

# Alliance Development Process for Social Innovation:

## A Literature Review on Social Innovation and Alliance Research

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### 1. Introduction

In 2015, all 193 member states of the United Nations adopted “Agenda 2030” as a plan to eliminate extreme poverty, inequality, and injustice over the next 15 years and protect our planet to realize a better future. At the center of “Agenda 2030” is Sustainable Development Goals (SDGs).

As “private business activity, investment and innovation are major drivers of productivity, inclusive economic growth and job creation” (United Nations, 2015, p. 34) is written in Article 67 of the “Agenda 2030,” private sector companies are required to demonstrate creativity and innovation in achieving the SDGs.

Innovation goes beyond the focus on developing new technologies and products. According to Drucker (1985), “innovation does not have to be technical, does not indeed have to be a “thing” altogether. Few technical innovations can compete in terms of impact with social innovations such as the newspaper or insurance” (p.31). Modern Japan is one of the most interesting examples of social innovation as it has developed institutions such as schools, universities, civil services, and banks, in addition to labor relations.

However, achieving innovation is difficult (Fujimoto, 2005; Karube et al., 2007). Furthermore, achieving social innovation, defined as “innovation that creates new social value and brings economic and social results through businesses that work to solve social issues” (Tanimoto, 2013) is more difficult than successful normal innovation. Drucker (1985) also pointed out that social innovation is far more difficult for modern Japan to achieve than building locomotives and telegraphs (p. 33).

Social entrepreneurs are the bearers of social innovation, which is considered to be difficult. A social entrepreneur is defined as “a person who destroys existing common sense and creates and puts into practice a business model that no one has come to, with the aim of solving social issues” (Suzuki, 2014, p. 73). However, as Tanimoto (2006) mentioned: “it may be brought about by the existence of one rare social entrepreneur, but it is often brought about by collaboration with various stakeholders” (p. 30), social innovation tends to be realized not only by charismatic social entrepreneurial individuals but also by collaborating with multiple stakeholders across different sectors, that is, by forming an alliance (Aoo, 2018; Kuramochi, 2021).

In this way, the importance of alliances has been pointed out in realizing social innovation, however, no systematic arrangement has been made thus far as to who and how to form, execute, and evaluate alliance relationships.

Therefore, this study raises the following research questions: 1) Who and how is the alliance formed and

executed? 2) How do we evaluate the alliance outcome?

This study considers these questions by systematically organizing previous research on social innovation and alliances.

The remainder of this paper is organized as follows. Section 2 illustrates alliance theories, including social alliances. Section 3 explains the research methodology. Section 4 presents a descriptive analysis of the extracted literature on social innovation and alliance/partnership/collaboration. Section 5 extensively analyzes characteristic literature that mentions social innovation and alliance/partnership/collaboration. Section 6 presents a discussion, and Section 7 presents the conclusion. The terms meaning alliance such as partnership and collaboration are unified with “alliance” in this paper.

## 2. Alliance theories

It is difficult for a single company to have sufficient resources, such as technology, skills, capital, and market entry, to gain a sustainable competitive advantage (Brouthers et al., 1995). Against this background, an increasing number of companies are trying to engage in strategic alliances to acquire the resources they lack. However, many previous studies have shown that the success rate of alliances is low (Harrigan, 1988; Ernst and Bamford, 2005).

It has been pointed out that the reason why the success rate of alliances is low is that they do not fully understand how to manage and maintain alliances (Smith and Barclay, 1997), and conflicts can occur between companies and alliance partners over time (Choi, 2007; Obara, 2017).

There is a reference to “Firms which make the most effective use of alliances tend to assign responsibility for their management to a specific manager or group” (Yoshino and Rangan, 1995, p. 123) as an element that leads the alliance.

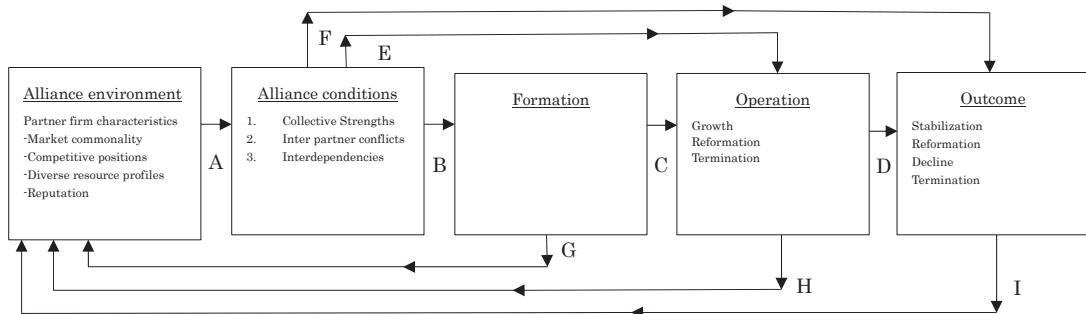
Additionally, to stabilize the alliance and lead it to success, it is important that the top management of the company has abundant experience and pays attention to the alliance (Doz and Hamel, 1998). Furthermore, many previous studies have mentioned that the roles and abilities of alliance managers have a significant impact on the success of alliances when considering the formation of mutual trust between alliance partners and the resolution of conflicts (Spekman et al., 1996; Otaki, 2002; Yamakura, 2007).

In this way, the importance of alliances is increasing; however, the success rate is low, and the existence of alliance specialists and organizations, the commitment of top management, and the roles and abilities of alliance managers in leading the alliance to succeed is critical. It has been confirmed that this importance has been pointed out in previous studies.

