Partnerships between Spanish social enterprises and nonprofits: A rich hybridity-based setting for social innovation

Abstract

Knowledge-based societies are boosting interconnectivity and interdependence, generating an environment characterized by the existence of multiple relationships in which the boundaries between the traditional sectors (for-profit, public, and nonprofit or third sector) are blurred, with 'hybridity' becoming a salient consequence. Our research focuses on one particular typology of a hybrid organization, the social enterprise, defined as a firm whose purpose is to achieve a social mission through the use of market mechanisms. The study attempts to analyze whether the development of partnerships between these companies and nonprofits encourages social innovations. Grounded on quantitative-based research with 200 Spanish social enterprises, the results confirm that the presence of social innovations in social enterprises is enhanced when there are also close partnerships embedded within the core goals and activities of the social enterprise. Moreover, insights point to the relevance of these partnerships in fostering the long-term sustainability and transformational impact of the innovation, therefore countervailing the short-term orientation of firms, and balancing the different institutional logics derived from the dual value focus of social enterprises (social versus economic value).

Keywords: social innovation; social enterprises; nonprofits; partnerships; hybridity; impact;

sustainability

1 Introduction

The coming of the knowledge-based society has led to an environment in which interdependence shapes and rapidly extends to all spheres of our lives. Business scholars are progressively adopting the 'ecosystem approach' to understand such a complex and blurred reality, and innovation research is not an exception. Thus, a recent definition of 'innovation ecosystem' provided by Granstrand and Holgersson (2020, p. 3) considers this concept as "the evolving set of actors, activities, and artifacts, and the institutions and relations, including complementary and substitute relations, that are important for the innovative performance of an actor or a population of actors."

One of the key constituents that helps define the ecosystem concept is "the pursuit for a broader range of relevant actors and broader boundaries when compared to a business network or net approach" (Aarikka-Stenroos and Ritala, 2017, p. 26). This means that other actors, not traditionally considered as central within the value chain, become relevant stakeholders for companies. Examples of these actors include governments, public institutions, and nonprofits. Interactions among the for-profit, public, and nonprofit sectors have grown and changed significantly. As occurs in any ecosystem, they are increasingly characterized by complex (complementary and substitute) relationship models that integrate emulation, cooperation, and competition.

Similarly, the growing presence of the so-called 'hybrid organizations' also characterizes this

new interrelated scenario. Hybrid organizations (e.g., mission-driven businesses, social enterprises, public-private partnerships) are defined by a combination of public and private organizing logics (Jay, 2013), and one of the most representative examples is the social enterprise. Social enterprises (SEs) are "organizations whose purpose is to achieve a social mission through the use of market mechanisms" (Ebrahim et al., 2014, p. 82). They involve organizations that manage two apparently opposite goals, social value creation and economic value creation (Weerawardena et al., 2021), as they attempt to deliver social value to the beneficiaries (a social mission associated with nonprofits), but their primary revenue source is from commercial activities (similar to businesses). It is precisely because of their dual nature that a high potential for a particular type of innovation, i.e., social innovation (SI), is usually assigned to SEs (Bouchard, 2012).

SI, conceptualized as "new ideas (products, services and models) that simultaneously meet social needs and create new social relationships or collaborations" (Murray et al., 2010, p. 3), encompasses a collaborative process in which grass-roots involvement is higher when compared with traditional product innovations. Therefore, the potential of SEs for promoting SI can result in a major advantage, considering the innovation system paradigm shift that economies are facing, which is characterized by the opening of the innovation process to society.

Yet, we can expect that not all SEs are socially innovative to the same extent. Their hybrid

nature can also lead to conflicts that hinder the necessary bottom-up approach that represents the core of SI. A broader range of principal stakeholders with potentially divergent interests exists, including upward stakeholders (resource providers such as funders, investors, or shareholders), and downward stakeholders (beneficiaries and service recipients), and a risk of mission drift may occur when they prioritize commercial activities over their social goals.

Beneficiaries usually involve a "marginalized, disenfranchised, or vulnerable segment of society" (Phills et al., 2008; cited by Le Ber and Branzei, 2010, p. 601), and their power position is weaker compared with resource providers, due to their dependent situation. Furthermore, factors such as the limited size of many SEs, their difficulty to access financial markets, or their need to depend less on grants due to the austerity measures undertaken by governments are forcing SEs to reinforce a business model based on a commercial activity. Therefore, and despite their social mission, there exists a risk that their orientation to beneficiaries becomes weaker when considering the market demands. This situation can seriously hinder their capability to undertake SI activities, which involve participation and empowerment of civil society, and therefore this leads to the need of implementing strategies for countervailing it.

Under such a scenario, our study proposes the following research questions: What is the effect of the development of partnerships between SEs and nonprofits on SI in SEs? Does it depend on the type of partnership? Could the different dimensions that comprise SI be impacted in a

distinct way? To answer these questions, the study will examine the role played by the development of partnerships between SE and nonprofits, the latter are understood as private, non-profit-distributing, self-governing, and voluntary entities. As representative and associative entities of beneficiaries and/or civil society, these organizations can act as intermediates between the SE and its beneficiaries and help SEs maintain closer relationships with them. The research will also consider whether the potential effects depend on the degree to which the partnership is strategic for the SE. Finally, as SI presents a multi-faceted nature, an additional aim will be to assess the extent to which partnering affects each of the SI dimensions separately.

The potential contributions derived from the research are diverse. First, the study provides a contribution to innovation literature considering the growing focus of this research field on the innovation ecosystem approach and inter-organizational relationships as a source of knowledge generation. By focusing on a type of partnership (cross-sector partnerships) and stakeholder (nonprofits) not usually considered in innovation literature but with an outstanding role in promoting SI, the research can offer insights about how this kind of innovation can be encouraged.

Second, a wide range of disciplines have been interested in the analysis of SI (Grimm et al., 2013; Moulaert et al., 2005; van der Have and Rubalcaba, 2016), including social psychology (which analyzes the strategies to introduce and disseminate changes in social systems),

entrepreneurship literature (that links SI to individual initiatives and leadership), local development studies (exploring new forms of community participation), business research (which sees SI as an innovative strategy aimed at generating an increase of competitiveness), and environmental studies (which highlight the need of community-led solutions for sustainability). All of these studies have contributed to define what a SI is, but the development of metrics for measuring it is in an initial stage.

Thus, although there is an extensive collection of case studies, as Wintjes et al. (2016, p. 5) note, "the information is hardly captured in indicators." Only few works have followed a more comprehensive approach to measuring SI, adopting a macro-level approach (Krlev et al., 2014, Wintjes et al., 2016). Our research will provide a complementary perspective, as we will move to the organizational level, contributing to the empirical research agenda on SI by testing an easy-to-use instrument which will allow practitioners to assess whether a particular innovation shares the whole range of basic features of what a SI is.

Third, the results can also be of interest for literature on sustainable business model innovation, on hybrid organizations and, specifically, on SEs, which have begun to investigate the drivers of SI in these types of organizations, classifying these variables into contextual, organizational, and managerial factors (João-Roland and Granados, 2020). We will contribute to this emerging literature by empirically examining whether partnering with nonprofits can constitute one of these drivers.

The presentation of the research is structured as follows. We first provide the conceptual framework. Next, we detail the methodology, present the empirical results, and discuss their implications. Finally, limitations and possible further research directions are also included.

2 Conceptual framework

2.1 The multi-dimensional nature of social innovation

SI is a multi-dimensional construct addressed from several scholarly communities (Grimm et al., 2013; Moulaert et al., 2005; van der Have and Rubalcaba, 2016). Both, sociological conceptualizations (which emphasize the processes involved) and economic-oriented definitions (focused on outcomes and value generated) usually coexist, revealing four basic dimensions that any innovation should share to be called a SI.

2.1.1 Social goal-oriented innovation

The first characteristic presented in any SI is its social goal orientation, although this fact does not mean that SI initiatives cannot generate profits. They attempt to provide solutions aimed at the common good that address problems related to unemployment, erosion of the social security system, health, climate change, poverty, ageing, etc. For instance, Grimm et al. (2013, p. 438) note that "social innovation may refer to new products and services that address social needs." In the same way, Anheier et al. (2019, p. 17) affirm that SI is "seen as a solution for growing social, environmental, and demographic challenges and as a result of the failure of conventional market capitalism, resource scarcity, climate change, ageing population and the

associated care and health costs, globalization, and mass urbanization."

