

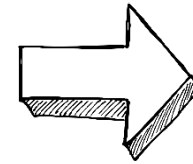
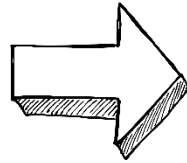
Is the “firm” a meaningful unit of
analysis for social innovation?

No, not really.

Tyler Wry

Associate Professor
The Wharton School

What are we really asking here?



How are social innovations generated?

Where will they work?

What effects do they have?



How are social innovations generated?

Org-level research is mostly about **innovation tactics**

- exploration vs. exploitation (*March, 1991*)
- Paradoxes and tensions (*Battilana & Dorado, 2010; Smith & Tracey, 2016*)

More important... **who decides to pursue social innovation?**

- Social and institutional entrepreneurs (*York et al., 2016; Wry & York, 2017*)
- Top managers / decision-makers (*Useem et al., 2015*)



How are these decisions made?

Individual-level factors

- Disciplinary training (*Thornton, 2004*), roles and identities (*Wry & York, 2017*), cognitive biases and heuristics (*Wry & Durand, 2021*)

Uncertainty-reduction

- Mimesis, models, and diffusion (*Ballesteros & Wry, 2020; Mair et al., 2012; Wry et al., 2020*)

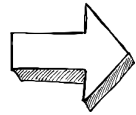
External pressures

- Social movements and field-frames (*Lounbury et al., 2003*), resource-dependencies (*Cobb et al., 2016*), legitimacy challenges (*Dacin et al., 1999*)



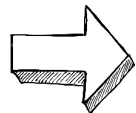
Empirical example the **BRT** statement

External pressures



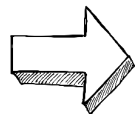
Rise of impact investing
Progressives challenge legitimacy
Consumer trends / preferences

Individual decisions



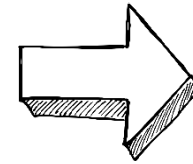
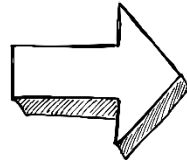
Jamie Dimon + Larry Fink
prioritize social impact

Memesis



182 CEOs sign the declaration
Evidence of behavioral change (*at least pre-COVID*)

What are we really asking here?



How are social innovations generated?

Where will they work?

What effects do they have?

Individual- and field-levels are more meaningful



Where will social innovations work?

Org-level research is mostly about stabilizing the core

- Inter-personal tensions, guardrails, and resolutions (*Ashforth & Riengen, 2014; Battilana et al., 2015; Jay, 2013; Pache & Santos, 2010; Smith & Besharov, 2019;*)

