THE ROLE OF STAKEHOLDERS IN THE DIFFUSION OF INNOVATIONS WITHIN SOCIAL ORGANIZATIONS

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ABSTRACT

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Abstract The purpose of this study was to explore the role of stakeholders in the diffusion of innovation within social organizations. This research is in response to a rise in social challenges, which are beginning to negatively impact our economies and society as a whole. In order for social organizations to be effective, they need to be able to successfully spread ideas within the organization, while engaging all the relevant stakeholders, who are essential for the implementation of those ideas. This research was conducted following a qualitative, multiple case study approach, within three case organizations. Furthermore, the study was conducted from a firm-point view, analyzing how the case-organizations interacted with and were influenced by different stakeholder groups at each stage of the diffusion process. The results give us insight into how different stakeholder groups influenced different stages of the diffusion process, and the basis for which they had the power to do so. The results of the study found that external donors, local governments and internal stakeholders were the three most influential stakeholder groups in the diffusion of social innovations. Interaction with beneficiaries often informs the innovation proposals, but access to resources combined with experimentation determined which innovations would be implemented. The study also revealed that the stakeholder group, which has access and control of financial resources, is the group with the strongest bases of power, influencing the decisions regarding which innovation will be implemented. Additionally, the results found that diffusion tactics were focused on internal stakeholders, since they were the most crucial stakeholder group for innovation implementation. Diffusion tactics were focused on establishing a common vision, relationship building and skills development.	
Keywords	
Innovation, Diffusion, Social Organizations, Stakeholders, Change Management	
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1   INTRODUCTION

Diffusion of Innovation theory examines how ideas are spread among groups of people over time. Individuals do not adopt innovations and ideas at the same time. Adopter categories range from early adopters to laggards, where the process of adoption is caused by human interaction and interpersonal networks (Rodgers 1971.) The importance of the study of innovation diffusion is evident in growing number of publications, where the subject has been explored in various disciplines such as management science, communication studies and marketing (Meade and Islam, 2006.)

Social innovation studies are also becoming more important, as challenges in how we relate to each other and how we relate to our environment are starting to have a global impact on our countries' economies and welfare. There is a greater need for innovative solutions in order to respond to current social and environmental needs around the world.

Mulgan (2006) predicted that the pace of social innovations would accelerate as more governments are taking the lead on social innovation and more money is flowing to NGOs. Unlike the business entrepreneur, the social entrepreneur is purely mission driven. Their success therefore rests on their ability to successfully spread an idea through their organization and to various stakeholders. The more we understand how ideas are diffused in social organizations, the more we are able to contribute to management studies.

Social innovations have also been found to have a direct impact on economic development (Elmustapha, Hoppe and Bressers, 2018.) Research for instance, shows a positive relationship between economic development and values such as tolerance and democracy (Grimm, Fox, Baines & Albertson 2013.) At least 10% of all European businesses belong to the social economy, employing more than 11 million employees (Arena, Azzone and Bengo 2015.) Social organizations are being recognized more and more as being essential for responding to social problems within our societies (Arena, Azzone and Bengo 2015.)

Growing diversity within regions requires creative solutions for integration. (Mulgan et al. 2007.) In Europe alone, integration challenges continue to arise as more and more people are migrating to the region. It is estimated that by 2050, at least 40 million people will have migrated to Europe. (Grimm, Fox, Baines and Albertson 2013.) Additional to that, are the challenges that are arising as a result of ageing populations. One of the main implications of an ageing population is higher dependency on government for pensions, which will in turn lead to higher taxes for the rest of the population (Grimm et al. 2013.) Other regions are battling with a widening gap between the rich and poor, as well as social needs resulting from behavioral problems such as obesity and addictions

(Grimm et al. 2013.) In order to meet all these social needs, the world requires a response, not just from government owned organizations, but also from society at large.

Due to the rise of social organizations and the positive impact they are considered to be having on societies and economies as a whole, more people are recognizing the need for research in the business models of such organizations. Additionally, social organizations need to remain innovative to maintain financial stability and avoid heavy reliance on donations (Balan-Vnuk and Balan 2015.) Balan-Vnuk and Balan (2015) propose that the lack of research in this area makes it difficult to prescribe which skills and capabilities are necessary for successful innovation within social business models. Mulgan, Tucker, Ali and Sanders (2007) also add that the lack of adequate research in the field leads to the lack of practice where even interested parties may become hesitant to explore social innovation due to lack of inadequate insights in the field.