2.1.2 Social process-oriented innovation

A SI is also characterized by its collaborative nature (Howaldt and Schwarz, 2010). It refers to what Grimm el al. (2013) call 'process-oriented social innovation' and incorporates the second dimension of SI outlined by Moulaert et al. (2005, p. 1976), i.e., process dimension, which is understood as "[c]hanges in social relations, especially with regard to governance, that enable the above satisfaction, but also increase the level of participation of all but especially deprived groups in society." Under this perspective, SI is both "good for society and enhances society's capacity to act" (Murray et al., 2010, p. 3), and it "can refer to both the means and the ends of action" (Grimm et al., 2013, p. 438). This sociological dimension reflects that SI is deployed through new forms of collaboration in which bottom-up initiatives are present to a greater extent than in other types of innovation (Anheier et al., 2019). Literature has pointed to three means through which collaboration can be achieved. Local development literature has explored new forms of governance and participation in neighborhoods and regions (Moulaert et al, 2005). Research on open innovation (Chesbrough, 2003) has used a network analysis to show how firms can collaborate with individuals and communities for knowledge exchange (e.g., virtual open communities). For example, different types of innovative solutions that have emerged around the world to alleviate the health, social, economic, and environmental impacts of the pandemic caused by the COVID-19

outbreak are based on open innovation projects. In service marketing literature, the service-dominant logic approach (Vargo and Lusch, 2004) has highlighted the possibilities of co-creation and co-production activities.

Partnerships with nonprofits can represent a relevant form of collaboration. But they are neither a necessary nor a sufficient condition for SI to exist. On the one hand, there are other alternatives for implementing cooperation without the presence of nonprofits. On the other hand, it is likely that the mere existence of a partnership with a nonprofit *per se* does not guarantee the existence of a SI; the effect depends on the features that characterize that partnership.

2.1.3 Sustainability dimension

Entrepreneurial, economic, and business literature has emphasized factors such as 'improvement' or 'creativity'. Following this outcome-based approach, Phills et al. (2008, p. 36) posit that a SI 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."

Krlev et al. (2014, p. 209) consider these characteristics as 'qualifiers for improvements' and posit that "[c]apturing these qualifiers in-depth is rather subject to the evaluation of social innovations in the wake of social impact measurement on the organizational level."

This dimension cannot be interpreted only exclusively in terms of newness. This newness

needs to incorporate certain characteristics related to the greater capability for using resources in a more long-term sustainable way compared with previous solutions. Only if the innovation attempts to satisfy a current social need without compromising the ability of future generations to meet their own needs, then the innovation can be considered really social.

2.1.4 Transformational impact dimension

The social nature of a SI also involves the idea of behavioral change as a result of the innovation (Howaldt and Schwarz, 2010). Therefore, a SI is social in its goals (it attempts to address a relevant current social need), in its means (the innovation activities are developed through a collaborative process involving relevant stakeholders), in its long-term orientation (with a focus on a sustainable use of resources and future generations), and also in its final consequences and impact (changes in social practices and behaviors, ultimately leading to a systemic change). This idea is reflected in the SI spiral model (Murray et al., 2010), which identifies six stages in the process of development and diffusion of a SI: (1) prompts, inspirations and diagnoses, (2) proposals and ideas, (3) prototyping and pilots, (4) sustaining, (5) scaling and diffusion, and (6) systemic change.

So, any attempt to describe a SI (and not merely a social invention) should include a range of qualifiers that measure the extent to which this activity has changed certain behaviors or social practices, focusing on outcomes (the difference made by the outputs, the change arising as a result of the activities) and impacts (systemic change, long-term results affecting the

whole society) (European Commission, 2014a).

We can link this fourth dimension to the concepts of ‘innovation diffusion’ and ‘adoption rate’ proposed by the classical models that describe the steps of the innovation adoption process (e.g., Rogers, 2003). Similarly to technical inventions, which become technical innovations as the result of their market success, social inventions become social innovations when they are widely accepted, which in this case means that there are changes in social practices.

Moreover, as noted by Howaldt and Schwarz (2010, 32), diffusion of a SI can be understood as a “process through which the social ideas and inventions spread through existing communication paths in a social system”. Thus, the acceptance of a SI cannot be achieved by a societal agent acting alone but always in socially formed environments. This reason explains why SI literature usually highlights three levels of analysis in terms of behavioral changes generated by the SI: micro, meso, and macro.

Micro level outcomes involve a change in the behaviors developed by direct beneficiaries or other individual stakeholders. This level also incorporates the degree of empowerment achieved by individuals (Moulaert et al., 2005).

Moving to the meso level (organizations), outcomes include changes in organizational behaviors such as improvement of the participatory nature of the organizational governance system or the introduction of good-governance practices.

Finally, the macro level (society) is connected to long-term changes and systemic changes that

involve issues such as policy change, changes in laws/regulations, improved sectoral conditions, sustainable economic growth, or improved citizen participation and influence. Regarding this issue, Dentoni et al. (2018) point out two dimensions of systemic change: (1) the breadth of systemic change, which involves interconnected change across multiple spheres and subsectors of activity, and (2) the depth of systemic change, which entails a change in the power relationships among actors in society.

2.2 The role of social enterprises in social innovation

Different types of organizations can be considered SEs. According to the European Commission (2015), an operational definition of a SE includes the following criteria: (1) *Economic activity*: It must engage in economic activity (it must generate income from market sources); (2) *Purpose*: It must pursue an explicit and primary social aim; (3) *Limited distribution of profits*: it must have limits on distribution of profits and assets; and (4) *Governance*: It must be independent and participatory.

SEs mostly consist of small or medium-sized enterprises. Despite their growing relevance, they face important barriers to growth. On the one hand, reliance on the public sector has proved unsustainable in the face of austerity measures. On the other hand, their governance places restrictions on profit distribution, which makes access to traditional sources of funding, particularly equity, problematic. The lack of sufficiently sized SEs further discourages investors (European Commission, 2015). This situation is forcing SEs to move towards a

business model that relies mostly on market income.

Two types of factors explain the potential of SEs as a source of SI (Bouchard, 2012). The first one refers to the characteristics of the non-market dimension of that sector, particularly to (1) the constraint of limited or forbidden distribution of financial surpluses and assets, (2) their ability to respond more rapidly to specific needs by mobilizing volunteer resources, and (3) their capacity to respond promptly to social needs because they are governed by the principal stakeholders concerned with these needs. The second type of explanation refers to other functions of the social economy, such as the encouragement of democratic principles. However, we can expect that not all SEs undertake social innovation to the same extent. With this assumption, the next section identifies potential drivers and focuses on partnering with nonprofits as one of them.

2.3 Social enterprises' partnering with nonprofits as a driver of social innovation

Previous SI research has identified two basic categories of drivers (Krlev et al., 2014; Weerawardena et al., 2021). The first one is related to the structural perspective and implies that the context or environment is the principal determinant of SI. The second type reflects an individualistic perspective in which the individual agent's values, features, and internal resources are the basic triggers for SI.

Following Krlev et al. (2014), three kinds of context factors are distinguished, i.e., the institutional framework (the set of values, norms, and laws that regulate human and

organizational activities at the societal level), the political framework (incentives and interventions derived from the political system such as SI awards or tax incentives), and the societal climate framework (e.g. citizens' participation in social/political life, their shared values, their attitudes toward change, the level of legitimation of the particular social cause linked to the innovation).

For its part, among the wide set of internal resources and capabilities that can enhance innovation activities (Weerawardena et al., 2021), those with a relational-based nature and particularly social capital (i.e., networks of relationships of the organization and resources involved) or similarly the network-focused learning capability (i.e., capability of learning from external sources) have been highlighted in the case of SI because of its collaborative nature.

Social capital can cover an extremely diverse range of relationships, each one with its own characteristics. This is the case of the partnerships that SEs can develop with nonprofits, which can be considered cross-sector partnerships because, although SEs share some characteristics with NPOs, they represent a different kind of organization, as they also include a commercial activity at their core (not as a peripheral activity). Therefore, in collaborations with NPOs, the SE adopts the role of the organization that develops the business activity.

Cross-sector partnerships have been in the limelight of research during the last decades (Clarke and Crane, 2018; Le Ber and Branzei, 2010; Selsky and Parker, 2005). Literature on

this topic has highlighted different types of value that can be derived from these types of partnerships: associational value (visibility, credibility), transferred value (cash, in-kind gifts, …), interaction value (opportunities for learning, access to networks), and synergistic value (including here innovation).

Apart from direct benefits for partners, previous literature has also recognized that a partnership emerges as a potential catalyst of social change (Wadham and Warren, 2013). In fact, the deteriorating of environmental and social conditions around many parts of the world has indicated that the current attention of cross-sector partnership research is precisely moving towards the analysis of its effects on systemic change (Clarke and Crane, 2018; Hartman and Dhanda, 2018; van Tulder and Keen, 2018), a concept inherently linked to SI. The literature supports the existence of a positive link. The set of 2030 United Nations Sustainable Development Goals (SDGs) includes explicitly as Goal 17 ‘partnerships for the goals,’ highlighting that SDGs can only be realized with strong global partnerships and cooperation.

