Social capital and innovation in the third sector

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“Paper submitted to the 12th International conference of the International Society for Third Sector Research, Ersta Sköndal University College, Stockholm, Sweden, June 28 - July 1, 2016”

Abstract

Social entrepreneurs in the third sector have taken a central role in tackling problems related to economic inequalities and social exclusion. While earlier literature on social entrepreneurship focused on individual leaders (Dees, 1998, Bornstein, 2007), more recent research embraces conceptualizing social entrepreneurship as a social process (Van Ryzin et al., 2009). Within this emerging body of literature, the importance of social relations in social entrepreneurship has been well documented (Mair, 2010; Fayolle & Matlay, 2010). However, little empirical research exists regarding the role of social capital, or the resources embedded in social relations, which can benefit an individual or a group (Myer & Nelson, 2010).

This qualitative study addresses this gap in research by studying 27 leaders of social entrepreneurial third-sector initiatives in Brazil. The results demonstrate that while the individual leaders might have initially come up with an innovative idea for their third sector programs, all 27 leaders described a group of three or more individuals as absolutely essential during the conceptualization and implementation of the project. I refer to this dense network of individuals as a community of innovation. The results of this study show that the outcomes or consequences of the social capital embedded in these innovative communities included: conceptualizing the initiative, completing tasks that contributed to the realization of the initiative, emotional support to the leader which encouraged them to keep working despite challenges, solidarity that led to collective action (and collaborative experiences further fostered trust and a sense of solidarity), a collaborative and innovative learning process that further shaped the social entrepreneurial process, and access to other forms of capital such as financial capital and symbolic capital, which contributed to the sustainability and expansion of the social entrepreneurial enterprises.

My findings can inform future social entrepreneurs working in the third sector about social relations they may wish to cultivate, in order to access valuable social resources during the early stages of social entrepreneurship. It also describes processes and interactions that encourage trust among communities of social change agents that ultimately foster social capital. Further, my study questions policies in the field of social
entrepreneurship, which credit and support individual leaders with developing innovative social ideas (Drayton, 2002; Bornstein, 2007). Instead, the findings suggest that supporting groups of social innovators in the third sector could lead to more powerful results.

**Introduction**

Social entrepreneurs in the third sector have taken a central role in addressing contemporary problems related to social exclusion and economic inequalities. A social entrepreneur is defined in this paper as a person or a group of people who develop innovative ideas to overcome social problems, which ultimately lead to sustainable social transformation (Jacobi, 2006; Alvord, et al. 2004). Social entrepreneurs historically have tackled social problems that have the strongest bearing on marginalized and economically poor populations (Scheiber, 2015; Jacobi, 2006; Alvord, Brown & Letts, 2004).

Innovation is one of the core characteristics of social entrepreneurship. Social entrepreneurship entails creating new solutions, rather than simply replicating existing “best practices,” when resources for a social problem are limited. When the resources to expand services for marginalized groups do not exist, social entrepreneurs develop innovative solutions that rely on a variety of resources and that serve a larger population more effectively than previous initiatives (Uphoff, Esman, & Anirudh, 1998).

While earlier literature on social entrepreneurship focused on individual leaders (Dees, 1998, Bornstein, 2007), more recent research embraces conceptualizing social entrepreneurship as a social process (Van Ryzin et al., 2009). Within this emerging body of literature, the importance of social relations in social entrepreneurship has been well documented (Mair, 2010; Fayolle & Matlay, 2010). However, little empirical research exists regarding the role of social capital, or the resources embedded in social relations, which can benefit an individual or a group (Myer & Nelson, 2010). This exploratory
study empirically addresses this research gap through 27 in-depth case studies of leaders of social entrepreneurial third-sector initiatives in Brazil. Attention is given to with whom and in what ways these innovators access and utilize the skills and knowledge necessary to develop and administer social entrepreneurial programs. Specifically, this paper focuses on social capital accessed and utilized by 27 individuals who initiated programs or organizations in the third sector directed toward violence prevention and/or the empowerment of urban youth living in marginalized spaces in the city of Rio de Janeiro, Brazil. Social capital is defined as a resource whose availability and exchange of resources are embedded in the relationship with other actors (Bourdieu, 2007). Stanton-Salazar (1997) defines it as “those ‘connections’ to individuals and to networks that can provide access to resources and forms of support that facilitate the accomplishment of goals” (p. 18). A key component of social capital is not simply the social relationships that comprise the networks, but the access to resources through these relationships (Coleman, 1988; Anheier, Gerhards and Romo, 1995; Lin, 1999).

