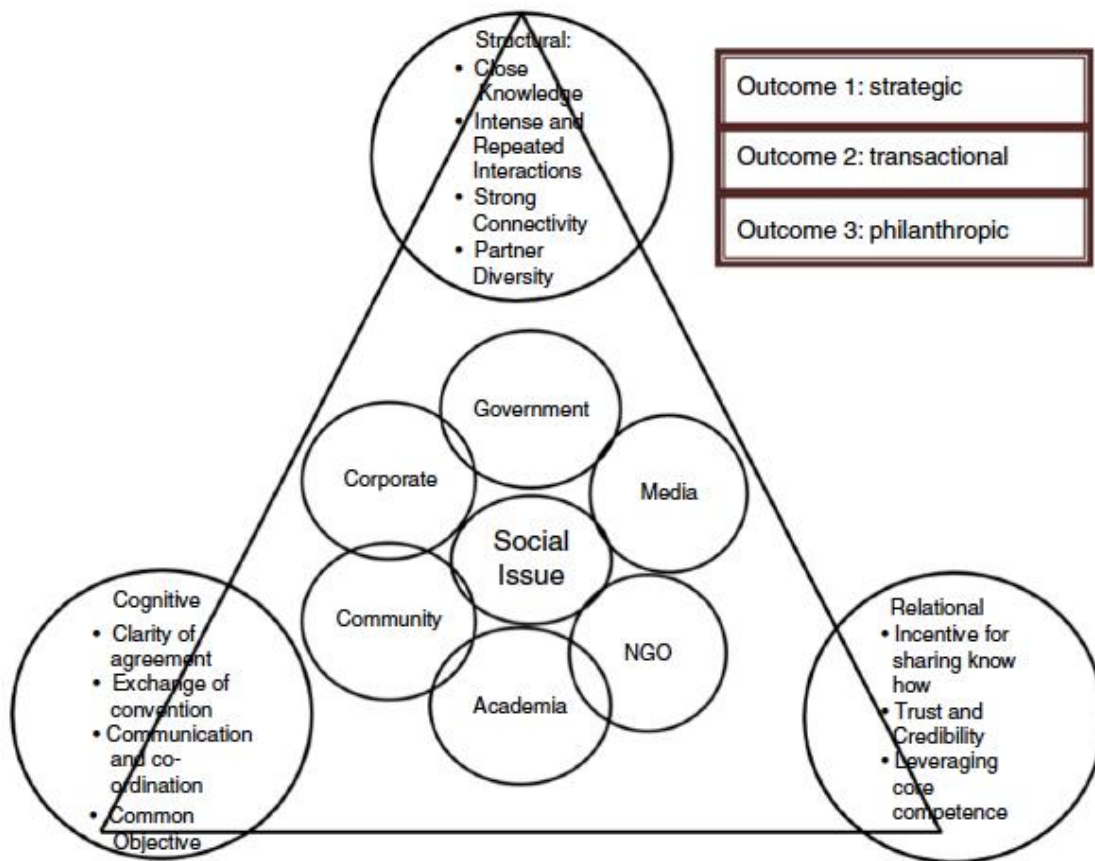
- Social innovation involves new forms of collaboration, whether at an individual or organizational level, often implying new and less hierarchical relationships between government, civil society and citizens.
- Innovations can lead to a restructuring of social and/or extant power relations in the way they are implemented.
- The innovation should have a positive societal impact through its utilitarian value – improving the quality or quantity of life.



**Framework 2: Conceptual Model for Social Innovation**

Adapted from Salim Saji, B., & Ellingstad, P. (2016). "Social innovation model for business performance and innovation." *International Journal of Productivity and Performance Management*, 65(2), 256–274.