In their recent work, which is aimed at identifying antecedents and moderators of business model innovation in social purpose organizations, Weerawardena et al. (2021) state that organizations with a dual value focus need to engage with a diverse set of internal and external stakeholders, which show different institutional logics, in such a way that they have to face the challenge of reconciling these different visions, providing legitimacy, and gaining

acceptance in the eyes of stakeholders while moving towards a self-sufficient business model. Nonprofits can play a key role in enhancing the necessary legitimacy of the SE in the eyes of beneficiaries and society.

Le Ber and Branzei (2010, p. 603) have analyzed the role of beneficiaries in the value creation process in cross-sector partnerships, and they posited that "beneficiaries often remain marginalized during value creation processes, and thus many of their potential contributions may fail to materialize." But the involvement of beneficiaries is critical if an organization seeks to promote SI. For example, in the context of SEs and SI, Vickers et al. (2017) state that the concept of co-production/co-creation highlights the empowerment of consumers/service users and how this can lead to better outcomes. Similarly, Ramus and Vaccaro (2017) have compared the strategies followed by two Italian work integration SEs that had experienced a mission drift, finding better results in the SE that elected to address this problem through a process of multi-stakeholder engagement that particularly focused on collaborating with actors from the nonprofit sector.

Overall, nonprofits can reinforce the role of beneficiaries, strengthen legitimacy of the SE, and help the SE identify, contact, and build stronger relationships with these targets. So, we propose the following:

H1: The existence of a partnership between a SE and a nonprofit is positively associated with the fact that an innovation developed by the SE presents a greater degree of SI.

But not all partnerships are equal. This label is often used as a synonym for ‘collaboration’ and embraces very different alternatives in terms of value generated, risks involved, and governance structures, ranging from basic forms of corporate philanthropy to complex joint ventures. Scholars have recurrently used a ‘collaboration continuum’ scheme to characterize business-nonprofit partnerships. Four categories of collaborations can be identified (Austin and Seitanidi, 2012), i.e., philanthropic, transactional, integrative, and transformational partnerships.

‘Philanthropic collaborations’ are characterized by unilateral directionality of the resource flow (basically cash) from the company (the donor) to the nonprofit (the recipient). The degree of interaction between them is generally limited, and their activities independent. ‘Transactional collaborations’ refer to employee volunteer programs, cause-related marketing, sponsorships, name and logo licensing agreements, and similar specific projects with clear objectives, responsibilities, and programmed activities. The benefits to the organizations tend to be more direct, but the realization of improved societal welfare is less clear. In ‘integrative collaborations’, the partners’ missions, values, and strategies are more congruent. Core competencies are increasingly employed, using them not in an isolated way, but in combination. Finally, in ‘transformational collaborations’ the beneficiaries take a more active role, and co-creation of value, social innovation, and external system change are expected (Austin and Seitanidi, 2012).

So, as the partnership moves from the philanthropic towards the transformational stage, the collaboration becomes more strategic for mission achievement and more linked to the core activities of each partner. The magnitude of the resources required is greater and involves core capabilities. The levels of interaction, engagement and trust are more intense, the scope of activities is broader, there are more changes in internal processes, and the managerial complexity also increases.

Literature on SE has shown that the effect of partnerships on reinforcing the role of beneficiaries can vary significantly depending on the strategic nature and relational development of the collaboration. For instance, Sarpong and Davies (2014) have found that these collaborations lead to the acquisition of legitimacy by the SE only if the members of the network can be strategically co-opted into making investments in the activities and social missions of the enterprises. Likewise, Ramus and Vaccaro (2017) have shown that the closeness of the relationship allows the SE to rationalize its priorities, re-conceptualize the understanding of the values and motivations at the core of its mission, operationalize the pro-social goals into organizational practices, and acquire the technical and managerial skills from the stakeholders needed to scale the social impact as well as foster the collaboration of other potential partners. Similarly, McDermott et al. (2018, p. 126) posit that "[i]t was not enough to simply get stakeholders "to the table"; there was also a concerted effort to ensure that stakeholders remained engaged over the long-term" by effective communication

mechanisms, using core capabilities of the partner, or encouraging co-creation of solutions. So, we expect that it is not only the mere existence of a partnership with a nonprofit that makes the SE more prone to and capable of undertaking SIs, but it is especially the type of partnership in terms of its position within the 'collaboration continuum'. Consequently,

H2: The position of the partnership along the 'collaboration continuum' toward the transformational stage is positively associated with the fact that an innovation developed by the SE presents a greater degree of SI.

Going one step further, it is possible that each of the SI dimensions does not have the same impact. It is not unreasonable to think that the effect of the strategic nature of the partnership will be focused on those dimensions that involve processes of stakeholder participation and changes in behaviors, i.e., social process orientation and the transformational impact dimension.

Nonprofits usually maintain direct and close paths of communication with beneficiaries, since they are governed by the principal stakeholders, and their capability to mobilize beneficiaries and/or volunteers can be significant. So, if a SE is engaged in a high-value strategic partnership with a nonprofit, it can be also more likely that the nonprofit will be willing to promote the engagement of the beneficiaries with the SE activities and its innovation processes.

Regarding the transformational impact dimension, current social and environmental problems

are so huge that single firms, governments or nonprofits cannot expect to face them with only their own resources. Systemic change requires multiple interconnected changes that spread throughout individuals, institutions, regulations, organizations, and sectors of activity. In this line, literature has recognized that cross-sector partnerships facilitate systemic change (Quarshie and Leuschner, 2018; Trujillo, 2018).

The other two dimensions can also be encouraged by partnering, but we expect that SE implements both dimensions even if there is no partnership. For example, unlike other types of companies, the SE includes the pursuit of a social goal as an essential characteristic in its mission, and also sustainability is one of its driving forces. Therefore, we propose the following.

H3: The social process orientation dimension and the transformational impact dimension will be the two dimensions of the SI associated to a greater extent with the position of the partnership along the 'collaboration continuum'.

Figure1 depicts the conceptual model of the research.

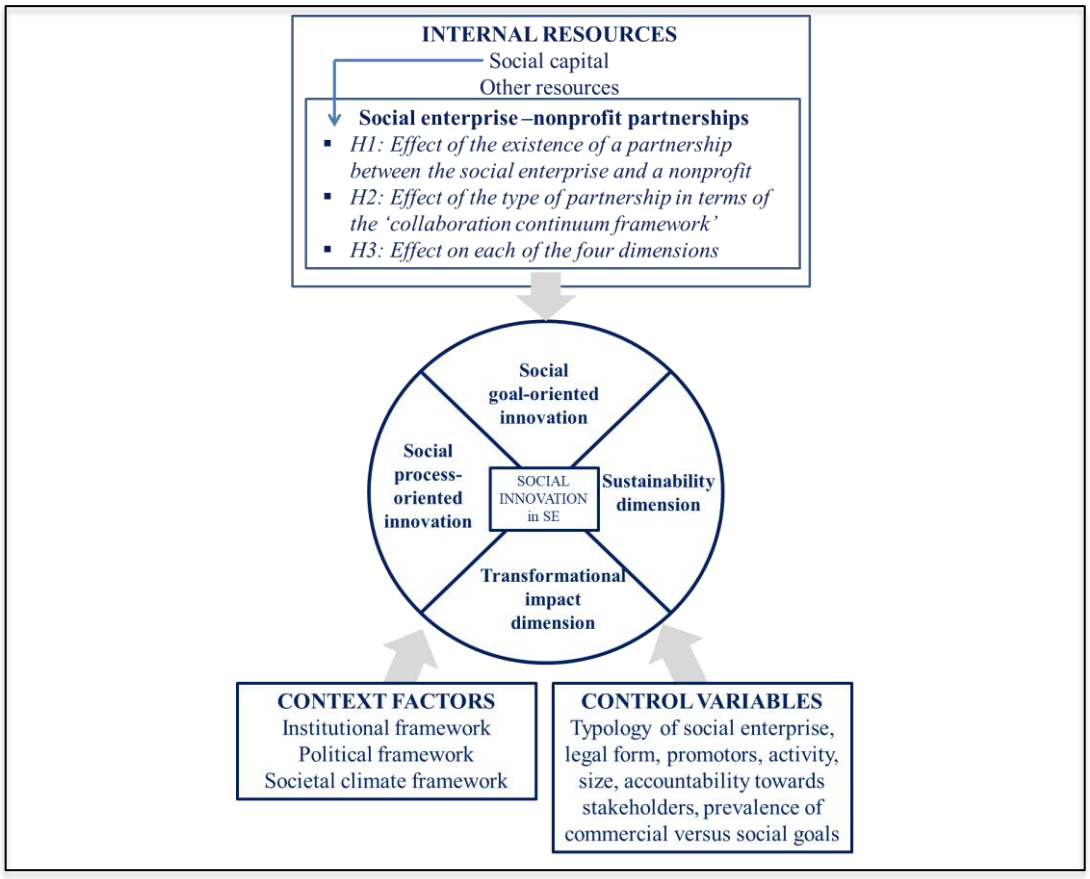
3 Methodology

3.1 Data collection and sample description

A survey with a sample of Spanish SEs was conducted. Since the European Commission (2014b, p. 21) recognizes that "there is no institution responsible for systematically collecting data on SEs in Spain, and hence it is quite complicated to gather aggregate figures on social

enterprises," we collected a database composed of two main categories of SEs with the objective of controlling different types of dynamics.