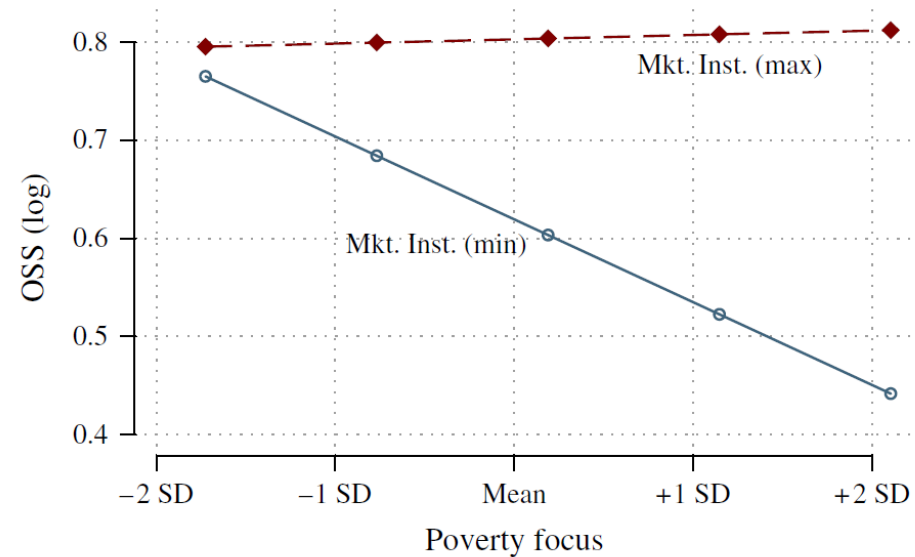
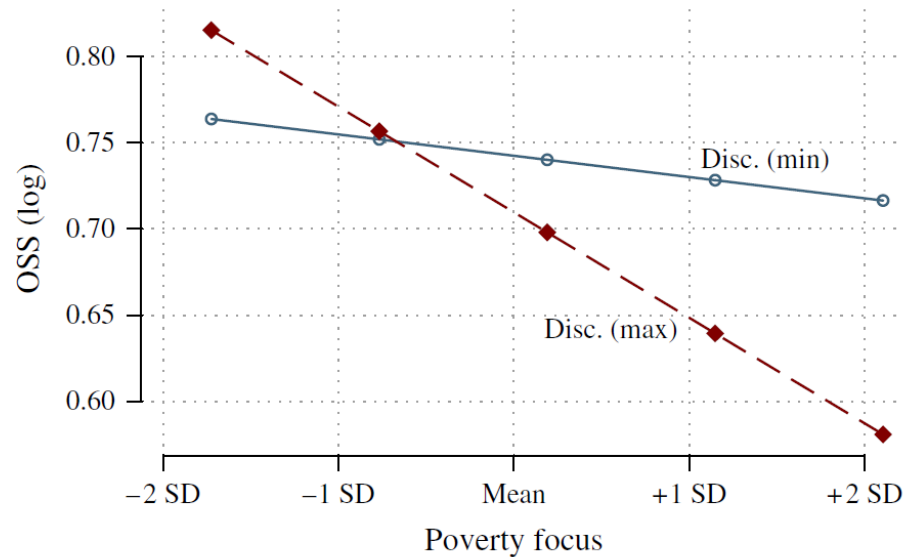
More important... where are innovations *feasible*? Where will they “*stick*?”

- Resource availability (*Agrawal & Hockerts, 2019; Cobb et al., 2016*)
- Crisis and cognition (*Staw et al., 1981; Wry et al., 2020*)
- Institutional context (*Wry & Zhao, 2018*)

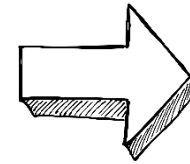
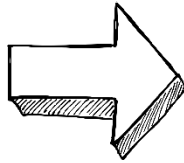


Empirical example **Global Microfinance**

Figure 1. Interaction Plots: Significant Moderators of the Relationship Between MFO Poverty Focus and Operational Self-Sufficiency



What are we really asking here?



How are social innovations generated?

Individual- and field-levels are more meaningful

Where will they work?

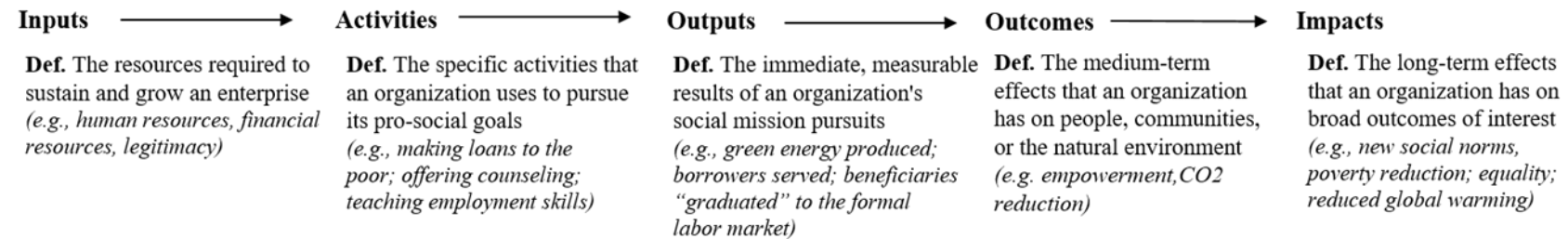
Institutional context is more meaningful

What effects do they have?



What effects do social innovations have?