1.1   Need for Further Research

Social organizations tend to borrow applications from findings drawn from private company research. Though insights from for-profit organizations can be applied to socially motivated ones, Mulgan, Tucker, Ali, and Sanders (2007) agree that these are not sufficient since the characteristics of the two are significantly different. There is a need for research that is specifically focused on social organizations as they are unique in nature and face a unique set of challenges. Some of those features include the need to rely on external resources, heavy reliance on voluntary labor and in some cases needing political support (Austin, Stevenson and Wei-Skillern 2006.) Social organizations also have the challenge of not being able to clearly define success or adequately measure the extent of social impact (Jaskyte, 2011.) If we are able to find common patterns of success within these organizations, we will be better able to empower the bold pursuit of social innovation implementation.

Altuna, Contri, Dell'Era, Frattini, and Maccarrone (2015) propose that the development of social innovations be a responsibility shared by all sectors, as opposed to being a responsibility that is left to only non-profit organizations. For-profit organizations have, in fact, increased their involvement in social innovation with studies showing that those companies, which were particularly successful, sourced ideas and involvement from other non-profit organizations (Altuna et al. 2015.) Further research into social organizations may therefore allow us to provide insights to other sectors that wish to participate in socially related activities.

Most social innovation literature has focused on the innovations themselves as opposed to the nature of the organizations within which the innovations take place and are diffused (Jaskyte, 2011.) Other literature has focused on individual case studies of how organizations engage with stakeholders in the non-profit sector, and less on common patterns within such organization. (Mulgan 2006.) Additionally some studies have shown diffusion patterns, where ideas are spread from one organization to another. None of the above is able to provide us with insight on patterns of diffusion within organizations nor do they give us insight into the role of stakeholders in that diffusion process.

This research topic will be focused specifically on the role of stakeholders in the dissemination of ideas within social organizations, providing us with answers to the following questions:

1. How do social organizations engage stakeholders in the diffusion of social innovations?
2. How do different stakeholder groups influence each stage of the diffusion process?
3. What kinds of tactics do social organizations use to diffuse innovations?

The purpose of the study is to analyze diffusion patterns across a number of social organizations and based on those findings prescribe how managers in similar organizations should manage different stakeholder groups. The study will allow us to empower individuals and organizations that are interested in pursuing socially related activities. This research will also be able to contribute to innovation implementation studies and organizational change management. Prabhu (1999) suggested that the more we understand how social organizations are created and managed, the more we will be able to contribute to the development of leadership studies.

2   THEORETICAL FRAMEWORK

2.1   Innovation

Previous research on innovation has explored the subject from various perspectives including human resource management, operations management, entrepreneurship and within research and development (Baregheh, Rowley and Sambrook 2009.) As a result, there have been several definitions for innovation, with each perspective emphasizing different characteristics most relevant to each field of study. Baregheh, Rowley and Sambrook (2009) propose a general definition, which is applicable to all disciplines. They argue the need for common meaning and shared understanding, as business and research are becoming more and more multidisciplinary, creating the need for a general definition applicable to all. Zairi (1994) and Cooper (1998) also add that the absence of a common definition undermines the nature of innovation.

Baregheh, Rowley and Sambrook, p.1334 (2009) define innovation as "the multistage process, whereby organizations transform ideas into new or improved products, services or processes, in order to advance, compete and differentiate themselves successfully in their marketplace." Central to most definitions of innovation, is the idea or concept of newness. Edison, Wang, Jabangwe and Abrahamsson (2018) add to this thought by differentiating innovation to corporate entrepreneurship; arguing that while corporate entrepreneurship involves the creation of new business, it can be achieved by imitating an existing product or service. Van de Ven et al. (1986) contrasted this view, suggesting that an idea need only be perceived as new in order to be considered innovative, regardless of whether the idea appears to be an imitation of something that previously exists elsewhere. Edison et al. (2018) however argue that in the absence of innovation, organizations will not be able to sustain their competitive positioning and growth.

Popadiuka, and Choo (2006) further contribute to this definition by highlighting the concepts of commercialization and/ implementation. Popadiuka and Choo (2006) add that in addition to the concept of novelty, an idea must also be transformed into a product, process or service, or it must be commercialized in order to be considered an innovation.

The meaning of the term innovation has changed over the years. In the 1960's and the 1970's, it was generally accepted that simply generating an idea was sufficient to be regarded as an innovation whereas now it is widely expected that a new concept have to be put in practice before it can be considered an innovation. (Cumming 1998.) Cumming (1998) therefore concluded that three events must take place in order for an innovation to exist. First; an idea must be

generated; second; that idea must be successfully generated into a usable concept and third, the concept must be successfully applied.