Similarly, previous research on alliances aimed at solving social problems mentioned difficulties in implementation, because organizations with different values, norms, and cultures and companies formed alliances, which caused operational difficulties, reputation and financial risks, etc. (Tanimoto, 2004; Kotler and Lee, 2006; Omuro and Sasaki, 2011).

Furthermore, although the importance of the existence of an alliance manager, who is responsible for alliances aimed at solving social problems, is recognized, there are few studies on the role that the alliance manager plays and how their management leads to the success of the alliance. Therefore, there are claims that studies focusing on the role of alliance managers are required (Jamali et al., 2011; Okura, 2014).

Previous studies also mention the alliance development process. In other words, the alliance is not

**Figure 1 Alliance conditions and alliance development**

Source: Adapted from Das and Teng (2002), "The Dynamic of Alliance Conditions in the Alliance Developmental Process", p. 731

the end of formation but a dynamic position that changes according to the process. Das and Teng (2002) mentioned that there are three stages such as the "formation stage" for identifying alliance partners and setting alliances, the "operation stage" for implementing agreements, and the "outcome stage" that determines the alliance's evaluation, restructuring, and discontinuation. All of the alliance stages are directly influenced by alliance conditions, which are formed as a result of the firm characteristics, and shift whenever there are changes in the same (designated by arrow A in Figure 1). An alliance will be formed only under certain conditions, including a relatively high level of collective strength, a low level of inter-partner conflicts, a high level of interdependencies, and if the alliance conditions substantively influence the unfolding of the overall developmental process (arrows B, E, and F in Figure 1). Furthermore, the authors suggest that alliance evolution affects firm characteristics (arrows G, H, and I in Figure 1).

Considering these alliance development processes, it is important to proceed with the analysis of prior research related to alliances, specifically on who forms, executes, and evaluates alliances at each stage of the alliance.

### 3. Materials and methods

This study undertakes a research method of a literature review to systematically organize existing research trends and challenges regarding social innovation and alliances.

A literature review is integral to the success of academic research (Hart, 1998). Additionally, the literature review process is a key tool used to manage the diversity of knowledge for specific academic inquiries in management research (Transfield et al., 2003). According to Fisch and Block (2018), a literature review is an essential component of almost any research project (p. 103).

Therefore, this study undertakes the research method of literature review with the right balance between breadth and depth by making use of tables and figures.

#### 3.1. Selection of database and search period

The literature was selected using the Web of Science database. This database has a high level of prestige

**Table 1 Literature classification framework for social innovation and alliance**

Author's name (year)	Research method	Alliance stage	Findings
		Formation or operation or outcome	1. What environment/condition: Segment, company form, industry, etc. 2. Who: Employee, founder, external partner, etc. 3. How: Engagement model, process, policy, etc.

Source: Author

in the academic world and covers a large number of journals specializing in the field of business. The search period chosen is 1975 to December 2020 as the database records data from 1975 onward.

### 3. 2. Identification of keywords and criteria

For the literature review in this study, the initial inclusion criteria were set as 1. document type = "article" and excluding conference or working papers; and 2. area of Web of Science = "business". Additionally, 3. the terms "social innovation" AND "alliance" OR "collaboration" OR "partnership" were set.

### 3. 3. Analytical framework

After extracting the data, a descriptive analysis is conducted as per year, and per journal. Furthermore, content analysis is conducted for extensive analysis of the literature by picking up some characteristic literature based on the specified conditions. For example, articles that are mainly composed of corporate companies aimed at social and economic values are selected, whereas, non-corporate companies such as NGOs, governments, and universities are excluded.

Additionally, it's classified under "what" environment, by "who" and by "how" based on alliance stages such as "formation," "operation" and "outcome". The literature is classified by using the "Literature classification framework for social innovation and alliance," which is based on the "Alliance development process" (Das and Teng, 2002, p. 731), as shown in Table 1.

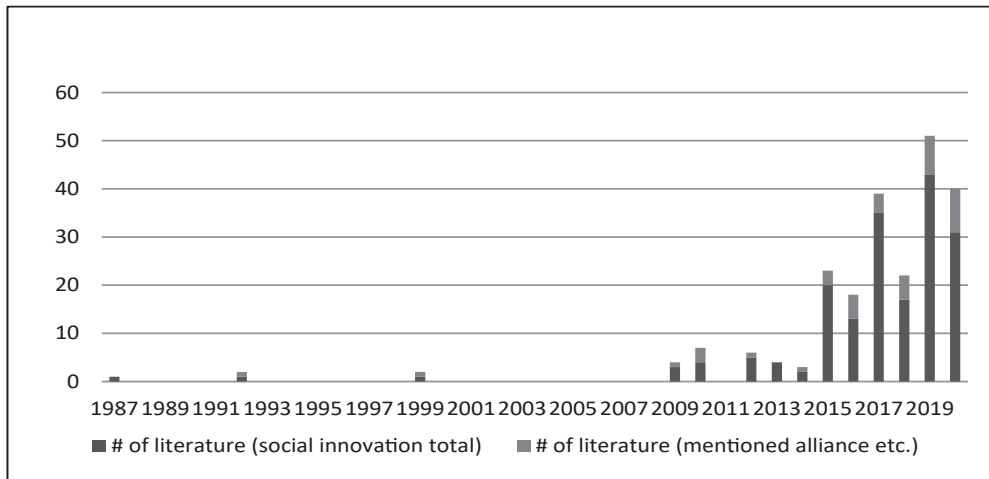
Finally, the research trends and challenges are summarized, and the research questions of this study are considered.

