

PhD project outline Sabrina Tabares

1. Preliminary title

SME's social innovation at the glance of institutional theory: the case of Colombian enterprises and the Multi-Country Investment Climate Program (MCICP)

2. Research question

How institutional environments influences social innovation in SMEs and how this interaction lead them to imitate behaviors and performances and be more isomorphic with their environments?

3. Research goals/Abstract

The purpose of this study is to broaden the analytical scope of Social Innovation through the incorporation of constructs from Sociological Institutional Theory. The research focuses on the institutional environment from the Multi-Country Investment Climate Program (MCICP) with Colombian SMEs. The MCICP project is developed by the International Finance Corporation (IFC) with the participation of the Economic Cooperation and Development (SECO). This research will be developed through a multiple-case study design focused on a single-unit of analysis consisting on four SMEs participating in the Program. It is expected to confront complex social problems derived by an institutional environment that promotes a better investment climate in emerging economies. This study serves as a starting point for social science empirical research that focuses on social change and a less positivist view of contemporary challenges.

4. State of relevant research/research gap/originality

There is a small and growing number of articles that articulates the sociological vision of Institutional Theory and Social Innovation as promoters of social changes. Van Wijk et al. (2018) explores how institutional theory enhances the understanding of social innovations from micro, meso, and macro level insights in what they call "the Three-Cycle Model". The authors argue that novel forms of organization mobilize emotions and consciousness in organizations generating new forms of interaction which produces social changes. Furthermore, De Prá Carvalho et al. (2017) offer a comprehensive analysis of the constructs of Institutional and Socio-Technical Theory and some inferences about how innovation is affected by institutional factors.

Likewise, Turker and Altuntas (2017) contributes to the perspective of Social Innovation on the context of institutional voids. They found that Social Innovation is specifically regional and linked to a specific geographical place. The authors suggest to test a model to capture the interactive nature of environments on Social Innovation. Geels (2004) uses institutional theory as a frame to examine sectorial systems of innovation in a socio-technical approach and the interrelated dimensions of institutions participating on those networks. His research open the black box of institutions to understand human action as a structure. Mirvis, Herrera, Googins and Albareda (2016) describe the process in which companies engage Social Innovation through the acquirement of tacit knowledge from external agents examining the distance and intensity of corporate interactions.

Another studies, relatively less related to Social Innovation are linked to innovation in areas such as managing megaprojects in different environments (Biesenthal, Clegg, Mahalingam, & Sankaran, 2018), biomedicine and transnational research (Llopis & D'Este, 2016), environmental sustainability (Moyano-Fuentes, Maqueira-Marín, & Bruque-Cámara, 2018), policy analysis and planning (González & Healey, 2005), and other empirical studies. The

originality of this research will be the development of a model that allows understanding how institutional environments put pressure on organizations and generates social change within organizations. Institutional theories also seem to be gaining the attention among scholars investigating large, global, infrastructure projects as reported in engineering, management and construction journals.

5. Theoretical frame

This research belongs to the framework of Sociological Economy and the Institutional Theory to understand the influences of institutional environments in organizations (Smelser & Swedberg, 2005). As Scott (1987) states, the organization is an “adaptive vehicle” which is shaped as reaction to influences from external environments. Institutional environment creates values, norms and myths, determining organizations structures in a common industrial firm (Meyer & Scott, 1983). The institutional environment fosters a field of study that allows analyzing the social changes derived from the legitimacy of organizations in modern societies.

Institutional Theory is strongly linked to the contributions of Meyer & Rowan (1977) and Zucker (1987) who describe how organizations become isomorphic when they adopt the rules of the institutional environment, allowing them to gain legitimacy and to increase the probabilities of survival. This framework is called “old institutionalism” and focuses on the effects of the environment in the organization. In this research Isomorphism is described as a “constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions” (DiMaggio & Powell, 1983, p. 149).

In 1991 appear the so called “new institutionalism”, bringing other contemporary works attempted to explain organization change in social structures (DiMaggio & Powell, 1991; Arthur L. Stinchcombe, 1997). Scott (1995) theorized three institutional pillars labelling institutional structures: a) Regulative, b) Normative, and c) Cultural-cognitive pillars. Those pillars are labels of legitimacy and they are used by researchers in both theoretical and empirical levels (Deephouse & Suchman, 1995; Suchman, 1995). Institutions vary in the type of combinations of these elements and operates in various levels of analysis (micro, interpersonal or world systems): “Although institutional elements are themselves symbolic, they are of interest insofar as they provide cognitive schema, normative guidance, and rules that constrain and empower social behavior” (Scott, 2008, p. 429). The new institutional studies also identify the process of “decoupling” from organizational practices and the implementation of new practical realities (Scott, 2008).

This project also examine Social Innovation in SMEs. Schumpeter contributed to the concept of innovation as an evolutionary process that “lead to a new wave of economic development” (Hospers, 2005, p. 26). Schumpeter made several contributions to Economic Sociology and proposed an agenda based on the focus of the institutional framework of the economic process, defining Economic Sociology as a study exclusively linked with economic institutions (Swedberg, 1989). Even Social Innovation is not a new academic field and some publications date from the 70's, the concept has become popular over the twentieth century (Godin, 2012).

Social Innovation is a sociologically oriented concept understood as a learning process based on the interactions of social practices that leads enterprises to promote social change and suitable development, giving less importance to the creation of new products in the market (Edwards-Schachter & Wallace, 2017). It is considered as a vector of social change because it has a greater meaning on the creation of common good (Cajaiba-Santana, 2014a). In this research, Social Innovation will be conceptualize as “new ideas manifested in social actions leading to social change and proposing new alternatives and new social practices for social groups” (Ibid, p. 44).

6. Methodological approach (method, sample)

This research will be conducted through a multiple-case study design focused on single-unit of analysis (Yin, 2014). It will be study of the institutional environment of the “Multi-Country Investment Climate Program (MCICP)” highlighting the impact on Social Innovation in Colombian SMEs. This proposal suggests the development of a multidisciplinary methodology from a qualitative perspective of Economic Sociology. Four participating SMEs of the program will be analyzed (Eisenhardt, 1989). As part of the methodological procedures, it will be included focused interviews with key actors: MCICP coordinators, managers of SMEs from host and guest countries, directors of the departments of innovation and other relevant actors of the organization. The purpose of this study is to examine closely the institutional environment of the MCICP and how this interaction lead Colombian SMEs to imitate behaviors and performances of their environment. As the literature review suggests, it is estimated to analyze institutional elements that enables social innovation, such as stakeholder’s engagement, organization culture and operational structures (Edwards-Schachter & Wallace, 2017). It is expected to identify if the institutional environment generated by the Program goes against the natural environment in which Colombian SMEs perform.

7. Relevant references

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