Cooper (1998) identifies several dimensions of innovation of which the most prominent are radical, incremental, product, and process, administrative and technological. Several studies have also been conducted in order to determine the relationship between innovation characteristics and implementation. In innovation characteristics research, studies have shown a tendency of relationship patterns between innovation characteristics and the adoption and implementation of that innovation. Of those, three innovation characteristics have been the most highlighted: comparability, relative advantage and complexity (Tornatzky and Klein 1982.) By studying these patterns, researchers would be able to predict innovation adoption and implementation based on innovation characteristics. Tornatzky and Klein's (1982) study for instance, found that both compatibility and relative advantage had a positive relationship with innovation adoption while complexity was found to have a negative relationship (Tornatzky and Klein 1982.)

A positive correlation between diffusion innovation and relative advantage suggests that when innovations have a clear advantage and one that it unambiguous, those innovations tend to be easier to adopt and implement. A positive relationship between compatibility in innovation diffusion literature suggests that when the nature of an innovation is consistent with the values and norms of adopters, those adopters are more inclined to adopt/imitate the innovation. Complexity on the other hand negatively influences the willingness to adopt, with studies showing that the more simple the innovation is, the more receptive people are to adopt that innovation (Greenhalgh, Robert , Macfarlane , Bate , Kyriakidou 2004.)

Innovation processes within organizations are often discussed within the context of exploration and exploitation i.e. 'the development of new ways of doing things' versus 'improving on existing ways of doing things.' – (Nooteboom and Went 1923.) An organization must be able to do both in order to survive. This however leads to a tension since one requires flexibility and openness, while the other consists of setting up structures, norms establishing controls within the organization's operations (Nooteboom and Went 1923.)

2.2   Social Innovation

Mulgan et al. (2007, p. 9) define social innovation as "innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly diffused through organizations whose primary purpose are social." The key feature within the definition is the intent behind the existence of

the organization. This definition emphasizes the organization's motive, where the primary purpose is social, unlike business innovations, which are driven by the end goal of profit maximization. This distinction is crucial since there is now a growing trend among for profit organizations, of engaging in socially innovative activities. Grimm, Fox, Baines and Albertson (2013) add that in order for it to be considered an innovation, and not just social change, the innovation itself must be must be the result of intention.

Three features, which distinguish social innovations from other forms of innovation, are that of inclusiveness, need and targeting specific domains. Marques, Morgan and Richardson, (2018) suggest that in addition to providing solutions for needs not previously met, social innovations also seek to integrate previously neglected groups and are often targeted towards a specific domain.

Social innovation can be separated into two main branches: one is that of large social movements, such as feminism, where the social movement in itself is seen as an innovation. The second branch of social innovation literature refers to strategies used to facilitate and advance specific causes (Marques, Morgan and Richardson 2018.) The first one is knows as structural social innovation, while the other, as radical social innovation.

Social innovation also includes the development of services designed to improve the quality of life of individuals and communities. These may include services in job training, subsidizing housing, and empowering individuals by providing them with training in new competencies (Windrum Schartinger, Rubalcaba, Gallouj and Toivonen 2016.) In service innovation literature, individuals and communities are not only passive consumers, but also take the role of co-creator, where implementation of the innovation through active use is part of the diffusion process. Additionally, imitation of the innovation is highly encouraged since it facilitates the adoption of new services and practices at an accelerated rate (Windrum, et al. 2016.)

Balan-Vnuk and & Balan (2015) also found that when social organizations initiate programs, it was often in response to the needs of that community. They therefore concluded that the more social organizations were acquainted with their communities to better understand their needs, the more they were able to create innovative solutions to meet those needs. Prabhu (1999) also found that due to financial restrictions of social innovations, initial innovations were a result of trial and error, relying more on experiments as opposed to planned strategies.

2.3   Diffusion of Innovation

Rogers (1983, p.5) defines the diffusion of innovation as the process by which "innovation is communicated through certain channels over time among the members of the social system." There are four key elements of the diffusion process: innovation, communication channels, time and the social system.

Rogers (1995) classified adopters into five categories depending on the stage at which individuals adopt an innovation or an idea. These classifications include innovators, who make up 2.5 % of the population, adopters 13.5 percent, early majority, 34 percent, late majority 34 percent and laggards, 16 percent (Mahajan, Muller and Bass 1991) This model assumes a normal distribution curve as well as a uniform pattern of adoption for all product categories. While this standardized categorization scheme has its advantages in that it is comparable and allows for application across studies, it has also been criticized with the argument that products do not follow the same adoption pattern (Mahajan, Muller, Srivastava 1990.)