## 4. Descriptive Analysis

After extracting the literature based on the methodology in the previous section, 180 studies were initially found in the Web of Science database mentioning "social innovation," and 42 studies out of 180 mentioned "alliance" OR "collaboration" OR "partnership".

The number of studies on "social innovation" has been increasing yearly, as shown in Figure 2. For example, only one article was published in 1987 and 31 articles in 2020. In particular, it rapidly increased after the adoption of the SDGs by the United Nations in 2015. Additionally, the number of studies that mentioned "alliance" OR "collaboration" OR "partnership" with "social innovation" has been increasing yearly as well. Since it first appeared in 1992, there have been 42 articles in total.

Meanwhile, there are more articles published in the Journal of Business Ethics (n=5), as shown in Table 2. Following that, the journals with a greater number of publications were Journal of Business Research

**Figure 2** Distribution of literature as per year

Source: Author

**Table 2** Journal names of reviewed articles

Name of journal	Number of articles
<i>JOURNAL OF BUSINESS ETHICS</i>	5
<i>JOURNAL OF BUSINESS RESEARCH</i>	4
<i>JOURNAL OF SOCIAL ENTREPRENEURSHIP</i>	3
<i>SOCIAL ENTERPRISE JOURNAL</i>	3
<i>INDUSTRIAL MARKETING MANAGEMENT</i>	3
<i>HARVARD BUSINESS REVIEW</i>	2
<i>R &amp; D MANAGEMENT</i>	2
<i>TECHNOLOGICAL FORECASTING AND SOCIAL CHANGE</i>	2
<i>EUROPEAN JOURNAL OF INNOVATION MANAGEMENT</i>	2
<i>BUSINESS &amp; SOCIETY</i>	2
<i>MANAGEMENT DECISION</i>	1
<i>CRITICAL PERSPECTIVES ON INTERNATIONAL BUSINESS</i>	1
<i>REUNIR-REVISTA DE ADMINISTRACAO CONTABILIDADE E SUSTENTABILIDADE</i>	1
<i>ASIAN JOURNAL OF TECHNOLOGY INNOVATION</i>	1
<i>ENTREPRENEURSHIP AND SUSTAINABILITY ISSUES</i>	1
<i>CALIFORNIA MANAGEMENT REVIEW</i>	1
<i>EUROPEAN MANAGEMENT JOURNAL</i>	1
<i>JOURNAL OF ENTERPRISING COMMUNITIES-PEOPLE AND PLACES IN THE GLOBAL ECONOMY</i>	1
<i>SERVICE BUSINESS</i>	1
<i>JOURNAL OF PRODUCT INNOVATION MANAGEMENT</i>	1
<i>SOCIETY AND BUSINESS REVIEW</i>	1
<i>JOURNAL OF PUBLIC POLICY &amp; MARKETING</i>	1
<i>JOURNAL OF ASIAN FINANCE ECONOMICS AND BUSINESS</i>	1
<i>CORPORATE SOCIAL RESPONSIBILITY AND ENVIRONMENTAL MANAGEMENT</i>	1
<b>Total</b>	<b>42</b>

Source: Author

(n=4), Journal of Social Entrepreneurship (n=3), Social Enterprise Journal (n=3), and Industrial Marketing Management (n=3).

## 5. Content Analysis

In this section, some characteristic literature on social innovation and alliances are classified to conduct a deep analysis, and the findings from each study are mentioned below.

### 5.1. The classification of literature on social innovation and alliance

Although some literature applies to multiple alliance stages, the selected characteristic literature has been classified based on each stage, as shown in Table 3. The characteristic literature was selected from the papers published in Table 2. Additionally, articles that do not correspond to alliance stages such as “formation,” “operation” and “outcome” (Das and Teng, 2002) are excluded.

### 5.2. The classification of literature per alliance stage

As for traditional innovation, to be entrepreneurial, an enterprise must have special characteristics over and above being new and small (Drucker, 1985, p.22). Additionally, somebody in top management must have a specific assignment to work as an entrepreneur and innovator, and those people should have authority and prestige with full accountability (Drucker, 1985, p.162). How about social innovation? This study clarifies this by classifying the literature on social innovation and alliances.

Based on the alliance stage, the details of the findings from each study are described as follows:

#### 5.2.1. Formation stage

Manning and Roessler (2014) pointed out that bridging agents are divided into internal and external agents, and found that the involvement of external intermediaries eases the formation of single projects and longer-term alliances because alliances are formed by external bridging agents such as consultant or development agency, following the principle of repeat business. However, this tends to be repetitive and narrow in scope. This study found that alliances aimed at social innovation coordinated by internal bridging agents, however, supported by external bridging agents are likely to promote more innovative projects supporting a longer-term development agenda.

Nicolopoulou et al. (2017) demonstrate the value of social collaboration and engagement using different innovation models. Social innovation is rooted in networking and collaboration that drives synergy with a focus on serving the community, and social entrepreneurs are in constant conversation with front-line practitioners. Their work is about sharing information, connecting people, analysis, conversation, and progress. The authors indicated that a communitarian (peer-to-peer) approach, rather than a top-down approach, is essential in terms of structure, governance, and communication in social incubators.

Mirvis and Googins (2018) explores a variety of ways employees are being engaged as social innovators in their companies. The authors pointed out that socially innovative companies draw ideas from stakeholders and “bottoms up” from employees who can apply business know-how and resources to devise relevant solutions. Additionally, the employees learn and gain new insights into social innovations, brush up their own project management skills, and develop new relationships with stakeholders that expand the “social capital” of their companies.