Figure 1. Conceptual Model



The first one corresponds to the work integration social enterprises (WISEs). A WISE is defined in Spain as a "legally constituted commercial society or cooperative society that [...] performs any economic activity of production of goods and services, whose social purpose is the integration and socio-labor training of people in situations of social exclusion as a transit to ordinary employment" (Art. 4 of Law 44/2007, of December 13, to regulate work integration SEs). Their requirements include: (1) at least 51% of the share capital must be

owned by a nonprofit organization; (2) to have between 30% and 60% of insertion workers, and (3) to allocate at least the 80% of their profits to the improvement or expansion of productive structures and work integration. They are consistently entitled to public subsidies in the form of tax benefits, particularly through rebates in their social security contributions. The second category includes SEs that are strongly based on entrepreneurial dynamics. These have emerged after the economic crisis of 2008, and they mostly rely on market income, adopt commercial legal forms characteristic of for-profit organizations, and take advantage of digital transformation and other sources of social innovation.

As no institutional public register exists, it was necessary to generate an ad-hoc database for the present study, using multiple secondary information sources. Eight groups of secondary information sources were consulted: (1) directories of national and regional associations of Spanish WISEs or the social economy, (2) directories of SEs; (3) directories of SI organizations, (4) networks/forums of SI, (5) networks of social entrepreneurship projects, (6) solidarity crowdfunding platforms, (7) awards for innovation, entrepreneurship or social transformation, and (8) online platforms of solidarity economy. This process resulted in an initial database of 345 SEs.

Data collection was carried out from March 21 to December 22, 2017, and it was based on the Tailored Design Method (Dillman et al, 2014) that emphasizes the relevance of engendering the respondents' trust so that answering the questionnaire would generate benefits for them

that surpass the costs of responding. To this aim, we contacted all of them by telephone and provided them with information about the study, including a promise of an executive summary of the main results of the survey. After this encouragement process, we sent an online questionnaire to the person in charge of the daily decisions of each organization that agreed to collaborate (294 SEs). The final sample is comprised of 200 Spanish SEs (sample error of ± 4.5% at a 95% confidence level). Table 1 shows the sample profile.

The two typologies of SEs included in this study, WISEs and SEs that emerged mainly after the economic crisis of 2008, differ significantly ($p < 0.05$) in multiple characteristics:

- Legal form: post 2008 crisis SEs adopted to a greater extent the forms of a limited company or cooperative, while WISEs opted significantly more for the one-person limited company.

- Scope of action: WISEs operate in a local/regional area (85.5% of the 96 companies were of this type compared to 28.8% of companies post 2008 crisis).

- Promoters: WISEs have been promoted to a greater degree by foundations (43.8% versus 4.8%), associations (34.4% versus 5.8%), and or religious entities (12%), while post 2008 crisis SEs have been promoted by a natural person (83.7%).

- Activity: post 2008 crisis SEs operate comparatively more in the knowledge / access to the information society sector (38.5% compared to 2.1% of WISEs). WISEs are significantly more dedicated to local development issues, while the post 2008 crisis SEs are more focused

on research, culture/recreation, international development cooperation, and health.

Table 1. Sample Description

Variables	Description	Sample (N=200)
Typology (TYPE)	New social enterprise (TYPE=0)	52.0%
	Traditional WISE (TYPE=1)	48.0
Year of constitution (AGE)	Before 2000 (AGE1)	10.0
	2000-2009 (AGE2)	30.5
	2010-2017 (AGE3)	59.5
Scope of activities (SCOPE)	Local-Regional (SCOPE1)	57.0
	National (SCOPE2)	24.0
	International (SCOPE3)	19.0
Sector of activity	Primary sector (SECTOR1)	6.5
	Secondary sector (SECTOR2)	13.5
	Tertiary sector (SECTOR3)	59.0
	Knowledge/ access to the information society (SECTOR4)	21.0
Legal Form (LEGFORM)	Commercial societies (LEGFORM=0)	84.0
	Social economy societies (LEGFORM=1)	16.0
Type of Promoters	Natural person (PR_NP)	47.0
	Association (PR_ASSOC)	19.5
	Foundation (PR_FOUND)	23.5
	Public Administration (PR_PA)	2.0
	Commercial/trading firms (PR_COMM)	6.5
	Social economy enterprise (PR_SE)	12.0
	Religious entity (PR_REL)	6.0
Main Area of Social Activities (International Classification of Nonprofit Organizations)	Culture/recreation (ACT_CUL)	18.0
	Education (ACT_EDU)	35.0
	Research (ACT_RES)	15.0
	Health (ACT_HEALTH)	19.5
	Environment(ACT_ENV)	44.0
	Local development and housing (ACT_HOUS)	34.0
	Law, advocacy and polities (ACT_ADV)	13.0
	International development cooperation (ACT_COOP)	12.5
	Religion (ACT_REL)	1.0
	Business, professional associations, unions (ACT_ASSO)	14.5
Size	Micro-sized (≤9 employees) (MICRO)	52.0
	Small-sized (10-49 employees) (SMALL)	37.5

	Medium-sized (50-249 employees) (MEDIUM)	8.5
	Large/mega-sized (≥250 employees) (LARGE)	2.0

- Number of employees: post-crisis 2008 SEs are significantly smaller, 72.1% are micro-enterprises, while in the case of WISEs, this percentage drops to 30.2%.

To assess the problem of the nonresponse bias, we compared early versus late respondents. Since late respondents, or those who answer the questionnaire after an extra effort of nonresponse follow-up, are assumed to be similar to nonrespondents (Armstrong and Overton, 1979), we identified two groups of respondents. The first group (early respondents) involved 120 SEs that sent back their response after a unique previous contact. The second group (late respondents) included the remaining 80 enterprises. The estimation of a two sample (independent) t-test reveals that are no statistically significant differences ($p>0.05$) between both groups in all the items of the constructs considered in the study, with the only exception of one item of the collaboration continuum scale.

3.2 Measures

Social innovation scale

A filter question asked respondents to indicate whether they had developed a SI in the last five years. A general and loose definition of SI was provided (any new program, project, product, service or organizational activity that attempted to satisfy a social problem, and that involved the improvement of social behaviors or relationships). Those who answered in the affirmative to this yes/no question (172 SEs; sample error of ±5.3%, at a 95% confidence level) were

asked to select the innovation they considered to be most important (in terms of its impact on society) and to assess it with regard to a detailed set of 32 items linked to the four conceptual SI dimensions (Appendix). We employed seven point Likert-type scales. We also asked them to identify the innovation with a brief open description, which allowed us to go to their websites or to other secondary sources and verify whether the innovation had been really developed.

The measurement of the SI dimensions represented the most challenging task because previous field-based research on SI showed the lack of an accepted measurement instrument. So, we had to approach each of those dimensions using an *ad hoc* procedure.

To develop a metric for the extent to which the innovation was *oriented towards social goals*, we used the 17 Sustainable Development Goals (SDG) of the 2030 Agenda for Sustainable Development, adopted by United Nations on September 25th, 2015. To keep the questionnaire as simple as possible, we integrated some of the SDG and used a reduced set of eight social objectives. The Appendix shows the correspondences between this set and the original 17 SDG.

Derived from research on local development, open innovation, and co-creation (Chesbrough, 2003; Moulaert et al, 2005; Vargo and Lusch, 2004), *social process orientation*, the second SI dimension, was comprised of three potential alternatives (see Appendix). We employed reflective scales to measure the remaining two SI dimensions. The *improvement dimension*

(three items) was derived from Phills et al. (2008). We split the *transformational impact dimension* into three sub-scales to measure the micro (six items), meso (two items), and macro (five items) impact (Howaldt and Schwarz, 2010; van der Have and Rubalcaba, 2016).

To obtain a global measure for SI in each SE, we proceeded in the following manner. The final SI scale, as a whole, is a reflective construct (i.e., the four dimensions are a reflection of the construct, all of them are needed to be a SI). But considering the different ways we used to measure each of the four dimensions, we had to decide in each case whether this particular dimension was a reflective or a formative construct (all of them were assessed by multi-item variables) to obtain a final measure for each one of those four dimensions.

Thus, in the case of social goal orientation and social process orientation, we had to choose between two basic approaches. The question was whether an innovation that is in the middle of the different goals and/or processes is more (or less) social goal-oriented or social process-oriented than one that obtains a high score in one particular goal or process but low scores in the remaining issues. In other words, we had to decide whether we considered each of both dimensions as reflective or formative constructs. We selected the second alternative because innovations do not need to pursue all of the social objectives and/or foster participation by means of all the alternative ways to be called SI. Quite the opposite, each of the goals or processes represents a sufficient challenge in itself to be the focus of a particular innovation. Therefore, the eight social goals are not a reflection of 'social goal orientation' (to

present this orientation the innovation needs to seek at least one of these goals, but one of them is enough, so they do not need to be highly correlated). The same occurs with the three basic processes regarding 'social process orientation.'