Katz, Levin, and Hamilton (1963) identify seven elements or characteristics that are incorporated within the definition of diffusion. These include: acceptance, time, a specific item, individuals of groups, communication channels, social structure and systems of value and culture. Most definitions do not incorporate all elements but rather highlight those, which are most relevant to their field of studies. Strang and Soule (1998, p.266) simply define diffusion as "the spread of something within a social system." Emphasis on spread: i.e. "something diffuses when more and more people do it." – (Strang, and Soule 1998, p.266)

Greenhalgh, Robert, Macfarlane, Bate, and Kyriakidou (2004) also found that the terms 'innovation' and spread' were conceptualized differently across disciplines. For instance an innovation, in communication studies is "new information or news" and spread, "the transmission of that information via mass media." - Greenhalgh T et al. (2004, p.589) In health, innovations are defined as "good ideas for healthy behaviors and lifestyles"; while spread as "the reach and uptake of those programs by target groups." (Greenhalgh T et al. 2004, p.590)

There are two main sources of diffusion: external sources, such as media outlets; and internal sources, where diffusion studies have focused on the role of influence and information flow within the organization. The two legs of diffusion studies can therefore be viewed as "diffusion into a population" or "diffusion within a population" – (Strang, & Soule 1998, p.270) Diffusion into a population often analyzes the network structures of external stakeholders and their role in the diffusion of an innovation. In organizational studies, diffusion within a population analyzes the social structures within these organizations and how

these social structures facilitate communication and influence. Greenhalgh et al. (2004) also distinguish between pure diffusion and active dissemination; where pure diffusion is often unplanned, informal, peer influenced and horizontal in nature. Active dissemination however tends to be formal, centralized, and tends to be facilitated via vertical networks.

It is important to acknowledge that innovation diffusion is not just influenced by human behavior and/or culture but that other factors within the environment may influence the adoption or non-adoption of an innovation (Lindberg and Palmås 2013.) It is therefore important to apply insights from innovation adoption while considering the nature of the innovation as well as the context of the environment where the diffusion must take place. Lindberg, and Palmås (2013) found for instance that in analyzing the diffusion patterns of organic farming in Sri Lanka, environmental factors such as the quality of the soil also influenced diffusion patterns within different regions.

2.3.1 Diffusion of Innovation in Social Organizations

In social organizations, innovations are motivated by some form of discontentment, either through individuals such as Michael Young, who is often noted as being one of the most influential social innovators, or may be driven by groups of people, where such innovations lead to broader movements, such as the civil rights movement. Salamon (1994) also credits social organizations as being the primary initiator of major social movements within America. Mulgan (2006) suggests however that despite the initiator of the innovation, be it an individual or entire group, in the long run, the ideas behind the social movements themselves will become more important than the individuals and institutions that initiated them.

Studies of diffusion within organizations in social movements tend to focus on behavior strategies and structures as opposed to technical innovations. In their study of innovation predictors within non-profit organizations, Jaskyte (2011) found that transformational leadership, directors' tenure, centralization, were the key contributors to innovation. Jaskyte (2011) also found that innovation adoption patterns differed depending on the type of innovation. Factors that lead to successful administration innovations for instance, differed to those that facilitated success in technological ones. Damanpour and Schneider (2009) also found that organizational factors, particularly the role of managerial influence played a greater role in influencing innovation adoption than environmental factors within non-profit organization.

Social diffusion studies have been analyzed within the context of network structures, with many researchers proposing that the structure of social networks heavily influences the adoption of innovations by individuals Greenhalgh et al. 2004.) Strang and Soule (1998) found that strong network ties influenced diffusion of social movements, where constant interaction, particularly face-to-face

interaction, often influenced actors to share the same perspective (Strang and Soule 1998.) Additionally, where they were prestigious, central actors, these actors were also able to influence diffusion since those in lower ranking often aspired to become like the central actors. Strang and Soule (1998) added that when an innovation is easy to understand and communicate, it would also be to diffuse even in the absence of strong network ties and structures.

Young (2011) found that interactions within small local clusters enhanced the speed of diffusion within social organizations. He also suggested that welfare gains resulting from social innovations are more likely to be observed in large jumps as opposed to small incremental improvements. In his study of the process of social innovations, Dees (2001) concluded that the role of ideas and vision played a significant role in the diffusion of social innovations. He asserts that having a clear vision is one the most useful tools within such organizations, as it gives clarity of purpose while uniting people towards the same goal. Strang and Meyer (1993) add that the role of culture has more influence on diffusion than even close relations; proposing that diffusion is expected to be rapid when adopting individuals identify with cultural values of a group.