Randhawa et al. (2019) developed a model of seeker crowdsourcing implementation by analyzing seeker engagement behavior using a crowdsourcing service platform provided in Australia for the public sector. This study revealed that the non-pecuniary orientation of both seekers and solvers means that the motives for government crowdsourcing are fundamentally different from those for corporate crowdsourcing.

Lashitew et al. (2020) analyzed the case of Safaricom, a telecom company in Kenya. The need to fulfill this company's societal obligations as a notable player in the Kenyan economy is an important motivation. It is too hard for a single organization to implement social innovations because it aspires to achieve widespread social impact, and business organizations tend to engage in strategic partnerships that mobilize resources and competencies from different partners. Strong embeddedness provides access to diverse resources for implementing and legitimizing social innovations. Additionally, the authors mentioned that identity change needs to be strongly matched by the performance, while also requiring deep and sustained communication to inculcate the new narrative among internal and external stakeholders.

Sirine et al. (2020) developed corporate social responsibility (CSR) entrepreneurship implementation process as follows: Stage 1. problem identification; Stage 2. coordination with related parties; Stage 3. allocation and commitment of resources; Stage 4. collaboration with NGOs, local entrepreneurs, and the government; Stage 5. social innovation and the creation of new businesses; Stage 6. documentation of activities; Stage 7. reporting; Stage 8. monitoring and evaluation; Stage 9. publication. The authors introduced the case of Sido Muncul, herbal medicine, and pharmaceutical company in Indonesia, which has implemented corporate social responsibility related to the concept of corporate social entrepreneurship, where the CSR program becomes a system that is integrated with the company's business processes, resulting in shared value. Large industries cannot run alone and must cooperate with small- and medium-sized businesses (SMEs). Therefore, the authors pointed out that Sido Muncul collaborates with other businesses from upstream to downstream.

Crisafulli et al. (2020) found that alliance launch strategies maintain their edge over independent ventures if the societal benefits of social innovation are communicated to organizational buyers. They indicated that organizational buyers value social innovation and are willing to adopt innovations launched by alliances more than those launched for profits alone. Additionally, the authors point out that an alliance's social innovation is evaluated by individuals who, in their role as organizational buyers, are influenced by perceptions in decision-making.

De Silva et al. (2020) found that social enterprises co-create opportunities to simultaneously generate social and economic value with top of the pyramid (TOP) and bottom of the pyramid (BOP) partners to meet their needs. They call it Transcending Pyramid Social Enterprises (TPSEs) and the opportunities co-created by the TPSEs with their TOP partners had enabled them to simultaneously create long-term business and social value.

Babu et al. (2020) highlighted the underlying drivers of strategic alliances that lead to value co-creation for concerned parties and indicated the role of SMEs in reinforcing the business of large corporations because it is not possible for one company to cater to customers' needs. Large MNEs do not receive significant revenue from social innovation-led projects. They generate competitive advantage through robust market positioning, build a positive corporate image by engaging in CSR activities, and seek to achieve financial and operational efficiency by forming strategic alliances with SMEs with the same motivation. SMEs often have expertise and specialization in relevant areas, and social innovation generates substantial revenue. However, they lack the marketing and financial strength to drive sustainable social innovation; therefore, they form alliances with

**Table 3 The classification of literature on social innovation and alliance**

Author's name (year)	Research method	Alliance stage	Findings
Kanter (1999)	Case study	Operation	<ol style="list-style-type: none"> <li>1. Enterprise.</li> <li>2. Employee.</li> <li>3. This study identified six characteristics of successful private-public-partnerships (PPP).</li> </ol>
Le Ber and Branzei (2010a)	Case study	Formation, operation	<ol style="list-style-type: none"> <li>1. Companies in the healthcare industry.</li> <li>2. Executive.</li> <li>3. This study illustrated the literature on framing by developing a four-stage grounded model which unpacks the relational process of value-creation in cross-sector partnerships.</li> </ol>
Le Ber and Branzei (2010b)	Interview study	Operation	<ol style="list-style-type: none"> <li>1. Companies in the healthcare industry.</li> <li>2. Management executive, manager, employee.</li> <li>3. This study pointed out that role (re)calibrations are seen as drivers of success such as partners regard the gradual engagement in relational processes as forward-looking investments in crafting social innovations.</li> </ol>
Murphy et al. (2012)	Case study	Operation	<ol style="list-style-type: none"> <li>1. Enterprise, B2N alliance for BOP business.</li> <li>2. Top managers.</li> <li>3. This study explored whether absorptive capacity (ACAP), one of the most important concepts in the literature on innovation and inter partner learning in alliances, can be directly transposed to cross-sector alliances, and concluded that ACAP is not directly transposable to B2N alliances.</li> </ol>
Manning and Roessler (2014)	Case study	Formation	<ol style="list-style-type: none"> <li>1. PPP in European development cooperation.</li> <li>2. Bridging agency (internal partner representatives, external intermediaries).</li> <li>3. This study conceptualized bridging agency as a collective process involving both internal partner representatives and external intermediaries in initiating and/or supporting roles. Additionally, the involvement of external intermediaries eases the formation of single projects and longer-term alliances.</li> </ol>
Mirvis et al. (2016)	Case study, theory building	Operation	<ol style="list-style-type: none"> <li>1. Multinational company.</li> <li>2. Employee.</li> <li>3. This study explored how companies learn to engage in successful social innovation through the acquisition of tacit knowledge from external parties.</li> </ol>
To (2016)	Case study	Operation	<ol style="list-style-type: none"> <li>1. Companies in the textile industry.</li> <li>2. Convener (employee).</li> <li>3. This study mentioned that the role of convener is important to direct and manage ill-defined collaboration complexity. The convener plays the role to regulate and monitor inter-organizational communication and interaction.</li> </ol>
Rao-Nicholson et al. (2017)	Interview study	Formation, operation	<ol style="list-style-type: none"> <li>1. PPP in the emergency care services industry.</li> <li>2. Employee.</li> <li>3. This study highlighted PPPs are important vehicles for social innovation and learning and developing capabilities through partnerships are critical for it.</li> </ol>
Nicolopoulou et al. (2017)	Case study	Formation, operation	<ol style="list-style-type: none"> <li>1. Social enterprise.</li> <li>2. Founder.</li> <li>3. This study indicated a communitarian (peer-to-peer) approach rather than a top-down approach is essential in terms of structure, governance, and communication in social incubators.</li> </ol>
Mirvis and Googins (2018)	Case study, theory building	Formation, operation	<ol style="list-style-type: none"> <li>1. Enterprise.</li> <li>2. Employee as social innovator.</li> <li>3. This article explores a variety of ways employees are being engaged as social innovators in their companies.</li> </ol>
Lind et al. (2018)	Literature review	Operation	<ol style="list-style-type: none"> <li>1. Multinational company.</li> <li>2. Employee.</li> <li>3. This study explored how can MNEs (multinational enterprises) take part in social value creation and proposed three strands as a platform to their understanding of MNEs' potential involvement in social innovations.</li> </ol>