Following this reasoning, we created two variables, i.e., SI_DIM1 and SI_DIM2. If respondents assigned the value of 7 to at least one of the eight social goals, then SI_DIM1=7; if at least one of the social objectives had been assessed with a 6 (and no one had received 7 points), then SI_DIM1=6; and so on. The same process was used with SI_DIM2.

The remaining two dimensions of SI were developed as reflective scales (the three items that comprise the sustainability scale reflect the idea of improvement in the use of resources; transformational impact must involve changes at micro, meso and macro levels, and not just at one of the levels). In these cases, we first carried out a confirmatory factor analysis using EQS 6.2 for Windows to evaluate their reliability and convergent validity. Since the items of both sub-scales show convergent validity, for each sub-scale we added their individual item scores to obtain a global mean measure for the *improvement orientation* construct (SI_DIM3) and for the *transformational impact* (SI_DIM4).

At this point of the process, we had a value for each of the four dimensions comprising the global SI scale, and now we could consider it as a reflective construct. The four dimensions are equally important (two social innovations can differ in their respective social aims or the participative processes they use, but to be called SI both have to be social goal-oriented,

social process-oriented, long term sustainable, and generate a transformational impact). Therefore, we obtained a global measure of SI by calculating the mean value of SI_DIM1, SI_DIM2, SI_DIM3, and SI_DIM4.

Independent variables: The partnership between the SE and the NPO

We have two independent variables for measuring the partnership between the SE and the NPO. The former is a dichotomous variable (PARTNER). In the questionnaire, we asked respondents whether their company had collaborated at some point in the past five years with an NPO (different from those organizations that could have eventually promoted the firm). We used this variable to test the first hypothesis. Of the 200 SEs, 159 (79.5%) indicated that they maintained or had maintained this type of partnership.

The second independent variable involved a multi-item scale (CC). Those respondents that had answered the first question in the affirmative also assessed (in a seven-point Likert scale) the type of partnership in terms of the main characteristics used by Austin and Seitanidi (2012) to describe the collaboration continuum framework (of the original set of characteristics we eliminated four of them because they explicitly referred to the outcomes and impact of the partnerships, i.e., co-creation of value, synergistic value, innovation, and external system change, and then they were also included in the SI construct). This variable was employed to test the second and third research hypotheses. In those cases in which the SEs had collaborated with several nonprofits, we asked them to select the nonprofit that they

considered as the main partner.

We use self-reported data and a single key respondent. The questionnaire design includes a psychological separation between our basic independent (PARTNER and CC) and dependent variables (SI and its four dimensions) with the aim of limiting the existence of a potential problem of common method bias (Podsakoff et al., 2003). We first included the questions related to the detailed assessment of the particular innovation selected. Subsequently, we asked the respondents to describe the institutional, political, and societal climate environment as well as their global set of formal and informal network of relationships, and only then we incorporated the questions about the existence of a partnership with a nonprofit and its description. We intended that the measurement of the predictor and criterion variables would not be directly connected (Podsakoff et al., 2003) so that we could avoid problems arising from frequent behaviors shown by respondents, such as searching for consistency in their responses, social desirability, implicit theories, and illusory correlations.

Proceeding in that way, respondents did not necessarily link the SI they selected to partnering with the particular nonprofit picked, but we could assess whether the degree to which this innovation shared the four SI dimensions increased significantly when the social enterprise had implemented a strategy of partnering with nonprofits, and results could be more robust.

A confirmatory factor analysis using EQS 6.2 for Windows evaluated the reliability and validity of the collaboration continuum scale (Table 2). As the whole scale presents

convergent validity, we calculated the mean value to have a global index of the position of the partnership along the collaboration continuum (CC).

Table 2. Reliability and Validity of the Collaboration Continuum Scale

Dimensions	Items	Factor Loadings	Composite Reliability Coefficient	AVE
Strategic nature (STNAT)	STNAT1	0.821***	0.853	0.595
	STNAT2	0.798***		
	STNAT3	0.828***		
	STNAT4	0.618***		
Relational development (RELD)	RELDEV1	0.898***	0.876	0.704
	RELDEV2	0.919***		
	RELDEV3	0.680***		
Complexity and change (COMPL)	COMPL1	0.728***	0.660	0.491
	COMPL2	0.672***		
Goodness-of-fit measures				
Satorra-Bentler $\chi2$=52.6753 (p=0.000); Satorra-Bentler $\chi2$/degrees of freedom=2.19; Bentler-Bonett NNFI=0.927; CFI=0.951; RMSEA=0.088				

*** p <0.01

SI can be boosted by other types of drivers, so we included in our model the *institutional-political framework* (three items), *the societal climate* (differentiating citizens' participation, shared values and attitude toward change), and the *legitimation of the social problem* (three items). These scales were based on Krlev et al. (2014). We also incorporated *social capital* by means of a reflective scale based on Nahapiet and Ghoshal (1998). Tables 3 and 4 include the reliability and validity indicators.

Table 3. Reliability and Validity of the Scales Used to Measure the Independent Variables

Construct	Items	Factor Loadings	Composite Reliability Coefficient	AVE
Collaboration continuum (CC)	STNAT	0.911***	0.810	0.593
	RELD	0.766***		
	COMPL	0.602***		
Institutional-political framework (INST)	INST1	0.931***	0.906	0.765
	INST2	0.923***		
	INST3	0.759***		
Societal climate (PART)	PART1	0.801***	0.751	0.601
	PART2	0.749***		
Legitimation of the social cause (LEGIT)	LEGIT1	0.865***	0.884	0.720
	LEGIT2	0.968***		
	LEGIT3	0.690***		
Social capital (SC)	STRUCT	0.669***	0.779	0.544
	RELAC	0.856***		
	COGNIT	0.672***		

Goodness-of-fit measures
Satorra-Bentler $\chi2$=138.5016(p=0.000); Satorra-Bentler $\chi2$ / degrees of freedom=2.06; Bentler-Bonett NNFI=0.912; CFI=0.935; RMSEA=0.083

*** p<0.01

Table 4. Discriminant Validity (I)

	Collaboration continuum (CC)	**Institutional-political framework** (INST)	**Societal climate** (PART)	**Legitimation of the social cause** (LEGIT)	**Social capital** (SC)
Collaboration continuum (CC)	**0.770**				
Institutional-political framework (INST)	0.246***	**0.875**			
Societal climate (PART)	0.244**	0.806***	**0.775**		
Legitimation of the social cause (LEGIT)	0.060	0.091	0.187**	**0.848**	
Social capital (SC)	0.430***	0.301***	0.435***	0.282***	**0.738**

Notes: The values on the diagonal are the square roots of the AVE coefficients. The values off the diagonal are the correlations between each pair of constructs.
*** p<0.01 ** p<0.05

Table 4 shows that there could be a possible problem of discriminant validity between two constructs: 'institutional-political framework' and 'participation' (the square root of the AVE of PART is lower than the correlation between both constructs), so we carried out a further analysis and calculated the confidence intervals of the correlation coefficients to check that these intervals did not contain the value 1. The results are satisfactory (Table 5).

Control variables

Finally, due to the high heterogeneity of Spanish SEs, we considered as control variables the typology, legal form, type of promotors, activity, and size of the social enterprise. We also included two additional types of control variables related to the hybrid nature of SEs: (1) five dichotomous variables that assess the social enterprise's accountability towards five kinds of stakeholders, and (2) a dichotomous variable that indicated the prevalence of commercial

(CONFLICT=0) versus social goals (CONFLIT=1) in case of conflict between them.

Table 5. Discriminant Validity (II)

Constructs	Correlation Coefficient (Standard Error)	Confidence Interval (95%)
Collaboration continuum (CC) - **Institutional-political framework** (INST)	0.246(0.084)	(0.078-0.414)
Collaboration continuum (CC) - **Societal climate** (PART)	0.244(0.094)	(0.056-0.432)
Collaboration continuum (CC) - **Legitimation of the social cause** (LEGIT)	0.060(0.088)	(-0.116-0.236)
Collaboration continuum (CC) - **Social capital (**SC)	0.430(0.081)	(0.268-0.592)
Institutional-political framework (INST) - **Societal climate** (PART)	0.806(0.048)	(0.710-0.902)
Institutional-political framework (INST) - **Legitimation of the social cause** (LEGIT)	0.091(0.084)	(-0.077-0.259)
Institutional-political framework (INST) - **Social capital** (SC)	0.301(0.085)	(0.131-0.471)
Societal climate (PART) - **Legitimation of the social cause** (LEGIT)	0.187(0.092)	(0.003-0.371)
Societal climate (PART) - **Social capital** (SC)	0.435(0.088)	(0.259-0.611)
Legitimation of the social cause (LEGIT) - **Social capital** (SC)	0.282(0.085)	(0.112-0.452)

4 Results

We estimated six linear regression models using IBM SPSS Statistics 24 software. The two former models used the global measure to SI (SI) as a dependent variable: The first one (MODEL_1) included the dichotomous variable PARTNER to measure the existence of a partnership, whereas the second regression (MODEL_2) included the global index of the position of the partnership along the collaboration continuum (CC). For its part, MODEL_3 to MODEL_6 disaggregated the effects considering each of the SI dimensions separately. Results are depicted in Table 6 (standardized coefficients and level of significance).