2.4   Stakeholder Management

The managerial approach of stakeholder theory originates from organizational theory and sociology with emphasis on the relationship between stakeholders and the firm (Fassin 2008.) Several studies suggest that paying attention to the interests of stakeholders is central to business success as ignoring them has proved to negatively affect firm performance and at times lead to detrimental results. (Bryson 2004.) Because the world is becoming more and more interconnected, greater emphasis should be placed on stakeholder analysis. It is not only important to identify whom the stakeholders are, but also to also analyze the networks that exist amongst stakeholder groups and ultimately how these networks influence the objectives of the organization (Bryson 2004.)

There are two main streams of stakeholder theory: instrumental stakeholder theory and moral stakeholder theory. Instrumental stakeholder theory is concerned with stakeholder management and its impact on organizational performance. Moral stakeholder theory focuses on the idea that organizations serve stakeholder interests out of a sense of obligation i.e. because it's the right thing to do (Gooyert et al. 2007.) The moral perspective includes a wider set of stakeholders; that is, those without power to influence the organization. While both theories are concerned with satisfying the interest of stakeholders, instrumental stakeholder theory is considered to be motivated by self interest since engaging stakeholders is seen to be motivated by the desire to improve performance (Gooyert et al. 2007.)

Freeman (1984) is accredited to have been the first author to fully articulate the stakeholder framework, contributing to management theories, which he argued were not adequately addressing changes within the business environment (Laplume, Sonpar, and Litz 2008.) The core of Freeman's approach, identified stakeholder interests as playing an instrumental role in firm performance.

Freeman's defined a stakeholder as
"Any group or individual who can affect or be affected by the achievement of the organization's objectives." – (1984, p.46)

Freeman proposes that effective strategic management requires dealing with groups that can affect you, while responding to those that you can affect.

Eden and Ackermann (1998, p.117) define stakeholders as

"People or small groups with the power to respond to, negotiate with, and change the strategic feature of the organization."

This definition places emphasis on the existence of power. They argue that groups of individuals should not be considered stakeholders unless they have the power to directly affect the organization's future. One must have power to affect the organization's future in order to be considered a stakeholder. This is in contrast to other definitions, which cast a wider net on the definition of stakeholders, and include those parties, which are considered powerless (Bryson 2004.)

The stakeholder theory is often criticized for including too many groups of people without clearly defining or specifying who is not a stakeholder (Tullberg 2013.) Fassin (2008) added to this thought by highlighting the role that globalization and information technology has played in the organization's capacity to reach larger audiences. Anyone and everyone can be considered to fall under the definition of 'affect or be affected by the organization.' Thus meaning, according to this definition, everyone could be considered a stakeholder. Though there is still some disagreement regarding who should be considered a stakeholder, the most widely accepted definition is that of Freeman (1984.)

2.5   Stakeholder Salience and Engagement

In order for social organizations to succeed, they not only have to create the right solutions for societies, but must also successfully manage relationships with various stakeholders such as, donors, governments and communities. (Parmar, Freeman, Harrison, Wicks, Purnell and Simone de Colle 2010.) Jawahar and McLaughlin (2001), and Bryson, Cunningham, and Lokkesmoe

(2002), agree that organizations will not be able to survive without the participation of primary stakeholders. Stakeholders may influence diffusion patterns within organizations, which ultimately influences organizations' decisions on diffusion tactics (Elmustapha, Hoppe, and Bressers 2018.)

Brown (2003) proposed that different stakeholders become more important at different stages of the diffusion process. Arena, Azzone and Bengo (2015) adds that social organizations tend to engage a larger group of stakeholders in their decision making process, engaging with and integrating these at every stage of the decision making process.

There are three key elements belonging to stakeholder management:
   I.   Identifying stakeholders
  II.   How important these stakeholders are with regards to their impact on the organization
 III.   Identifying ways of managing these stakeholders

Most researchers agree that organizations must be strategic in engaging stakeholders by focusing on those who are most critical to a firms strategic plan (Banks, Vera, Pathak, and Ballard 2016.) Mitchell et al. s (1997) stakeholder salience theory proposes power, legitimacy and urgency as the criteria for prioritizing stakeholders (Boesso and Kumar 2009.) These criteria have their foundations in resource dependency theory, legitimacy theory, and urgency theory (Boesso and Kumar 2009.)