Caroli et al. (2018)	Empirical study	Operation	<ol style="list-style-type: none"> <li>1. Profit organizations</li> <li>2. Founder of the initiative.</li> <li>3. This study classified players as (1) promoters (supporters or financiers), or (2) executors/developers, and explored the characteristics of players and their role in the implementation of social innovation: profit organizations as developers (33%) than as promoters (24%).</li> </ol>
Battisti (2019)	Case study	Operation	<ol style="list-style-type: none"> <li>1. PPP at the project level by enterprise, Small-Medium Enterprise (SME)s, start-up.</li> <li>2. Innovation manager (people responsible to manage internal innovation).</li> <li>3. This study described the role of people in the social innovation process enabled by IT. The author pointed out the success of social innovation depends on the way innovation managers (internal employees) organize the process, the team structure, and so on.</li> </ol>
Henderson et al. (2019)	Interview study	Operation	<ol style="list-style-type: none"> <li>1. Social enterprise in the social care services industry.</li> <li>2. Employee.</li> <li>3. This study pointed out social enterprises not only had to negotiate with social work staff but also navigate the local authority procurement system, and social enterprise could play an important role in transforming the social care market through providing services.</li> </ol>
Randhawa et al. (2019)	Interview study	Formation, operation	<ol style="list-style-type: none"> <li>1. Crowdsourcing services provider for the public sector.</li> <li>2. Executives.</li> <li>3. This study indicated that the non-pecuniary orientation of both seekers and solvers means that the motives of government crowdsourcing are fundamentally different from corporate crowdsourcing.</li> </ol>
Lashitew et al. (2020)	Case study	Formation, operation	<ol style="list-style-type: none"> <li>1. Enterprise.</li> <li>2. Executives, employees.</li> <li>3. This study pointed out it is too hard for a single organization to implement social innovations because it aspires to achieve widespread social impact, business organizations tend to engage in strategic partnerships that mobilize resources and competencies from different partners.</li> </ol>
Sirine et al. (2020)	Case study	Formation, operation	<ol style="list-style-type: none"> <li>1. Herbal medicine and pharmacy company.</li> <li>2. Employee, CSR division.</li> <li>3. This study developed the Corporate Social Entrepreneurship Implementation Process with 9 stages to achieve CSR targets with multiple stakeholders.</li> </ol>
Cacciolatti et al. (2020)	A quantitative approach to data collection analysis	Operation, outcome	<ol style="list-style-type: none"> <li>1. For-profit social ventures.</li> <li>2. Founder, director, etc.</li> <li>3. This study indicated that traditional theories on strategic alliances for MNEs do not necessarily apply to the dynamic, resource-scarce, and challenging world of start-ups.</li> </ol>
Crisafulli et al.(2020)	Empirical study	Formation, operation	<ol style="list-style-type: none"> <li>1. B2B companies.</li> <li>2. Organizational buyer (employee).</li> <li>3. This study mentioned that similar to consumer buying decisions, organizational buyers' perceptions are pivotal for understanding the ability of social innovation launch strategies.</li> </ol>
De Silva et al.(2020)	Interview study	Formation, operation	<ol style="list-style-type: none"> <li>1. Social enterprise.</li> <li>2. Founder, director, etc.</li> <li>3. This study found that social enterprises co-create opportunities to simultaneously generate social and economic value with the top of the pyramid (TOP) and bottom of the pyramid (BOP) partners to meet the needs of both of them.</li> </ol>
Babu et al. (2020)	Interview study	Formation, operation	<ol style="list-style-type: none"> <li>1. SMEs in the Financial industry.</li> <li>2. Employee.</li> <li>3. This study indicated the role of SMEs to reinforce the business of the large enterprise because it is not possible for one company to cater to customers' all kinds of needs.</li> </ol>

Source: Author

large corporations.