Table 6. Effect of the Social Enterprise-Nonprofit Partnership on Social Innovation

Variables	MODEL_1 (Effect of PARTNER on SI)	MODEL_2 (Effect of CC on SI)	MODEL_3 (Effect of CC on SI_DIM1)	MODEL_4 (Effect of CC on SI_DIM2)	MODEL_5 (Effect of CC on SI_DIM3)	MODEL_6 (Effect of CC on SI_DIM4)
Constant	***	***	***	***	***	***
PARTNER (MODEL_1) / Collaboration continuum (CC) (MODELS 2 to 6)	0.104	**0.260*** **	**0.283** **	0.130	**0.238** **	**0.331*** **
Institutional-political framework (INST)	0.162	**0.209***	0.101	0.015	**0.403*** **	0.096
Societal climate (PART)	0.104	0.071	-0.110	0.112	-0.182	0.191
Societal climate (VALUES)	**-0.310** **	**-0.447*** **	-0.066	**-0.424*** **	-0.222	**-0.262** **
Societal climate (ACHANGE)	0.112	**0.251** **	**0.277***	**0.298** **	0.166	0.032
Legitimation of the social cause (LEGIT)	**0.192** **	**0.217** **	-0.086	0.133	0.137	**0.211** **
Social capital (SC)	0.118	0.102	-0.001	0.163	-0.032	0.123
Typology (TYPE)	-0.005	-0.102	-0.037	**-0.276***	-0.002	-0.123
Legal Form (LEGFORM)	-0.011	-0.119	-0.058	-0.063	-0.030	-0.082
Type of Promoters: Natural person (PR_NP)	0.062	0.020	-0.255	0.000	0.056	-0.078
Type of Promoters: Association (PR_ASSOC)	0.081	0.141	-0.023	0.072	**0.189***	0.051
Type of Promoters: Foundation (PR_FOUND)	-0.130	-0.137	-0.057	**-0.222***	0.005	-0.127
Type of Promoters: Public Administration (PR_PA)	0.131	**0.183** **	0.122	**0.138***	0.125	**0.137***
Type of Promoters: Commercial/trading firms (PR_COMM)	-0.007	0.005	-0.024	-0.089	0.039	-0.048
Type of Promoters: Social economy enterprise (PR_SE)	-0.031	-0.028	-0.047	-0.055	0.020	-0.017
Type of Promoters: Religious entity (PR_REL)	-0.010	0.019	0.035	0.016	0.130	-0.010
Main Area of Social Activities: Culture/recreation (ACT_CUL)	**0.150***	**0.171** **	0.037	0.074	**0.141***	**0.153***
Main Area of Social Activities: Education (ACT_EDU)	0.015	-0.033	0.015	-0.014	-0.009	-0.014
Main Area of Social Activities: Research (ACT_RES)	-0.008	-0.135	-0.071	-0.025	-0.103	-0.160

Main Area of Social Activities: Environment(ACT_ENV)	**0.144***	**0.211****	0.023	**0.145***	0.123	**0.175****
Main Area of Social Activities: International development cooperation (ACT_COOP)	0.041	-0.088	-0.026	-0.119	0.001	-0.105
Main Area of Social Activities: Religion (ACT_REL)	0.029	-0.045	0.011	-0.038	-0.025	-0.026
Main Area of Social Activities: Local development and housing (ACT_HOUS)	-0.053	-0.098	-0.118	**-0.168****	0.055	-0.010
Main Area of Social Activities: Health (ACT_HEALTH)	0.035	0.067	0.059	0.034	**0.199****	0.075
Main Area of Social Activities: Business, professional associations, unions (ACT_ASSO)	0.001	0.145	0.120	**0.166***	0.003	0.132
Main Area of Social Activities: Law, advocacy and polities (ACT_ADV)	-0.031	-0.064	0.044	0.066	-0.120	-0.097
Micro-sized (≤9 employees) (MICRO)	0.108	-0.062	-0.367	-0.208	-0.254	0.313
Small-sized (10-49 employees) (SMALL)	0.124	-0.027	-0.478	-0.212	-0.287	0.313
Medium-sized (50-249 employees) (MEDIUM)	0.181	0.099	-0.197	-0.065	-0.175	**0.369****
Accountability to employees (A_EMPL)	0.098	**0.245****	0.201	0.075	**0.440*****	0.036
Accountability to investors/donors (A_DONOR)	**0.176***	**0.186****	0.007	-0.008	0.099	**0.231****
Accountability to beneficiaries of the social mission (A_BEN)	0.000	-0.066	-0.093	0.046	-0.072	-0.156
Accountability to customers of the commercial activity (A_CUST)	0.118	-0.060	-0.062	-0.027	-0.145	0.116
Accountability to public administrations (A_PUBLICA)	-0.061	-0.121	-0.126	-0.071	-0.064	-0.012
Conflict between the commercial activities and the social mission (CONFLICT)	**0.200****	**0.232*****	-0.008	**0.239*****	0.10	**0.191****
Adjustment (Ad.)	**R2=0.417 Ad. R2=0.242 Sig.=0.000**	**R2=0.516 Ad. R2=0.336 Sig.=0.000**	**R2=0.220 Ad. R2=0.061 Sig.=0.791**	**R2=0.483 Ad. R2=0.296 Sig.=0.000**	**R2=0.429 Ad. R2=0.223 Sig.=0.003**	**R2=0.494 Ad. R2=0.310 Sig.=0.000**

* p <0.10; ** p <0.05; *** p <0.01

Results of MODEL_1 show that when we only consider whether or not a partnership exists (PARTNER), the global index of SI is positive but not significantly affected, so H1 cannot be accepted. However, this positive effect becomes significant when the independent variable is the position of the partnership along the 'collaboration continuum' (CC in MODEL_2) (p<0.01). Then, our second hypothesis is supported.

With regard to how each of the particular SI dimensions is affected by the position of the partnership along the collaboration continuum, H3 is partially supported. As expected, MODEL_6 shows a positive and highly significant effect of the degree of strategic nature of the partnership on the extent to which the SI has led to changes in behaviors (p<0.01). Nevertheless, and contrary to our expectations, the social process orientation is not significantly influenced (MODEL_4). Instead of this result, the sustainability dimension appears with a positive and significant effect (p<0.05). For its part, in MODEL_3 the social goal orientation is positively influenced (p<0.05) but the model is not globally significant.

The results also reveal that a friendly-type institutional-political environment is significantly associated with the global index of SI in MODEL_2 (although p<0.1). This kind of environment boosts the sustainability dimension in particular.

The level of legitimation of the social cause shows a significant positive coefficient (p<0.05), as expected, in MODEL_1 and MODEL_2. More specifically, its effect is focused on the transformational impact dimension (MODEL_6).

It is interesting to note that the presence in society of values such as justice, tolerance, equality, solidarity, and so on appears with a significant but negative effect ($p<0.05$ in MODEL_1 and $p<0.01$ in MODEL_2). Two dimensions of SI are negatively influenced: social process orientation and transformational impact (MODEL_4 and MODEL_6), precisely those that involve social processes and relationships.

In MODEL_2 the general citizens' attitude toward change is associated with SI ($p<0.05$), with social goal orientation and social process orientations as the two SI dimensions impacted by this factor (MODEL_3 and MODEL_4).

Finally, we can also observe that SI in SEs is increased when (1) the social enterprise has been promoted by the Public Administration (MODEL_2, MODEL_4, MODEL_6); (2) its activities relate to culture/recreation (MODEL_1, MODEL_2, MODEL_5, MODEL_6) or environment (MODEL_1, MODEL_2, MODEL_4, MODEL_6); (3) the organization shows a greater accountability to employees (MODEL_2, MODEL_5) or donors (MODEL_1, MODEL_2, MODEL_6); and (4) in case of conflict between the commercial activities and the social mission, the social mission prevails (MODEL_1, MODEL_2, MODEL_4, MODEL_6). The social process orientation is also greater in the case of 'new' entrepreneurial SEs (TYPE).