Knox and Gruar (2007, p.121) define power in stakeholder theory as "a relationship between parties in which one party A can get another party B to do something that B would not have otherwise done." Typically social organizations rely on stakeholders for legitimacy and resources (Balser and McClusky (2005.) Legitimacy requires that the organization's stakeholders, view their expectations as being met by the focal organization (Balser and McClusky 2005.) Studies also show that there tends to be a gap between what organizations believe to be the interest of stakeholders versus what stakeholders themselves state to be their interests. It is therefore necessary to engage in discussions with various stakeholders in order to better understand their interests (Gooyert et al. 2007.)

Urgency has to do with whether or not a stakeholder claim requires urgent attention. It is influenced by the two main factors: time sensitivity i.e. could a delay in response be detrimental to the situation or relationship with the stakeholder and criticality, which is a question of how important the relationship between the organization and the stakeholder group is (Mitchell et al. 2011.) Manger decisions and actions determine the quality of relationships that the organization has with its stakeholders. When the leaders within an organization are successful in managing these relationships, it often leads to trust, which ultimately leads to better opportunities (Waligo & Clarke, & Hawkins, 2014.)

2.6   Main Concepts

Key terms: Social Innovation; Social Organizations, Diffusion of Innovation, Stakeholders;

Social Innovation

Social Innovation is defined as: "The process of inventing, securing support for, and implementing novel solutions to social needs and problems" - (Phills et al. 2008, p.34) The innovation can be in the form of a service, product or a social movement. The most important characteristic of a social innovation is that it must provide benefit targeted primarily towards society as a whole as opposed to private individuals (Lin and Chen, 2016.) Mulgan (2006) adds that in addition to meeting societal needs, social innovations must be diffused through organizations which are primarily social. This is an important distinction from social corporate responsibility, or philanthropic strategy, which are both undertaken by for-profit organizations (Lin and Chen, 2016.)

Social Organizations

A social organization is "a business model exhibiting a continuum of objectives ranging from a purely social mission through combinations of social and profit motives ." – (Burga R and Rezania, D 2016; p.1) For the purpose of this study, I will be focusing on those organizations, which are purely social driven. The most important distinguishing characteristic of traditional non-profit organizations compared to social enterprises and purely commercial ones, is that they are restricted from using trade in order to raise capital. Traditional non-profit organizations must therefore rely on grants, donations and volunteers in order to successfully run operations (Kong 2010.) Table 1 reflects the characteristics that differentiate purely philanthropic organizations from social enterprises and purely commercial ones.

Table 1: The Social Enterprise Spectrum

	Purely Philanthropic	**Social Enterprises**	**Purely Commercial**
Motives	Appeal to goodwill	Mixed motives	Appeal to self-interest
Methods	Mission-driven	Mission & Market driven	Market-driven
Goals	Social Value	Social and Economic value	Economic value
Beneficiaries	Pay Nothing	Subsidized rates, or mix of full payers and those who pay nothing	Market-rate prices
Capital	Donations & Grants	Below-market capital, or mix of donations & market rate capital	Market rate capital
Workforce	Volunteers	Below-market wages, or mx of volunteers and fully paid staff	Market rate compensation
Suppliers	Make in-kind donations	Special discounts, or mix of in-kind and full price donations	

Source: Dees (1998, p.60) Enterprising Non Profits, The Harvard Review

Diffusion of Innovation

Diffusion studies analyze how innovations diffuse through a social system. The key terms within the definition are that of innovation and diffusion. An innovation is defined as "an idea, practice or object that is perceived as new by an individual or another unit of adoption." And diffusion as "the process in which participants create and share information." (Rogers, 2010, p.11)

Previous studies have explored the subject of diffusion from a marketing perspective, an individual perspective and from patterns observed within the organization. At a marketing level, diffusion studies analyze how products and services spread across different customer segments (Bass 1969.) At an individual level, studies focus on the individual's process of adopting an innovation, from becoming aware of the innovation, to the stage of an individual's continued use of that innovation. This study focuses on diffusion of innovation within social organizations. In organization studies, diffusion of innovation studies, analyzes the process of developing new ideas, the processes leading to the adoption and implementation of those ideas, and tactics used to spread them among stakeholder groups, until they are integrated into an organization's operations (Shea, McCall, and Ozdogru, 2006.)

Stakeholders
A stakeholder is "any group or individual who can affect or is affected by the achievement of the organization's objectives "– (Freeman 1984, p.46) Johnson and Scholes (2002, p.206) define stakeholders as: "Those individuals or groups who depend on the organization to fulfill their own goals and on whom, in turn, the organization depends." Stakeholders of social innovations are motivated by the desire to bring social change either by empowering communities or by helping to improve relationships between different social groups (Windrum, et al. 2016.)