In this stage, some studies pointed out the importance of alliances because it is too hard for a single organization to implement social innovations and indicated that there is a key person inside the MNE to embody a greater potential for social innovation. Additionally, alliance manager such as the bridging agent is a key person in collecting processes involving both internal and external entities, also takes on the role of internal partner representative and external intermediary, inside the company, and in NGOs and communities, respectively. In particular, alliances for social innovation realized by creating the new narrative are likely to promote a series of more innovative projects that support a longer-term development agenda.

### **5. 2. 2. Operation stage**

As the first study on corporate alliances for social innovation, Kanter (1999) pointed out that some companies are moving beyond CSR to corporate social innovation to find and serve new markets. The author identified six characteristics of successful private-public partnerships (PPP): 1. a clear business agenda; 2. strong partners committed to change; 3. investment by both parties; 4. rootedness in the user community; 5. links to other community organizations; 6. a long-term commitment to sustain and replicate the results.

Le Ber and Branzei (2010a) extend the literature on framing by developing a four-stage grounded model of frame negotiation, elasticity, plasticity, and fusion, which unpacks the relational process of value creation in cross-sector partnerships. In particular, the authors mapped the effort-intensive processes through which for-profit and non-profit partners iteratively revise their own frames in relation to each other to reach common ground and illustrated the multilevel relational coordination mechanisms that help partners renegotiate shared understandings within the cross-sector partnership. They also found that a single point of contact was particularly helpful in frame negotiation, and cross-team coordination was particularly helpful when team members knew what they wanted and acted in concert.

Le Ber and Branzei (2010b) pointed out that partnerships were described as flexible and dynamic, alliance members learn to take on new roles in response to (at times hidden or emergent) needs of their counterparts. Role (re)calibrations are seen as drivers of success such as partners regarding the gradual engagement in relational processes as forward-looking investments in crafting social innovations.

Murphy et al. (2012) explored whether absorptive capacity (ACAP), one of the most important concepts in the literature on innovation and inter partner learning in alliances, can be directly transposed to cross-sector alliances. ACAP was defined as the "ability to recognize the value of new, external information, assimilate it, and apply it to commercial ends." According to the authors, B2N alliances at the BOP and in subsistence marketplaces, defined as markets where consumers barely have sufficient resources for day-to-day living, typically require innovations that combine both social and economic goals. They indicated that ACAP is not directly transposable to the B2N alliances. Additionally, they pointed out that the Relational Capacity for Social Innovation (RCSI), which focuses on the commercial application of innovations, highlights that it requires the co-creation of new knowledge involving several sectors. It is an iterative process of co-designing solutions that combines and/or transforms the knowledge and cognitive structures of the partners involved. It also pilots potential solutions at a small scale.

Mirvis et al. (2016) explore how companies learn to engage in successful social innovation through the acquisition of tacit knowledge from external parties. The authors introduced case studies and illustrated how knowledge exchange increases as companies invest more, leverage social ties, and seek increased social

impact in corporate social innovation activities, because the exchanged knowledge has to do with the local market or community and associated issues and opportunities, and indicated that corporations gain cultural understanding.

To (2016) mentioned the role of convener is important to direct and manage ill-defined collaboration in a complex. The convener plays the role of regulating and monitoring inter-organizational communication and interaction. Additionally, the author illustrates that the groups' performance greatly depends on the performance of those in charge of concordant collaboration. The author indicates why collaboration is a participatory and reflective learning process in which understanding other specific fields of knowledge can help individuals to understand more of their own knowledge.

Rao-Nicholson et al. (2017) introduced a case of the emergency care services industry in India and highlighted that PPPs are important vehicles for social innovation, also learning and developing capabilities through partnerships are critical for it. The authors mentioned that at its core, the company had three teams working in the medical, systems, and operations areas, which were critical in sustaining and developing the capabilities of the PPP and managing the volunteer network. As a result of the company's efforts, they received acceptance of legitimacy by the government. In addition to the key financial support of the national and state governments, the design and delivery of the models involved a wide number of national systems of innovation and international partners. Additionally, social innovation can act as a catalyst to reduce institutional asymmetries and overcome institutional voids in emerging economies.

Lind et al. (2018) explored how MNE takes part in social value creation since research covering social value creation calls for increasing participation of MNE and SDGs indicates that MNE's worldwide reach and vast resources play a vital role in accomplishing social value creation. By integrating international business (IB) theory into the social innovation literature, the authors proposed three strands as a platform for understanding MNE's potential involvement in social innovations: 1. the MNE as a knowledge system; 2. the network MNE; 3. the MNE as a political actor. They indicated that the MNE is a profit-maximizing entity dealing with limited resources. When faced with the non-profit goals characterizing social innovations, MNE involvement in such activities may be driven by external as well as internal power acts. Additionally, they need social acceptance and moral legitimacy among important actors in their host countries.

Caroli et al. (2018) explore the domain of social innovation by identifying its principal characteristics through a taxonomy proposal. Based on an empirical analysis of 545 Italian social innovation initiatives, the authors identified typologies of players in social innovation: NPOs (52%), profit organizations (24%), public organizations (17%), and community organizations (7%). Additionally, they classified players as (1) promoters (supporters or financers) or (2) executors/developers and explored the characteristics of players and their role in the implementation of social innovation: profit organizations as developers (33%) compared to promoters (24%).