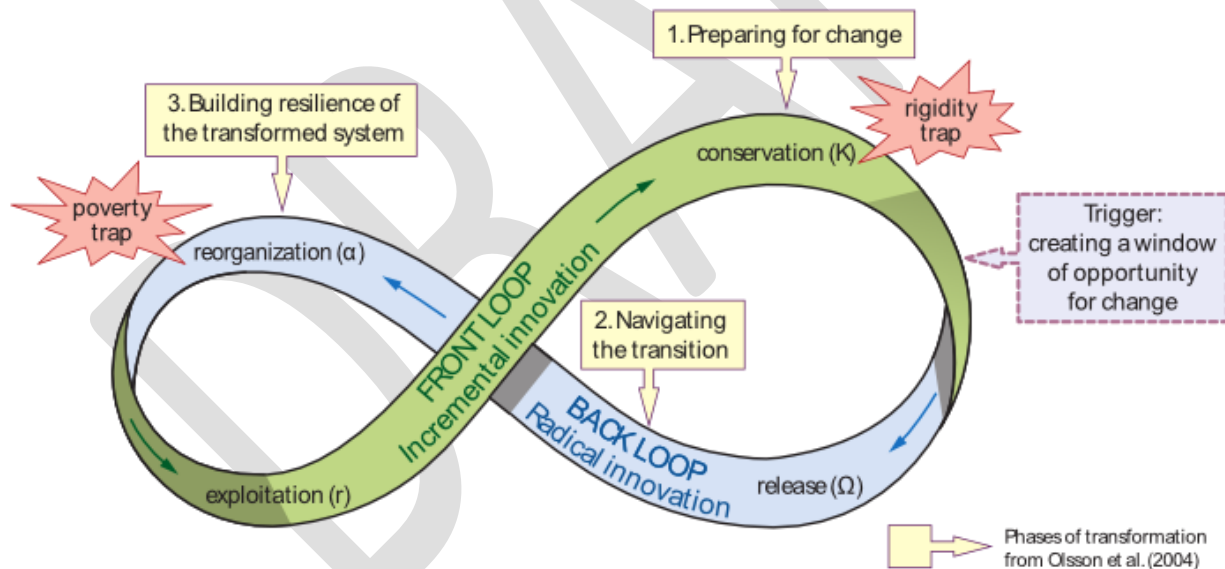
- There are three level of partnership dynamics that happens in a social innovation project - relational, structural and cognitive-level dynamics... [P]artners are brought together through initiating conversation based on the capabilities and core competencies and knowledge base of the partners. There is a complementary collaboration as well as competition between partners to become active in the relationship... Collaboration, enthusiasm, strategic fit, exploring for the fit, analyzing the existing strengths of the organization in terms of fit with the project that comes to them, seems to be the important factors in social innovation outcomes.



### Framework 3: The Social Innovation Dynamic Model and the “Adaptive Cycle”

From “Westley, Frances. (2008). “The Social Innovation Dynamic.” SiG@ Waterloo, 2008.”

- The capacity of any society to create a steady flow of social innovations, particularly those which re-engage vulnerable populations, is an important contributor to the overall social and ecological resilience.
- This model of innovation can be represented in the four-box cycle below. Known as the “adaptive cycle” it provides a heuristic for understanding the dynamics that drive both continuity and change.
- It is best understood as a diagram that charts this dynamic at a single scale or in a single system. It could represent the evolution of a single innovation from idea to maturity, or the organization that designs and delivers that innovation.
- It is important to the idea of resilience, or that capacity to adapt to shocks and changes while maintaining sufficient coherence for identity, that the phases are not represented as linear, but as an infinity loop.
- Once an idea or organization reaches the maturity (conservation) stage it needs to release resources for novelty or change and reengage in exploration in order to retain its resilience. The release and reorganization phase is often termed the “back loop” where non-routine change is introduced. The exploitation and conservation phases are often termed the “front loop” where change is slow, incremental and more deliberate.



## Readings in Social Innovation

### Articles on Social Innovation

- Ayob, N., Teasdale, S., & Fagan, K. (2016). How Social Innovation “Came to Be”: Tracing the Evolution of a Contested Concept. *Journal of Social Policy; Cambridge*, 45, 635–653.
- Kanter, R. M. (1999). From spare change to real change - The social sector as beta site for business innovation. *Harvard Business Review*, 77(3), 122.
- Martin, R., & Osberg, S. (Spring 2007). Social Entrepreneurship: The Case for Definition. *Stanford Social Innovation Review*.
- Mulgan, G. (2006). The Process of Social Innovation. *Innovations: Technology, Governance, Globalization*, 1(2), 145–162.
- Phillips, J., Deiglmeier, K., & Miler, D. (Fall 2008). Rediscovering Social Innovation. *Stanford Social Innovation Review*.
- Salim Saji, B., & Ellingstad, P. (2016). Social innovation model for business performance and innovation. *International Journal of Productivity and Performance Management; Bradford*, 65(2), 256–274.
- Westley, Frances. (2008). “The Social Innovation Dynamic.” SiG@ Waterloo, 2008.
- Westley, F., & Antadze, N. (2010). Making a Difference: Strategies for Scaling Social Innovation for Greater Impact. *The Innovation Journal: The Public Sector Innovation Journal*, 15(2), 1–19.