5 Discussion and implications

This research has examined the effect that partnering between SEs and NPOs has on the development of SI in SEs, considering the specific characteristics of the collaboration as well

as differentiating the multi-dimensional nature of a SI. Overall, its results are consistent with recent research focused on business model innovation undertaken by social purpose organizations (SPOs), as entities that need to achieve a new dual institutional logic of social-economic value creation to face increased competition and resource constraints (Weerawardena et al., 2021). SPOs are becoming hybrid organizations in which more complex governance structures are involved. As Weerawardena et al. (2021, p. 763) posit, "dual value creation in particular requires SPOs to work with a broader set of stakeholders representing social and commercial interests (Weerawardena et al., 2010), which is suggested to produce adaptive tension (Roundy, Bradshaw and Brockman, 2018) that needs to be effectively managed."

Although our study adopts the SE's perspective whereas Weerawardena et al. (2021) focus on nonprofit SPOs, both kinds of organizations address new challenges arising from hybridity and new business models. In this context, Weerawardena et al. (2021) note four key topics for research: (1) an expanded locus of value creation – including not only the focal enterprise but also extending to society and individuals (Sabatier, Medah, Augsdorfer and Maduekwe, 2017); (2) greater focus on complexity – with the need to combine the social mission with an economic focus (Stevens, Moray and Bruneel, 2015); (3) greater institutional logics complexity – as organizations have to engage with a broad and diverse range of internal and external stakeholders with different institutional logics (Greenwood et al., 2011); and (4) the

need for hybrid organizations (Battilana and Lee, 2014).

Specifically, and regarding these four themes, our results show that transformational partnerships between SEs and NPOs contribute to (1) expand the focus of value creation to provide solutions aimed at the common good and with a social impact; (2) provide the organizational conditions for successful business model innovation and the integration of short-term and long-term perspectives; (3) balance shifting institutional logics derived from the dual value focus of SEs (social versus economic value); and (4) build capabilities associated with the hybrid entity designed to carry out the dual value creation focus. More in detail, the results provide some interesting contributions for both scholars and practitioners.

5.1. Contributions for scholars

The existence of huge social and environmental challenges, together with the interdependence generated by knowledge-based societies (trends that the COVID19 pandemic has significantly boosted), are encouraging research interest in SI, and now this term is not only associated with nonprofits or the public sector but also with for-profit organizations. Consequently, business studies and, specifically, innovation literature have begun to analyze in depth the underpinnings of this approach, extending the traditional boundaries of the firm towards an innovation ecosystem in which a broader range of stakeholders should be considered.

Our research contributes to the 'innovation ecosystem' literature (Granstrand and Holgersson, 2020) by showing that strategic partnerships between SEs and NPOs enhance SI in SEs, as

nonprofits help companies reinforce relationships with the local communities by fostering the role of beneficiaries, countervailing the short-term orientation of firms, and smoothing the dissemination of changes in behaviors.

The increasing research interest generated by SI during the last decade has led to abundant but fragmented literature on this topic; it is mainly composed of conceptual-based works and/or single case studies. The few attempts to provide a comprehensive and theoretical-based measurement instrument for SI, such as Krlev et al. (2014) or the SIMPACT project (Wintjes et al., 2016), adopt a macro-level (national/regional) approach, use existing official statistics and surveys (therefore suffering from the lack of separate data on SI and social innovators), and/or are based on case studies. Our approach provides a complementary perspective by moving from the macro-level approach to the organizational (meso) level and using an ad-hoc survey with organizations directly engaged in SI. The different statistical analysis carried out supported its multi-dimensionality, reliability, and construct validity.

The results of our study support (and extend) recent insights derived from hybrid organization literature and particularly from SE research. Scholars have extensively highlighted that the combination of business and social logics involves the appearance of tensions (Battilana and Lee 2014; Ebrahim et al. 2014). Yet, a new research stream offers a more positive side of hybridity centered on the "the potential inherent in SEs for fostering inclusion, triggering positive societal transformation, and generating impact by virtue of their commercial activities

and exposure to market pressures" (Mongelli et al. 2019, p. 302). Regarding this approach, Battilana and Lee (2014, p. 424) had already noted that "[t]he realization of these outcomes is contingent upon organizational factors—organizational activities, workforce composition, organization design, inter-organizational relationships, and organizational culture—that shape how organizations experience both the conflictual and generative aspects of the combination of forms." Some studies, such as Muñoz and Kimmitt (2019) have begun to identify different configurations of strategic conditions to combine and balance social and economic logics, and our research adds the role that partnerships between SEs and NPOs can play in achieving this objective.

General literature on sustainable business model innovation (SBMI) can also be benefited from the results of our study. That research stream focuses on innovating the value creation, delivery, and capture mechanisms of firms, adopting a broader perspective of value that includes not only the economic value but also the social and environmental value, as well as a multi-stakeholder perspective, involving societal stakeholders (Bocken and Geradts, 2020; Bocken et al, 2013; Foss and Saebi, 2017; Massa et al, 2017).

In this sense, Bocken and Geradts (2020) have noted that the role of organization design on the development of the dynamic capabilities needed to undertake SBMI has been scarcely analyzed. Their research identifies several types of barriers and drivers considering three levels of analysis: institutional, strategic, and operational. Some of the relevant barriers they found are

related to a focus on profit maximization/financial performance and short-termism (institutional barriers), a restrictive functional focus/silo thinking, prioritizing short-term growth, and a focus on exploitation at the expense of sensing, seizing and transforming (strategic), and factors such a narrow functional expertise of employees, standardized innovation processes that favor incremental innovations, a short-term incentive system, and short-term financial performance metrics (operational). For its part, institutional drivers include a balanced focus on shareholder and stakeholder value, as well as adopting a long-term orientation; strategic drivers refer, among other factors, to collaborative innovation (multidisciplinary and cross-sectoral collaborations; co-creation with external stakeholders including customers, other organizations and local communities); and operational drivers comprise people capability development, enabling innovation structure, and resources/incentive scheme/performance metrics for sustainability. Our results reveal that transformational collaborations with NPOs emerge as a means to countervail these barriers and enhance the drivers.

5.2. Implications for practitioners

The research highlights that not any type of partnership will necessarily be associated with SI. The results reveal that the global index of SI increases as the partnership shares to a greater extent three types of characteristics: (1) it presents a greater alignment with the core mission and capabilities of the SE, (2) the relationships between the partners present high levels of

involvement, communication, and trust, and (3) the partnership has led to internal changes within the SE. The implication of this result is that there is interest in encouraging these three characteristics, and several means can act in a complementary way to do this.

First, programs attempting to moderate perceived barriers to strengthen partnering are required, especially regarding the lack of staff capacity to manage cross-sector collaborations. Also, the need of reinforcing collaboration skills has important implications not only for managers but also for policy makers. For example, educational programs designed to improve entrepreneurship should include in their syllabus competences focused on improving the knowledge about the three societal sectors (values, motivations, priorities, language, legal limitations, etc.).

Second, to improve the level of trust and commitment, both businesses and nonprofits face the challenge of improving their knowledge about the other partner/sector and in some cases even changing their preconceptions. For example, businesses should recognize the value of the non-financial contributions of nonprofits and preserve nonprofit independence, thus avoiding co-optation risks. From the nonprofit's perspective, it is important to promote accountability as well as to accept a quantitative results-based orientation management. The climate of trust can also be enhanced by means of activities that develop a mutual understanding (e.g., seminar sessions, encouraging temporary personnel mobility among groups, personal contacts, reporting procedures).

Third, transformational partnerships are also characterized by a process of internal change. To manage this change, top management commitment of both SEs and nonprofits will be critical. Factors such as the lack of involvement of top management, their loss of interest as time goes by, or the turnover of key promotors of the partnerships represent common barriers to partnering.

The results derived from the individual analysis of each of the SI dimensions lead to additional implications. It seems that the two SI dimensions that are specially impacted by partnering with nonprofits are those that share a long-term focus in their conceptualizations, i.e., regarding the need of generating a durable and systemic change without compromising future generations' capability to meet their needs. Therefore, strategic collaboration with nonprofits emerges as a way to moderate the short-term visions that SEs could eventually show as the result of their typical lack of resources and small size.

The positive effect with regard to the transformational impact dimension is worthy of note, taking into account that systemic change is extremely difficult to achieve. This is corroborated by the fact that some of the lower mean values of the whole set of indicators used to measure the SI correspond to some of the changes at a meso and macro levels. Therefore, systemic change requires the strategic collaboration of the for-profit and nonprofit sectors. Furthermore, when the public administration is a promoter of the social enterprise, the value of the transformational impact dimension tends to be significantly greater. This result reinforces the

idea that it is really difficult for each of the societal actors working alone to generate a real systemic change.

6 Limitations and further research directions

We can note two main limitations in this study. The first one is the cross-sectional nature of the empirical research. The use of a survey makes the data gathered refer to a particular moment of time, but SI involves a long-term process, and the current approach should be complemented with panel data (if possible) and/or a qualitative approach. We have tried to face this limitation by means of a very careful design of the questionnaire in order to reduce as much as possible the potential problem of the common method bias. The second limitation refers to fact that the research has focused on only one of the viewpoints involved in the social enterprise-nonprofit partnership, i.e., the social enterprise. In future studies it would be interesting to incorporate the perspective of the nonprofits.