Battisti (2019) described the role of people in the social innovation process enabled by IT. The author points out that the success of social innovation depends on how innovation managers (internal employees) organize the process, the team structure, the relationship between companies, the role and level of involvement of different kinds of users, and the role of local governments. Innovation managers can be flexible in managing complex interactions with all internal and external stakeholders. The author classified the role of key people in technology-enabled social innovation into internal, open, and social levels. At the internal level, organizational ambidexterity was identified as a core element for PPP in collaboration to drive the development of social

innovation, and the core reason for companies to explore ambidexterity at this level was internal employees, such as innovation managers' ability. Additionally, embedded lead users as employees in large corporations, who are lead users of their employing firm's products or services, are the key people in exchanging knowledge with other people outside the organization. Because they are also socially embedded in the company in which they work, they are exposed to corporate culture and rules. At the open level, social entrepreneurs (e.g., board members or co-founders in SMEs) play a key role. The social entrepreneur acts as a bridge between the internal and social levels. At the social level, key people, such as technology-reflective individuals and online community managers, can support social entrepreneurs to obtain real-time information about customer needs.

Henderson et al. (2019) conducted interviews with various stakeholders and confirmed that social enterprises not only had to negotiate with social work staff but also navigate the local authority procurement system. Some social enterprises reported a very different experience when interacting with their local authority, and such experiences impacted their ability to deliver socially innovative activities. The authors also point out that social enterprises could play an important role in transforming the social care market by providing services that address local needs, developing social innovations, and harnessing the power of local volunteers.

Most literature mentions this stage. Some studies have pointed out that there is a key person (alliance manager) inside the MNE to take on the role of a single point of contact and ensure strong collaboration amongst alliance members and is embedded to exchange knowledge with other people outside the organization. Alliance manager in SMEs also plays an important role as a bridge between alliance members. Additionally, learning is a key factor in the co-creation of new knowledge in several sectors.

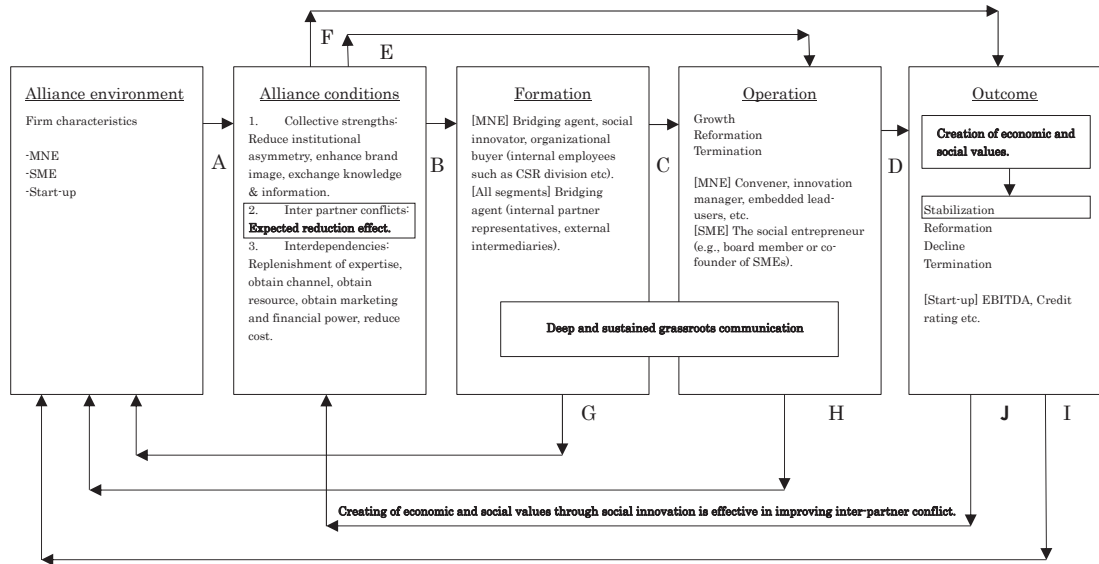
### **5. 2. 3. Outcome stage**

Cacciolatti et al. (2020) used and tested a sample of UK high-tech start-ups engaging in social innovation and derived an explanation for some of the mechanisms behind the effect of strategic alliances on performance, scalability, and the balance needed between performance and the pursuit of a social mission. The authors found that traditional theories on strategic alliances for MNEs do not necessarily apply to the dynamic, resource-scarce, and challenging world of start-ups. The results related to profitability, that is, EBITDA, show that firms that obtain more grants at an advanced stage of development increase their profitability by approximately 15%. However, raising capital through equity options such as fundraising at more advanced stages of development decreased firms' profitability considerably, that is, to the order of 1.1 times. Credible start-ups can access more finance through their improved credit ratings. Investors seek investment in firms that show growth potential so that their investments are not short-term. This means that investors do not focus on profitability in the case of start-ups but on growth potential. The authors concluded that start-ups pursuing a social mission can maintain a balance between their social purpose and business performance by establishing a good reputation, preserving it, and performing consistently over time.

Since there is only one article that also only mentions the start-up segment in this stage, more research across all segments is required in the future.

## **6. Discussion**

These findings highlight the need to consider a new conceptual framework to understand the alliance development process for social innovation. By classifying the findings of the content analysis, a framework of the alliance development process for social innovation was developed, as shown in Figure 3.