The primary research questions in this qualitative study ask: What social capital do social entrepreneurs have access to and rely upon to take on the role of a social entrepreneur? What is the interplay between their social capital and their capacity to take on the role of a social entrepreneur? The findings describe the social capital that played a role in the leaders’ social entrepreneurial trajectories, particularly during the initial conceptualization and implementation stages. This study challenges the emphasis on individuals in earlier research (Bornstein, 1998; Drayton, 2002) by examining social entrepreneurs from a sociological perspective. Considering that scholars (Mair and Marti, 2006) explicitly advocate studying the networks in which social entrepreneurs are
embedded, this paper aims to push the field forward by understanding where social capital fits into the social entrepreneurial process of leaders. The study is grounded in literature on social capital and communities of innovation. I will present a brief review of the literature, followed by methodology, findings and concluding remarks on how this study contributes to the field.

**Literature review**

**A brief review of social capital**

In this paper, social capital is defined as resources that are embedded in social relationships and that benefit those involved (Claridge, 2004). The concept is grounded in the presumption that participating in relationships has potentially positive outcomes (Portes, 1998).

Social capital scholars emphasize distinct aspects of the concept, which has caused confusion in terms of what precisely social capital means. Specifically, some emphasize structural and relational aspects that shape the processes by which social capital is created. Others emphasize the outcomes of social capital (Portes, 1998; Field et al., 2000; Grootaert and Van Bastelaer, 2002b). In an effort to understand how social capital is created, social scientists study connections among individuals, including details such as the degree of interdependence. For example, some researchers believe that social capital evolves out a collective group and therefore requires close relationships among a dense network of individuals. Dense networks refer to numerous social connections among the various actors in a collective group. Though some social scientists argue that dense networks are the secret ingredient to creating social capital (Coleman and Hoffer, 1988; Coleman, 1993; Putnam, 1993), others argue that connections to networks outside an actor’s immediate social circle, is the key to social
capital because it provides access to diverse information and knowledge (Granovetter, 1973, 1983).

Other scholars focus on the benefits of social capital. Such scholars are interested in how access to information through social connections ultimately fosters informed decision-making (Adler and Kwon, 2002). Another potential outcome of social capital is power and influence. If a social entrepreneur is affiliated with a respected institution for example, then his or her social initiative might piggyback off of this institutional legitimacy and experience “buy-in” from outsiders. Another potential outcome of social capital is solidarity (Adler and Kwon, 2002), which is important for collective action (Putnam, 1993).

In this paper, I aim to conceptualize social capital in a multidimensional way in order to take full advantage of its explanatory usefulness (Eastis, 1998). Therefore, I will delve into the structural and relational factors that shape the social capital that is rooted in the social relations of the social entrepreneurs. I also will detail the outcomes of social capital in relation to conceptualizing and implementing innovative social entrepreneurial initiatives.

A brief overview of Communities of Innovation

A community of innovation is a dense network of individuals that is dedicated to creating innovative ideas, systems and products (Grimaldi & Rogo, 2009). Coakes and Smith (2007) conceptualize it as a type of communities of practice dedicated to innovation. In describing the social structure that makes up a community of innovation, West (2009) states that it typically is a network of interdependent actors, made up of individuals who work together towards a common goal, based on self-directed motivation and the belief in
the importance of their common interest. The actors tend to bring diverse perspectives, skills (distinct professional backgrounds), and other diverse resources to the community of innovation.

According to West (2009), creativity literature and social learning theory have informed the concept of a community of innovation. Creativity literature provides insight into the processes involved in the creation of an original and useful product. Literature on creativity and innovation in recent years has emphasized the importance of collaboration (Montorui & Purser, 1999; Paulus & Nijstad, 2003) and has suggested that specific processes occur during group innovation. Recent research also suggests that for collaborative innovation to work well, there needs to be a sense of interdependence and trust among community members for actors to feel comfortable enough to share new ideas.