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APPENDIX

Social innovation (SI) (seven-point Likert scale)		
Social goal-oriented innovation (SI_DIM1) *The extent to which the innovation has the following objectives*		**Mean (Standard Deviation)**
SGOAL1	Facilitating the access of beneficiaries, users or customers to education/training (corresponding to Sustainable Development Goal #4)	5.08(1.91)
SGOAL2	Solving/alleviating problems related to the access of beneficiaries, users or clients to health services and/or their quality (SDG#3).	3.59(2.25)
SGOAL3	Facilitating the access of beneficiaries, users or clients to basic products and services, such as food or housing (SDG#1, SDG#2, and SDG#6)	4.12(2.25)
SGOAL4	Solving environmental problems or alleviating their impact on society (SDG#7, SDG#11, SDG#13, SDG#14, SDG#15)	4.27(2.32)
SGOAL5	Alleviating imbalances in the labour market, providing means for labour inclusion of beneficiaries/users/clients, and facilitating economic activity aimed at job creation (SDG#8)	5.37(1.98)
SGOAL6	Promoting the creation of new firms or business projects (SDG#9)	4.44(2.13)
SGOAL7	Raising the awareness of different targets about a social problem, advocacy activities (SDG#16)	5.56(1.60)
SGOAL8	Solving/alleviating other serious social problems (aging, social cohesion, violent behaviours, gender equality, consumer protection, etc.) (SDG#5, SDG#10, SDG#12)	5.12(1.86)
Social process-oriented innovation (SI_DIM2) *The extent to which the innovation has allowed the SE*		**Mean(SD)**
… to involve stakeholders in the decision-taking process of the organization		
SPROC1	…to implement a new way of relationship with some of its external stakeholders	5.66(1.44)
SPROC2	…to improve the participation of some of its external stakeholders in the governing bodies of the organization	3.33(2.01)
SPROC3	…to develop a collaborative management model with external stakeholders	4.53(1.91)
SPROC4	…to improve the participation of some of its stakeholders in design processes (co-creation) and/or service delivery (co-production)	4.30(1.95)
SPROC5	…to develop alliances with firms, nonprofits and/or public administrations	5.46(1.72)
… to promote social models of territorial or community management		
SPROC6	…to promote and/or facilitate community initiatives so that stakeholders can self-manage and become directly involved in solving the social problem	4.37(1.99)
… to foster participation (of stakeholders) by means of information and communication technologies		
SPROC7	…to develop a virtual open community to facilitate citizens direct access to information/training, as well as their participation/interaction with the organization	3.84(2.02)
SPROC8	…to develop a technological application suitable for online service provision	3.26(2.28)
Sustainability dimension (SI_DIM3) *The extent to which the innovation …*		**Mean(SD)**

IMPROV1	…satisfies or contributes to solve social problems in a more efficient way	5.74(1.42)
IMPROV2	…achieves significant improvements in the way of satisfying social problems	6.08(1.12)
IMPROV3	…achieves sustainable improvements in the way of satisfying social problems	6.15(0.99)
Transformational impact dimension (SI_DIM4) *The extent to which the innovation has achieved the following results*		**Mean(SD)**
MICRO1	Outcomes obtained by the beneficiaries (e.g. percentage of beneficiaries who have accessed a job or a house, started a business, …)	5.20(1.67)
MICRO2	Improvements in the behaviours developed by these targets in accordance with the goals pursued by the program, project or product	5.50(1.30)
MICRO3	Maintenance of those changes over time	5.35(1.35)
MICRO4	Improvement of capabilities and skills of one or several of its stakeholders in order to enable them to take decisions and be accountable for their implementation and results	4.88(1.62)
MICRO5	Economic, social and/or personal improvements for those employees who have been involved in the innovation	4.95(1.66)
MICRO6	Economic, social and/or personal improvements for other stakeholders (e.g., members of the beneficiary's family, neighbors, etc.)	4.93(1.47)
MESO1	Improvement of the participatory nature of the organizational governance system	3.80(1.93)
MESO2	Introduction of good-governance practices in the organization	5.39(1.45)
MACRO1	Improved citizen influence	4.25(1.71)
MACRO2	Increase of the influence of the social cause in the political agenda	3.76(1.88)
MACRO3	Changes in regulations and reforms in favour of the social cause	3.31(1.91)
MACRO4	Opportunities for sustainable economic growth in the community	4.42(1.82)
MACRO5	Improved sectoral conditions (advances in environmental, social, educational, economic, or health conditions of society)	4.84(1.73)

INDEPENDENT VARIABLES (seven-point Likert scale)

The extent to which the following factors favor the development of social innovations within your sector of activity

Institutional-political framework (INST)		**Mean(SD)**
INST1	Existing legislation and regulations	3.94(2.08)
INST2	Public policies and programs related to your sector, agendas, declarations	3.67(1.87)
INST3	Political climate (e.g. political stability, transparency, level of corruption, etc.)	3.00(1.83)

Societal climate (PART)		**Mean(SD)**
PART1	Citizens' participation in political activities and parties	3.30(1.62)
PART2	Citizens' participation in nonprofits, grassroots initiatives or social movements	4.41(1.68)

Societal climate (VALUES)		**Mean(SD)**
VALUES	Values such as, justice, tolerance, equality, solidarity, or environmental sustainability	4.51(1.57)

Societal climate (ACHANGE)		**Mean(SD)**
SCLIM4	General citizens' attitude toward change	4.39(1.48)

Legitimation of the social cause (LEGIT) *Overall, society …*		**Mean(SD)**
LEGIT1	…acknowledges and is aware of the social cause to which your organization is linked	4.47(1.64)
LEGIT2	…acknowledges its relevance and feels completely identified with this social cause	4.27(1.67)
LEGIT3	…supports (through donations, volunteers, etc.) the social cause	3.42(1.84)

Social capital (SC)		
Structural capital (STRUC)		**Mean(SD)**
STRUC1	Our network of contacts is very extensive (high number of contacts)	4.75(1.42)
STRUC2	We maintain contacts with very different types of organizations and sectors	5.18(1.41)
STRUC3	Those organizations with whom we maintain contacts are highly interconnected	4.85(1.37)
STRUC4	Overall, the links we maintain with the network are very strong (e.g. in terms of time or involved resources, frequency of interaction, …)	4.41(1.48)
STRUC5	Our organization occupies a central position, that is, we are very difficult to replace	3.79(1.66)
Relational capital (RELAC)		**Mean(SD)**
RELAC1	The level of disagreements and conflicts is low and they are easily resolved (we think that actors will fulfill their promises and will not undertake detrimental actions for us)	4.65(1.52)
RELAC2	We expect to collaborate in the future with this network and to invest in the development of these relations	5.75(1.24)
RELAC3	Costs/benefits of maintaining these relationships are shared in an equitable manner	4.77(1.48)
RELAC4	Relationships are not only professional but they also extend to personal relationships	4.54(1.50)
RELAC5	The terms of the relationships are open and partners are willing to adjust them	4.98(1.32)
Cognitive capital (COGNIT)		**Mean(SD)**
COGNIT	The organizations which are part of the network share the same language, objectives, values, and ways of understanding. We understand each other easily	4.99(1.38)

Collaboration continuum of the social enterprise-nonprofit partnerships (CC)		
Strategic nature (STNAT)		**Mean(SD)**
STNAT1	Importance to mission	4.95(1.73)
STNAT2	Strategic value	4.96(1.66)
STNAT3	Magnitude of resources	4.27(1.63)
STNAT4	Scope of activities	4.21(1.93)

Relational development (RELD)		**Mean(SD)**
RELD1	Level of partners' engagement/commitment	5.23(1.45)
RELD2	Level of interaction/communication	5.20(1.41)
RELD3	Level of trust	5.80(1.18)
Complexity and change (COMPL)		**Mean(SD)**
COMPL1	Managerial complexity	3.97(1.63)
COMPL2	Internal change as the result of the collaboration	3.44(1.76)

	Accountability to …				
Items	**A_EMPL**	**A_DONOR**	**A_PUBLICA**	**A_BEN**	**A_CUST**
To what extent this stakeholder contribute to define what the success of the social enterprise is	5.82(1,470)	4.01(2.119)	3.55(1.932)	4.99 (1.857)	4.92 (1.862)
To what extent the social enterprise is accountable to this stakeholder	5.19(1.688)	4.82(2.264)	4.50(2.065)	4.20 (1.897)	4.05 (1.928)

Note: A_EMPL=employees, A_DONOR=investors/donors, A_PUBLICAD=public administrations, A_BEN=beneficiaries of the social mission, A_CUST=customers of the commercial activity

Each variable was calculated as a mean value of the two corresponding items