### Books on Social Innovation

- Banks, K. (2013). *The Rise of the Reluctant Innovator*. London: London Publishing Partnership.
- Bates, S. M. (2012). *The Social Innovation Imperative: Create Winning Products, Services, and Programs that Solve Society’s Most Pressing Challenges* (1<sup>st</sup> edition). New York: McGraw-Hill Education.
- Cappe, M. (2011). *Analysis and Evidence for Good Public Policy: the Demand and Supply Equation*. Regina, Sask: Johnson-Shoyama Graduate School of Public Policy.
- Guo, C., & Bielefeld, W. (2014). *Social Entrepreneurship: An Evidence-Based Approach to Creating Social Value* (1 edition). San Francisco: Jossey-Bass.
- Martin, R. L., & Osberg, S. R. (2015). *Getting Beyond Better: How Social Entrepreneurship Works*. Boston, Massachusetts: Harvard Business Review Press.
- Moulaert, F., MacCallum, D., Mehmood, A., & Hamdouch, A. (2013). *The International Handbook on Social Innovation*.
- Murray, R., Caulier-Grice, J., & Mulgan, G. (2010). *The Open Book of Social Innovation: Ways to Design, Develop and Grow Social Innovation*. London: NESTA.
- Nicholls, A., & Murdock, A. (Eds.). (2012). *Social Innovation: Blurring Boundaries to Reconfigure Markets*. Houndmills, Basingstoke, Hampshire ; New York: Palgrave Macmillan.
- Parra Rodríguez, C., & Ruiz Viñals, C. (Eds.). (2013). *Social Innovation: New Forms of Organisation in Knowledge-based Societies*. London: Routledge/Taylor & Francis Group.
- Trower, C. A. (2012). *The Practitioner’s Guide to Governance as Leadership: Building High-Performing Nonprofit Boards* (1 edition). San Francisco: Jossey-Bass.

## Curriculum Resources for Teaching Social Innovation

### Resources for an MBA-Level Course on Social Innovation

- Murray, Robin, Julia Caulier-Grice, and Geoff Mulgan. *The Open Book of Social Innovation: Ways to Design, Develop and Grow Social Innovation*. London: NESTA, 2010.
- Seelos, Christian, and Johanna Mair. *Innovation and Scaling for Impact: How Effective Social Enterprises Do It*. Stanford, California: Stanford Business Books, an imprint of Stanford University Press, 2017.
- Nicholls, Alex, and Alexander Murdock, eds. *Social Innovation: Blurring Boundaries to Reconfigure Markets*. Houndmills, Basingstoke, Hampshire; New York: Palgrave Macmillan, 2012.
- Parra Rodríguez, Carmen, and Carmen Ruiz Viñals, eds. *Social Innovation: New Forms of Organisation in Knowledge-Based Societies*. Routledge/Lisbon Civic Forum Studies in Innovation 1. London: Routledge/Taylor & Francis Group, 2013.
- Epstein, Marc J., and Kristi Yuthas. *Measuring and Improving Social Impacts: A Guide for Nonprofits, Companies, and Impact Investors*. Sheffield: Greenleaf Publishing, 2014.

### Course Outlines for an MBA-Level Course on Social Innovation

- Creating Value Through Social Innovation and Entrepreneurship (Spring 2015 MBA), Pennsylvania State University
- Research Seminar in International Development: Social Innovation & Entrepreneurship (Fall 2016), McGill University
- Social Entrepreneurship, Based on *Getting Beyond Better: How Social Entrepreneurship Works* (HBR Press 2015), Harvard Business School & Rotman School of Management, University of Toronto
- Topics in Social Entrepreneurship (Spring 2013 MBA), University of California, Davis

## Key Organizations and Institutions for Social Innovation

### Organizations

- [The Skoll Foundation](#), drives large-scale change by investing in, connecting, and celebrating social entrepreneurs and the innovators who help them solve the world's most pressing problems.
- [Ashoka](#), builds and cultivates a community of change leaders who see that the world now requires everyone to be a change maker.
- [Centre for Social Innovation](#), a community and network of social innovators across sectors who accelerate their success and amplify their impact through the power of co-working, community and collaboration.
- [SIX](#), the world's primary network focusing on social innovation
- [Social Innovation Generation \(SiG\)](#), a partnership founded in 2007 and jointly developed by the J.W. McConnell Family Foundation, the Waterloo Institute for Social Innovation and Resilience (WISIR), the MaRS Discovery District, and the PLAN Institute.

### Academic Institutes

- [Centre for Social Innovation](#), Stanford Graduate School of Business, U.S.
- [The Agency](#), University of Toronto, Canada
- [Waterloo Institute for Social Innovation and Resilience](#), University of Waterloo, Canada
- [The Skoll Centre for Social Entrepreneurship](#), Saïd Business School, University of Oxford, U.K.
- [HBS Social Enterprise Initiative](#), Harvard Business School, U.S.

### Areas of Future Research

- The validity and effectiveness of market-driven social innovation
- Evaluation and measurement in social innovation

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