The intersection of communities of innovation and social capital

I argue that the intersection of community of innovation and social capital literatures provide a constructive lens for analyzing some of the social processes that make up social entrepreneurship. While communities of innovation literature is useful to the field of social entrepreneurship in terms of providing insight into how innovation occurs through collaboration, I also believe that social entrepreneurship can inform communities of innovation. The communities of innovation literature has focused on the world of industry (Grimaldi & Rogo, 2009; Coakes and Smith (2007), with the aim of creating products, ideas or concepts that will lead to more profitable financial results. The communities of innovation in my study, however, are dedicated to creating innovative ideas, projects and movements to address some of society’s most dire social problems.
The conceptualization of a community of innovation is still very new, with unanswered questions that require future research. Applying the concept to the third sector offers unchartered terrain to experiment and explore the concept. According to West (2009), questions pertaining to the nature of communities of innovation would “benefit from developing thick case studies of actual communities of innovation” (p. 327). Communities of innovation involved in social entrepreneurship, similar to the ones in my study, serve as an excellent opportunity for case studies to further develop its conceptualization in a context outside of the for-profit sector.

**Method**

This exploratory study centers around 27 case studies of social entrepreneurs working in the third sector in Rio de Janeiro, Brazil (Scheiber, 2015). A social entrepreneur in this study is defined as a leader of a third sector initiative who came up with an innovative idea aimed at addressing an unmet social need that impacts traditionally marginalized individuals, and that has the potential of large-scale impact (Scheiber, 2015). For my study sample, I researched databases of third-sector organizations and vetted programs through a series of questions aimed at including only those initiatives that aligned with my definition of social entrepreneurship. Of the 38 leaders of non-profit organizations that fit the parameters of my study, 27 participated in the study. Data collection spanned nine months, and the primary data sources for the study entailed a two-part interview process, participant observation, document analysis and supplemental interviews with key informants. The data was analyzed through a series of coding processes, including a visual life history storyboarding approach. For a more detailed description of the methodology, please refer to Scheiber (2015).
Findings

Prior research on social entrepreneurs that used a case study approach typically credited a single leader with coming up with and conceptualizing an innovative idea to overcome a certain social problem (Dees, 1998; Bornstein, 2007). My research challenges this individualist model. While the social entrepreneurs in my study might have come up with the original ideas for their initiatives, it was a group of individuals that filled in the details and turned the ideas into functioning initiatives. The leaders all referred to a dense network of actors as being absolutely essential to the conceptualization of their initial idea and its implementation. A dense network is defined as frequent interaction with numerous social ties among the actors in the community. I refer to this network of actors as a community of innovation, and I argue that this network is an opportunity for social capital for the leaders in my study.

In the next section, I will describe the outcomes of utilizing this social capital, specifically how the communities of innovation contributed to the conceptualization, implementation and evolution of the initiatives. The findings support the mounting literature that perceives social entrepreneurship as a social process (Fayolle & Matlay 2010; Mair, 2010). It also speaks to social capital theory that advocates that tight-knit groups with dense overlaps of social interaction among actors facilitate “coordination and communication and amplify information about the trustworthiness of other individuals” (Putnam, 1993, p. 38).

Conceptualizing and Developing Initial Innovative Ideas

When asked during the interviews who originally thought of the idea for their projects, 21 of the 27 leaders stated that they were the only person who originally came
up with the idea. When asked whom they considered absolutely vital in further
developing and conceptualizing the initial idea of the project, all of the leaders except one
said a group of people. They described a network of actors, that had multiple social ties
with one another, and that helped with the conceptualization and implementation of their
initiatives. The majority of the networks were made up of three or more individuals, who
typically had diverse areas of expertise and/or offered resources distinct from those
obtained by the social entrepreneurs (West, 2009). The conversations often critically
questioned and analyzed root causes of the problems, as well as ways to overcome them.
All of the actors had the opportunity to contribute to the conversation, and their collective
active participation fostered a sense of investment and mutual vision among the
community players. In a majority of cases, innovative project ideas evolved out of these
collective conversations.