The generic stakeholder groups for non profit organizations as identified by Knox and Gruah (2007) are grant recipients, donors, influencers, general public, partner organizations, prospects, expert audiences, volunteers, beneficiaries and CRM partners. One stakeholder group, which is unique to social organizations, is volunteers. Social organizations tend to be heavily dependent on volunteers. Unlike employees, volunteers do not receive financial compensation, yet their scope of responsibility often carries the same weight as employees and other internal stakeholders. Social organizations must therefore seek creative ways to motivate them, as they place a crucial role in project implementation.

In for-profit organizations, emphasis is often placed on managing stakeholders who are considered to have the power to influence the organization's performance. This premise does not hold for non-profit organizations when you recall Knox and Gruar's (2007, p.121) power definition of "A relationship between parties in which one party A can get another party B to do something that B would not have otherwise done." In non-profit organizations, the term stakeholder extends to stakeholders who are considered to be powerless since the main goal of non-profit organizations is to provide social value to groups of individuals who are not in any position of authority. As also suggested by Newcombe (2003), the absence of power does not necessarily make a stakeholder group irelevant since support from less powerful stakeholder groups might evoke interest and support from those who are considered to be more powerful.

Summary of Main Concepts
For the purpose of this research, the following definitions will apply:

Innovation

"The multistage process, whereby organizations transform ideas into new or improved products, services or processes, in order to advance, compete and differentiate themselves successfully in their marketplace." - (Baregheh, Rowley and Sambrook, p.1334, 2009.)

Social Innovation

"Innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly diffused through organizations whose primary purpose are social." – (Mulgan et al. (2007, p. 9.)

Social Organization

"A business model exhibiting a continuum of objectives ranging from a purely social mission through combinations of social and profit motives ." – (Burga R and Rezania, D 2016; p.1)

Diffusion of Innovation

Innovation is defined as "an idea, practice or object that is perceived as new by an individual or another unit of adoption." And diffusion as "the process in which participants create and share information." (Rogers, 2010, p.11.)

Stakeholder:

"Any group or individual who can affect or be affected by the achievement of the organization's objectives." – (1984, p.46.)

3 DATA AND RESEARCH METHOD

3.1 Research Method

The main purpose of any research is to determine the causes that lie behind certain outcomes (Mahoney and Goertz 2006.) For this study I will be conducting an inductive, qualitative research. I will use a multiple case study approach, where I will study the diffusion patterns within three social organizations and the role of stakeholders in influencing those diffusion patterns.

In inductive research, theory creation is the goal (Doz 2011.) The research process is data driven and explorative, where solutions are found via the data. The process follows the order of observation, which leads to generalization and then theory. The more cases we have, the more generalizations we can make, and the stronger our theories will be. Inductive research helps the researcher to guard against the temptation of a pre determined theoretical lens and position or as Doz (2011, p.584) terms it, it helps avoid "seeing what you are already believing."

Qualitative Research
Kirk J and Miller, M. L (1986, p.6) define qualitative researh as "a particular tradition in social science that fundamentally depends of watching people in their own teritory and interacting with them in their own language, on their own terms." Qualitative research studies self-expression i.e. oral worlds such as interviews, texts, body language analysis and observations of environmental contexts. (Ambert, Adler, Adler and Detzner 1995.) It allows us to study the influence that culture; individual experience and beliefs have on people's perspectives and behavior (Rich and Ginsburg 1999.) The underlying basis is the idea that behavior is motivated by factors that go beyond surface observations. In qualitative research, researchers first look at cases as well as their outcomes and then go back to try and determine their causes (Mahoney and Goertz 2006.)

The main goal of qualitative research is depth. It is often used in inductive research, where the goal is discovery and theory creation. Unlike quantitative research, which often draws from large samples of data, qualitative research focuses on a smaller sample group and seeks to uncover intimate details about interview participants (Ambert, Adler, Adler and Detzner 1995.) Instead of focusing on what people do, qualitative research rather tries to explore context and motivations to answer the questions of how and why they do it (Ambert et al. 1995, and Rich & Ginsburg 1999.)

Research methods include observation, interviews, listening and evaluation of narratives. Additionally, a researcher must be able to gather information from

different sources, as well as consider the context of the environment in order to identify any possible biases. Finally, they must be able to critically analyze the information to form a conclusion (Rich and Ginsburg 1999.)