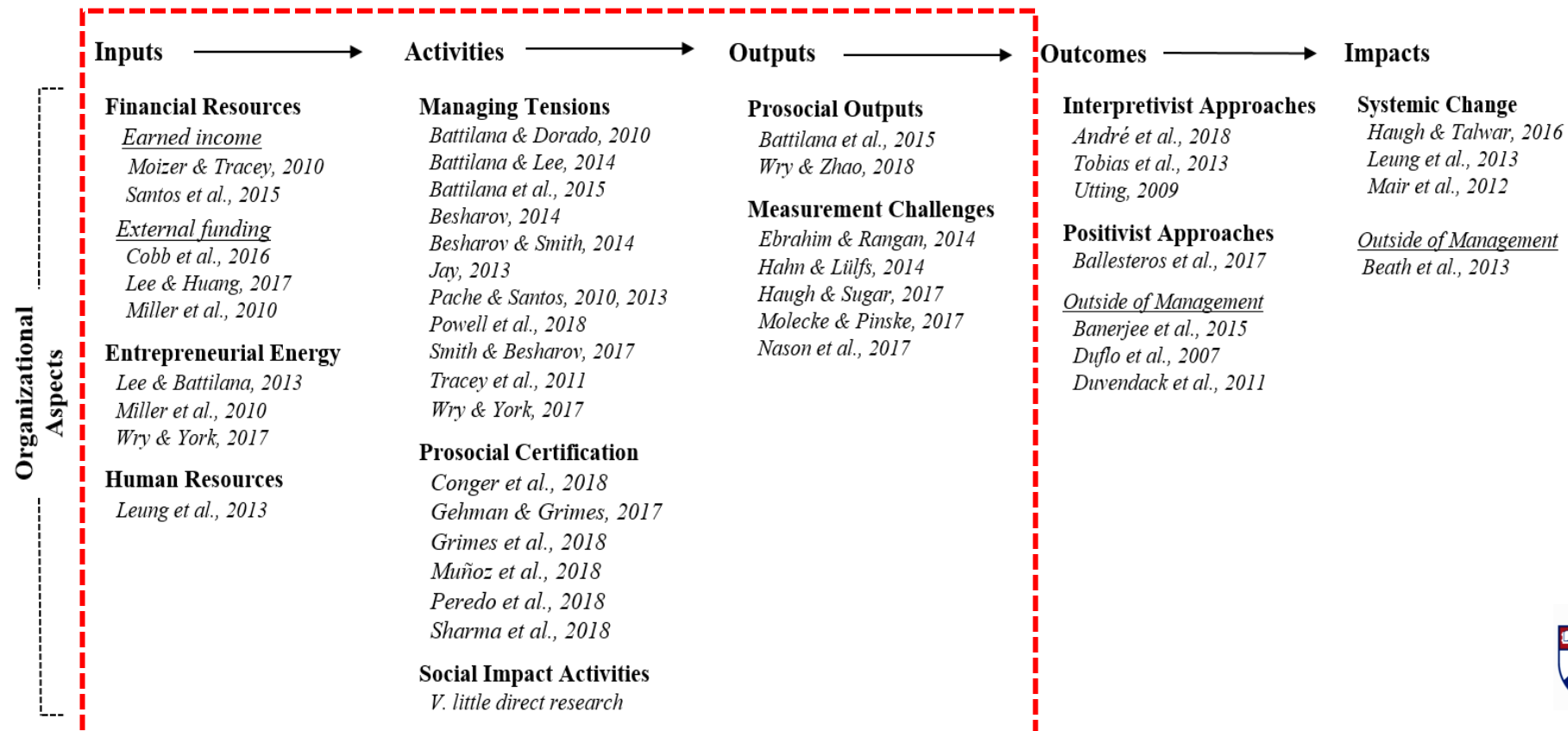
Org-level research focuses on first steps in the “**logic model**”





What effects do social innovations have?

Org-level research focuses on first steps in the “**logic model**”





What effects do social innovations have?