Completing Tasks

The majority of actors who made up the communities of innovation during the
conceptualization stage also played critical roles in the implementation of the initiatives.
The most evident example of deploying social capital embedded in the community of
innovation during the implementation stage of social entrepreneurship was human
capital, in the form of actors completing various tasks to make the initiative function.
There were numerous examples across interviews in which the actors from this network
brought a diverse base of knowledge and skills and provided a service grounded in their
particular strength or area of expertise. One leader described how the various resources
within his community of innovation contributed to the execution of his initiative:

There was a group of us that worked together... people who worked in various
areas--social assistance, pedagogy, physical education--and we worked together
initially and developed the [NGO]…. We had a group that organized the workshops in which the youth would have to study every day and another group organized the food, and then another group worked on helping those youth who would leave after 6 months…. And each person had a specific activity and they chose what they wanted to do.

In line with social entrepreneurial research (Thompson et al., 2000) and community of innovation literature (West, 2009) that describe the importance of working in teams with diverse resources distinct from the leaders, many of the actors within the leaders’ networks had experience or an area of expertise that the leader lacked. Diversity in resources did not only occur in the form of professional background and area of expertise, but also in personality types. In a handful of cases, leaders explained that they had a “dreamer” profile while the actors within their implementation network fell under the category of “doers.” As one leader stated, referring to a member of her community of innovation:

I have an entrepreneurial profile in which I am the dreamer and she is the one who “has a foot on the ground.” She is the one who actually makes the money, does the analysis etc. If you were to depend on me, the project would die. She is the operational one that makes things function and I am the ideas/dreamer person. Expanding on the previous leader’s sentiments, three leaders described a specific dynamic in which the leader “was the dreamer and came up with ideas,” another team member was the “business-oriented person,” and another had his/her “feet on the ground” in terms of administrative tasks and “getting things done.” What was apparent from the findings was the importance of a group of actors who collectively provided diverse resources to realize the initiative, which challenges the notion of an individual social entrepreneur learning how to manage the many responsibilities and tasks necessary for social entrepreneurship. Lave and Wenger (1991) found in their research that diversity in expertise was not always a critical factor among communities of practice. In my study,
diversity in resources among actors in the communities of innovation was the predominant pattern. However, there were a number of instances in which the network of implementation actors had similar professional backgrounds and this commonality served as an asset because they could build off of one another’s experiences.

Emotional Support, Trust and Solidarity

The leaders in my study described how the individuals within their communities of innovation offered invaluable emotional support by believing in the idea of the initiative. They were committed to the philosophy and the objective of the idea, and the outcome was that it encouraged the leaders to continue working on their vision, despite challenging obstacles. Prior research suggests that social entrepreneurs often experience resistance from members of society who wish to keep the “status quo” (Bornstein, 2007). This was the case for a number of the leaders in my study, which highlighted the importance of having social actors who supported and believed in their work.

Solidarity that evolved out of interdependent relations among actors was another important benefit of social capital among the actors within the community of innovation. Across the board, leaders often spoke about a sense of solidarity within their communities of innovation, which was conducive to collective action. One leader explained,

We began our work with our desire and our few resources pulled together. And our initial internal support was really not financial but our drive… our internal motivation and our initiative and desire to do something.

It is important to touch upon social structural components that played a role in the development and maintenance of the social capital embedded in this network of actors. Social ties shift over time and communities of innovation are no exception. At this stage of the trajectory (implementation), the majority of actors within the communities of
innovation had been working together on a regular basis (at least weekly and in most cases daily) for an extended period of time. When a number of the leaders first started working with their communities of innovation while conceptualizing their ideas, the leaders described their relationship with the actors in their community as weak ties (acquaintances). A number of leaders described how their relationships with the actors in the communities of innovation shifted over time to become strong ties (close friends and confidants). Working together over an extended period of time on a specific mutually shared goal lent itself to developing a close-knit network of interdependent actors. Through shared experiences, the actors learned that they could rely on one another, and engaging in shared experiences helped establish a sense of cohesion among group members. As Putnam (1993) states, “Successful collaboration in one endeavor builds connections and trust - social assets that facilitate future collaboration…” (p. 4). Stated simply, trust was a specific form of social capital that evolved out of this social arrangement, which was conducive to future social action.