**Figure 3 The framework of the alliance development process for social innovation**

Source: Added and collected by the author based on Das and Teng (2002), p.731

### 6.1. Identified factors from exploring the classification of literature

Segmentation is a firm characteristic of the alliance environment in the framework of the alliance development process for social innovation. The alliance condition uses three alliance condition variables based on the previous framework: collective strengths, inter-partner conflicts, and interdependencies (Das and Teng, 2002). Several factors can be cited as the collective strengths of the alliance for social innovation: reducing cost, and institutional asymmetry (Rao-Nicholson et al., 2017), enhancing brand image as a good company (Babu et al., 2020), exchange knowledge & information (Mirvis et al., 2016; To, 2016; Mirvis and Googins, 2018; Battisti, 2019). However, no studies have specifically mentioned that inter-partner conflicts are affected by alliances for social innovation. As for interdependencies, several studies have mentioned each segment: replenishment of expertise from the SME segment (Babu et al., 2020), obtaining channels from the SME segment (Sirine et al., 2020), obtaining marketing and financial power from the MNE segment (Babu et al., 2020), obtaining resources and financial support (Murphy et al., 2012; Rao-Nicholson et al., 2017).

Most importantly, alliances for social innovation aim to create both social and economic value as an outcome (Murphy et al., 2012; Manning and Roessler, 2014; Crisafulli et al., 2020; De Silva et al., 2020). It takes a long time to realize it (Manning and Roessler, 2014; Lashitew et al., 2020), and long-term efforts are cited as one of the hallmarks of successful social innovation through corporate and heterogeneous sector alliances (Kanter, 1999; Manning and Roessler, 2014; De Silva et al., 2020).

### 6.2. Alliance development process for social innovation

This study found that alliances for social innovation aim to create both social and economic value as an

outcome, therefore, it takes a long time to realize it. Long-term efforts are key to successful social innovation through corporate and heterogeneous sector alliances.

A long time is required because successful social innovation through alliances requires deep and sustained grassroots communication to understand new stories between internal and external stakeholders (Nicolopoulou et al., 2017; Lashitew et al., 2020). Therefore, this brings stability to the alliance relationship. This means that alliance evolution for social innovation is effective in improving inter-partner conflict (arrow J in Figure 3).

According to Daz and Teng (2002), "alliance reformation and alliance termination do not necessarily signal alliance failure" (p.737); however, achieving social innovation is more difficult than successful normal innovation (Drucker, 1985), and the stability of an alliance is important for realizing a long-term commitment to sustain and replicate the results of social innovation (Kanter, 1999).

Alliances for social innovation are formed by different players in each segment. For the MNE segment, alliance managers such as bridging agents, social innovator or organizational buyer, that is, employees of MNE (Manning and Roessler, 2014; Mirvis and Googins, 2018) explore novel agendas and lead social innovation. For all segments, alliance manager such as the bridging agent (Manning and Roessler, 2014) plays a key role as an internal partner representative or external intermediary.

Additionally, a player who executes the alliance for social innovation in the operation stage: convener (To, 2016), innovation manager (Battisti, 2019), embedded lead-users (Battisti, 2019) all for the MNE segment, the social entrepreneur (e.g., board member or co-founder) for the SME segment (Battisti, 2019).

As for evaluation alliance outcomes, one study indicates that performance is measured by two variables: (i) credit rating and (ii) EBITDA; firms that obtain more grants at an advanced stage of development increase their profitability by approximately 15% (Cacciolatti et al., 2020).

## 7. Conclusion

This study develops a framework for the alliance development process for social innovation by classifying the literature on social innovation and alliances. The results show that social innovation creates economic and social value. It takes a long time to realize this, and long-term efforts are cited as one of the hallmarks of successful social innovation through corporate and heterogeneous sector alliances. Because deep and sustained grassroots communication is required to understand new stories between internal and external stakeholders. As a result, it brings stability to the alliance relationship by reducing inter-partner conflict.

These findings are unique to alliances aimed at social innovation because research on the alliance development process so far has not indicated it.

As for traditional innovation, somebody in the top management must have a specific assignment to work as an entrepreneur and innovator (Drucker, 1985). However, regarding social innovation, there are cases in which a keyperson, including employees, plays a role in managing alliance relationships as alliance manager.

This study raises the following two questions: 1) Who and how is the alliance formed and executed? 2) How do we evaluate the alliance outcome? In this study, the following answers were derived from the literature review:

This study found the answers to the questions: 1) Alliance for social innovation is formed by the alliance manager is employed at the main organizations such as the firm, and plays a key role as an internal partner representative for all segments. In the operation stage, social innovation is executed by the alliance manager

is employed at the main organizations like innovation managers in large corporations, to take on the role of a single point of contact and ensure strong collaboration amongst alliance members and is embedded to exchange knowledge with other people outside the organization. Additionally, social entrepreneurs, such as board members or co-founders of SMEs, play a fundamental role in acting as a bridge between internal and social levels.

The answer to question: 2) for start-ups, it depends on two variables: (i) credit rating and (ii) EBITDA; however, since there is only one article that also only mentions the start-up segment in this outcome stage, more research across other segments is required in the future. As CSR entrepreneurship implementation processes include reporting, monitoring, and evaluation, the outcome stage is important in the process of social innovation (Sirine et al., 2020).

This study contributes to the literature on alliances for social innovation by systematically classifying articles about the alliance development process per alliance stage. Additionally, this study found that the outcome stage of the alliance development process for social innovation affects the alliance condition by realizing economic and social value creation, and it is effective in reducing inter-partner conflict.

As for future challenges, more research is required, especially in the outcome stage, because only a few studies have been conducted so far. Additionally, it is necessary to expand the scope of alliance actors because articles mainly composed of non-corporate companies, such as NGOs, governments, and universities, were excluded. Furthermore, regarding traditional innovation, previous research has mentioned that top management has authority and prestige with full accountability. However, no research has mentioned the role, and the kind of authority and responsibility that key players have, who manage alliances for social innovation per segment, such as innovation managers and bridging agent. Further studies are required in this area.

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