Org-level research focuses on first steps in the “**logic model**”

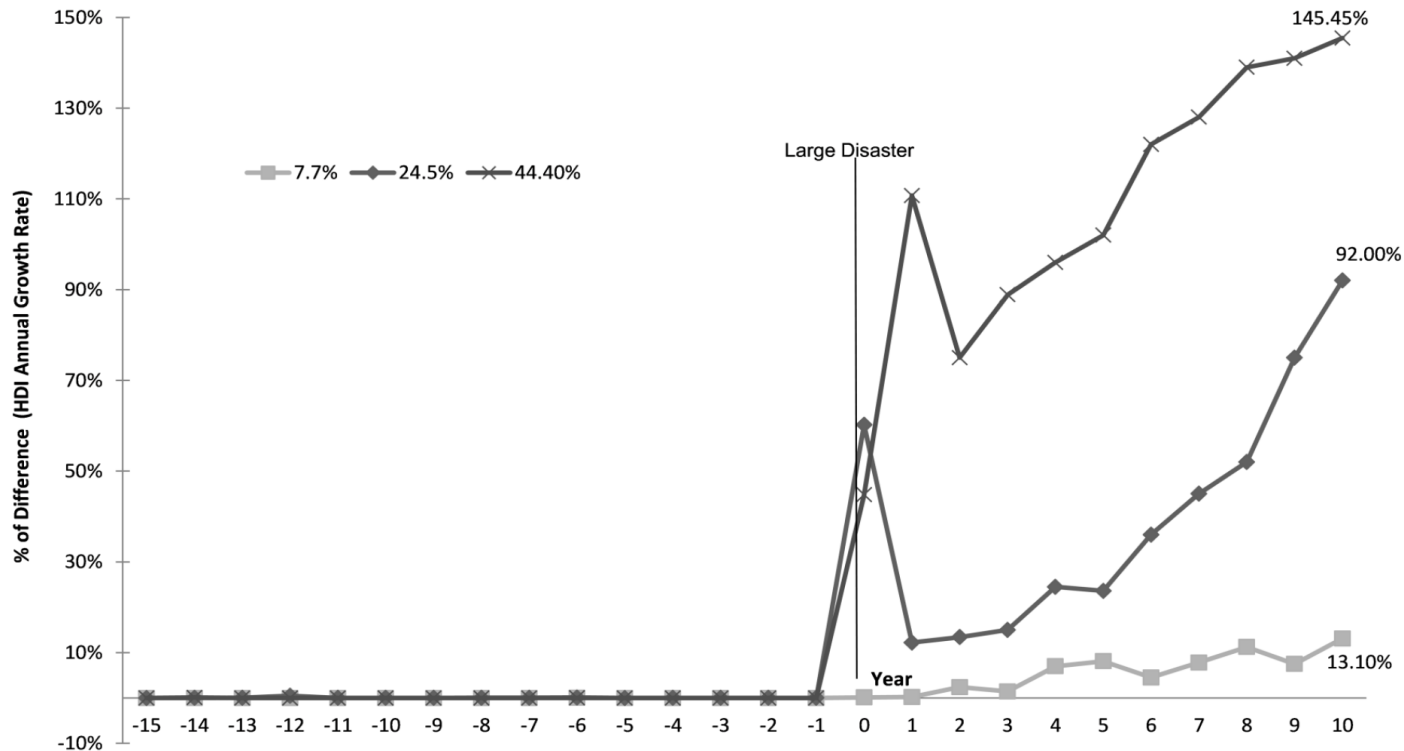
More important... *what are the **impacts**?*

- Need to look at aggregate behaviors (*Ballesteros et al., 2017*)
- Non-organizational outcome indicators (*Banerjee et al., 2015; Duflo et al., 2007*)

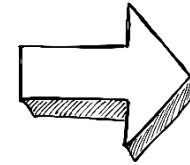
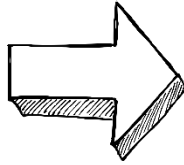


Empirical example Disaster Relief

Figure 2. The Effect of Giving from Locally Active Firms on Disaster Recovery



What are we really asking here?



How are social innovations generated?

Individual- and field-levels are more meaningful

Where will they work?

Institutional context is more meaningful

What effects do they have?

Non-org impacts are more meaningful