Collaborative Innovative Learning

The leaders described numerous examples of learning within the context of their communities of innovation (Scheiber, forthcoming). I asked a myriad of questions that aimed to understand the evolution of the leaders’ initiatives and about how the leaders and the actors in their communities of innovation learned how to execute them. The findings revealed a collaborative learning process that entailed some kind of combination of experience, reflection, a shift in perspective and action. The learning process occurred among the community of innovation actors, as opposed to on the individual level.
Another noticeable pattern that emerged from the interview data was the importance that the target population played in the learning process (Scheiber, 2014). Leaders described how critical it was to listen to the target population, reflect as a group on their interactions with the target population, and then apply what they heard and observed to future action. Building off of the prior point that learning among the community of innovation was often instigated by a challenge that emerged during implementation, in many interviews the leaders described a challenge or problem directly involving the target population. One leader who instigated a family therapeutic program aimed at preventing domestic violence stated,

"The truth is that it is not just a moment but a process – various moments and various observations that have helped us understand… For example, after visiting many times a patient with their family and observing the dynamics of this family – there was a phenomenon in which we would reproduce the patterns in the family with the patterns within the [therapy] team… It was as if we absorbed this pattern… and although at first we thought of it as a problem--like a contamination--we realized this was actually a good opportunity to work, because if were able to fix the conflict within our team, then we had a better chance of helping the family overcome the conflict within the family…. So this was not something that happened suddenly but it was a long process.

The data highlights how both individual and group learning happened within the context of a shared process. Therefore, one of the outcomes of the social capital embedded in the communities of innovation was that both individual and group learning informed the social entrepreneurial process and the evolution of the social enterprises.

In addition to problems related to the implementation of the initiatives, other external challenges evolved that the communities had to overcome. In some cases, these challenges served as opportunities to bond the actors within the communities together. Leaders specifically spoke about the challenges of obtaining and maintaining the
necessary finances to keep their projects running. For example, one of the initiatives had not formally been registered as a non-profit organization, and any external financial support was channeled to the initiative through a separate religious institution. When the leadership within this larger organization changed, so did its policies. Faced with financial problems, the umbrella religious organization decided to sell the homes that the smaller social entrepreneurial initiative had obtained through donations and used as temporary shelters for street children. The homes were pivotal to the innovative program because they allowed the street educators to have continuous contact with the street kids with whom they worked, which helped build trust and enhanced the overall effectiveness of their work. Devastated by the unexpected change in leadership and policies of the larger religious organization, they realized that they could no longer rely on the institution as a mediator of their finances. The network of actors who had originally began the initiative, along with a handful of employees, who previous were street children but had gotten off the streets partially with the help of the initiative, got together to discuss if and how to move forward. Despite their financial losses, they decided to continue their work by forming a new and independent organization to be officially registered as a non-profit organization. Because they did not have funding during the early stages of setting up this new organization, the founders and employees worked as volunteers until they obtained the necessary financial resources to restore the prior paid positions. The leader explained that he and his team had learned from their prior experiences, which inform their current work practices.

Financial challenges came up across interviews with the social entrepreneurs. In a number of cases, like the one described above, the financial hardships encouraged the
actors within the communities to discuss the challenges as a group and work more interdependently together, ultimately enhancing the cohesiveness of the group. As will be discussed in more detail in the next section, some communities of innovation overcame financial challenges by pooling their individual resources together. In other cases, the leaders described how their programs at times evolved based partially on external factors such as funding issues. Regardless of the approach, it seemed that the mutually shared belief in the importance of the communities’ work overshadowed the financial difficulties they faced.

Other Forms of Capital

Bourdieu (1985) postulated that the amount of social capital a person has depends on the potential resources embedded in the network and the volume of other forms of capital associated with that network. The data from the interviews highlights how the social capital embedded in the relationships with the actors in the communities of innovation converted into other forms of valuable capital. Specifically, the individuals who made up the community of innovation led to financial and symbolic capital, and had social ties to actors that led to additional social capital.

In terms of financial capital, the people who made up the community of innovation either financially contributed to the evolution of the initiative or had social connections to other actors that led to financial resources. One leader stated,

I never would have been able to [start the Institute] alone because all of us invested a lot our own personal money to start the institute in order to have it functioning and we divided the costs among us.

Actors within eight of the communities of innovation contributed financially to the birth of the initiative. In other instances, actors within the community of innovation
had connections to people who ultimately provided funding for the social entrepreneurial project (a form of bridging capital). Leaders also described how the actors within the implementation network wrote up funding proposals that ultimately led to financial support for the initiative. Finally, community of innovation actors had access to physical resources, which translated into financial savings since the initiative did not have to cover such costs. For example, one leader explained that one of the individuals in the community of innovation owned a house, which they used as the home base for their initiative at no cost.

In a number of instances, the actors in the communities of innovation had symbolic capital. Several of the actors across the communities of innovation were involved or had been involved in politics and had access to politicians. In other cases, actors were connected to the university, and therefore were considered legitimate in terms of expertise because of their educational credentials. Other actors were well-known and respected in the hip-hop world, which opened up important opportunities for them.

The actors who made up the community of innovation were embedded in their own networks, and served as a bridge tie to other networks. Such bridge ties enhanced the overall social networks of the initiative and therefore augmented the potential social capital embedded in these networks. I already mentioned, for example, how individuals within the communities of innovation knew actors connected to funding. Other examples that featured across interviews included connections to actors within the media, which led to important publicity of the initiative, connections to actors with the necessary legal background to file the paperwork to achieve official NGO status, and access to a larger network of the target population.
In all of the instances, resources embedded in the social relations among the actors in the communities of innovation added to the overall accumulation of resources among the communities of innovation. The outcome of utilizing this social capital was the ability to complete tasks involved in the implementation of social entrepreneurship. Such a dynamic highlights that the process was not based on the one individual (the social entrepreneurial leader), but instead on the culmination of a group of actors, the resources embedded in those relationships, and their collective action.

Conclusion

A considerable body of social entrepreneurial literature exists that uses an individualist model and assumes that social entrepreneurs have a set of innate characteristics that set them apart from other types of leaders (Dees, 1998; Bornstein, 2007; De Leeuw, 1999; Henton et al., 1997). The purpose of this study is to contribute to the growing body of research that conceptualizes social entrepreneurship as a social phenomena as opposed to an individual one (Mair, 2010; Brock, 2008; Zahara et al., 2009). The specific questions that I aimed to address were: What social networks do social entrepreneurs have access to and what social capital embedded in these networks do they rely upon to take on the role of social entrepreneurs? What is the interplay between this social capital and taking on the role of a social entrepreneur?

My data illuminated the fact that although the social entrepreneurs might have come up with the preliminary ideas for innovative initiatives, it was a group of individuals that contributed to the conceptualization and implementation of them. In fact, all of the leaders referred to a specific group of actors as absolutely essential in contributing to the conceptualization of their initial ideas and their implementation. This
finding is important, as it runs counter to prior case studies on social entrepreneurship that credited a single leader with coming up with and conceptualizing an innovative idea (Bornstein, 2007). It also supports literature that advocates examining social entrepreneurship as a social process as opposed to an individual model (Fayolle & Matlay, 2010). But what does this social process look like, and how can we make sense of it?

All 27 leaders described a network of actors, that had multiple social ties with one another, and that helped with the conceptualization and implementation of their initiatives. The majority of the networks were made up of three or more individuals, who typically had diverse areas of expertise and/or offered resources distinct from those obtained by the social entrepreneurs. In many cases, innovative ideas for the social initiatives evolved through a collaborative process in which the tight-knit groups of actors got together and discussed social problems about which they were concerned. The conversations often critically questioned and analyzed root causes of the problems, as well as ways to overcome them. The core network of actors continued to be involved in the social entrepreneurial process during the initial implementation and evolution of the social enterprises. Among other forms of support, the network of actors completed tasks that contributed to the realization of the social enterprises, they provided emotional support to the leaders, which encouraged them to keep working despite difficult challenges, solidarity among the actors in the network led to collective action, and actors in the networks provided resources such as financial capital, which contributed to the sustainability and expansion of the social entrepreneurial enterprises. Finally, the leaders described that once their initiatives had been conceptualized and implemented,
collaborative and innovative learning happened among their network of innovators based off of experiences with the initiative and a group reflective process that involved the aforementioned network of actors (Scheiber, forthcoming). The outcome of this reflective process often led to new innovations and changes aimed at improving and building upon already existing social entrepreneurial projects.

Practical implications

*Participate in Communities of Innovation*

Future social entrepreneurs could benefit from creating a tight circle of collaborators (with distinct areas of expertise) that share a mutual passion for addressing a specific social issue through innovative problem-solving. To truly embrace a collaborative approach, Komives and Wagner (2009), advocate that the involved participants create a shared vision of the change they wish to instigate. This shared vision should evolve out of a decision-making process that ensures all participants have an equal opportunity to participate and contribute in a way that is meaningful to them. Horizontal decision-making fosters a sense of belonging and investment in the collective mission. My findings also indicate that working within a dense network of actors who engage in interdependent activities with a reflective component, over an extended period of time, can enhance a sense of solidarity, which encourages collective action. Experiences that demonstrate that the actors involved can depend on one another helps foster trust, which enhances the capacity to work well in future collaborative endeavors.

Another important practical takeaway from that study is that practitioners and stakeholders in the field of social entrepreneurship should encourage the development of
social entrepreneurs’ social capital, and not just be concerned with the development of the individual. Supporters of social entrepreneurship should look to support dense networks of social innovators, as opposed to just providing individual-level support. Currently, philanthropist organizations such as Ashoka seek out individuals with an innovative social idea. Ashoka Fellows receive a two-year salary so that they can further develop and implement their ideas. Instead of funding an individual, my research suggests that Ashoka and similar organizations should research or evaluate the outcomes of potentially financing a group of social innovators to collectively develop their ideas.

*Intentionally Include Traditionally Marginalized Populations in Communities of Innovation*

Considering how important the target population was in all stages of social entrepreneurship according to the leaders (Scheiber, 2014), social entrepreneurial leaders should actively invite historically disadvantaged populations to participate in their communities of innovation. Including the population to be served in the evolution of a social entrepreneurial project is important because it speaks to the importance of “voice” of traditionally socially excluded populations. Future research on the involvement of marginalized populations in the communities of innovation and the ways in which their participation contributes to the collective learning process could offer important insights into inclusionary processes and practices in the field of social entrepreneurship.

Theoretical implications

I merged literatures from social entrepreneurship, social capital and communities of innovation to make sense of my findings. Uniting these literatures proved useful in understanding social entrepreneurship as a social process, as each body of literature
informed the others in unique and interesting ways. Social capital literature, for example, highlighted the fact that the structure of relations in which the social entrepreneurs were embedded influenced their actions as leaders. Literature on social capital suggests that the social structure of a dense network in which the leaders were embedded (described above) was conducive to developing trust, which ultimately facilitated the leaders’ capacity to take on collective action (Putnam, 1993). In the context of social entrepreneurship, “collective action” entailed coming up with innovative ideas aimed at addressing social problems and implementing initiatives aimed at overcoming them. Further, social capital theory suggests that social networks organized horizontally (and not-hierarchically) also facilitate group cooperation, which makes collective action more effective. The communities of innovation described by the leaders in my study tended to encourage horizontal interactions.

The communities of innovation literature informed the analysis of my findings by offering a model to understand how innovation occurred through collaborative processes. Members of an innovation community engage in interdependent processes of inquiry, reflection, innovation through collaborative creations, new visions and implementation (Grimaldi & Rogo, 2009; Schloen, 2005). My data resonated strongly with the collaborative processes outlined in West’s (2009) model of a community of innovation, so much so that I referred to the networks of actors, who helped with the conceptualization and implementation of the leaders’ ideas as communities of innovation. I advocate that the concept of a community of innovation be used as a conceptual framework in future studies aimed at further understanding how the processes of innovation occur within the field of social entrepreneurship.
While the leaders in my study described how they were embedded in a dense network of actors and that these networks played a pivotal role in the initial evolution of their innovative ideas, suggesting that my findings aligned with the conceptual framework of a community of innovation, one might ask, when does a group of actors constitute a community of innovation? Are there concrete indicators? Prior scholars have attempted to operationalize the concept (West, 2009). In my study I cannot offer a set criterion or definitive moment when the network of actors described by the leaders could be considered a community of innovation, nor is it my intention to use the concept in such a way. Instead, I have used the term more as a conceptual scaffold to explore and better understand collaborative processes that not only encourage developing a shared innovative idea or concept, but also a collaborative idea that leads to innovative actions for positive social change. Future research situated in the social entrepreneurial context could offer important insights into the evolution of communities of innovation that address the aforementioned questions.

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