Case Studies

Feagin, Orum and Sjoberg (1991) suggest that more and more researchers will begin to use case study research as a form of investigating social dimensions Case studies are used to understand interactions, events, and links where cause and effect relationships exist (DeMarrais and Lapan 2004.) Case studies may be used to investigate a variety of settings. These may include entire organizations, individuals holding specific roles for instance, and leaders within an organization or even an entire city (Feagin, Orum, and Sjoberg 1991.)

Case studies are often used in qualitative research to investigate a small number of cases, and at times even one case (Gomm, Hammersley, and Foster 2000.) When research focuses on a single case study, the main objective of the study is to uncover the uniqueness of that particular case (DeMarrais, and Lapan 2004.) One of the main objectives, which apply to traditional research, is to be able to form generalizations, which can be applied to similar settings or populations.

During the data collection stage, information is gathered around a large number of features for each case. Information is often very detailed and involves collecting data from several sources. Another feature of case study research is that it focuses on social situations that naturally occur i.e. the researcher does not attempt to manipulate the research setting. This is in contrast to experiments, where researchers attempt to control the variables of the research environment (Gomm, Hammersley and Foster 2000.)

Research findings must accurately represent the entire population i.e. any conclusions drawn from this research must accurately represent patterns of diffusion within all social organizations (Rich and Ginsburg 1999.) In order for generalizations to apply across all social organization types, it was crucial to diversify the selection of case organizations (Eisenhardt 1989.) Each organization within the sample chosen was only required to fulfill the following criteria: one, the organization had to perform socially related activities and two, the purpose of the organization had to be primarily social.

In order to conduct a successful case study research, certain boundaries must be established before the study begins. The research question and objectives help to set the boundaries to focus on, when gathering data through whichever form of data collection method chosen. The objective is not to study everything within the setting but to focus on specific issues that are relevant to the actual study. (DeMarrais and Lapan 2004.) Having a clearly defined research question, also allows the researcher to predetermine the type of organizations to include in the sample as well as the kind of information they wish to gather (Eisenhardt 1989.)

The use of multiple data collection methods also provides basis for developing theories (Eisenhardt 1989.)

Rigor in Case Study Research

Rigor refers to the quality of the research process (Gibbert and Ruigrok 2010.) The more rigorous the process, the more one is able to trust the results of the research. Rigor is achieved by selecting the most appropriate research method for the subject at hand (Rich and Ginsburg 1999.) The criteria commonly used for assessing rigor are that of internal validity, construct validity, external validity and reliability (Symonds and Ellis 1945.) Internal validity is concerned with data analysis and the conclusions that are draw from that analysis. The arguments that are presented by the researcher must be reasonable to a reader given the data used to form those arguments (Symonds and Ellis 1945.) Construct validity requires the researcher to develop a study pattern that leads to an investigation of the research question they claim to be studying (Symonds and Ellis 1945.) For the criteria of external validity to be met, conclusions drawn from case studies should be consistent when tested in different settings. This could be achieved by the use of multiple case studies or data triangulation, i.e. using various methods of collecting data (Symonds and Ellis 1945.)

The criteria of reliability is met if repeating the study in the same manner would produce the exact same result (Symonds P M & Ellis, A 1945.) This can be achieved by conducting multiple interviews, multiple observations and good record keeping (Rich and Ginsburg 1999.) Rich and Ginsburg (1999) also add the use of standardized data collection methods to analyze the same data at different times, as ways to help improve validity.) Yin (1994) provides a framework for how each of these criteria can be met when using case studies as a method of research. The framework is illustrated in Table 2 below.

Table 2: Case Study Research: Design and Methods (Yin 1994)

Framework for an investigation of the methodological rigor of case studies			
Internal Validity	**Construct Validity**	**External Validity**	**Reliability**
	Cook and Campbell, 1979		
	Data Triangulation	Cross Case studies	
Research framework explicitly derived from literature (diagram or explicit description of casual relationships between variables and outcomes)	• Archival data (interns reports, minutes or archives Interview data (original interviews carried out by researchers. • Participatory observation derived data (participatory observation by researchers) • Direct observation derived data (direct observation by researchers)	•**Multiple case studies** (case studies of different organizations) •Nested approach (different case studies within on organization.)	Case study protocol (report of there being a protocol, report of how the entire case study was conducted.)
Pattern matching (matching patterns identified to those reported by other authors)	Review of transcripts and drafts by peers (peers are academics not co authoring the paper)	**Rationale for case study selection** (explanation why this case study was appropriate in view of research question	Case study database (database with all available documents, interview transcripts , archival data, etc
Theory triangulation (different theoretical lenses and bodies of literature used, either as research framework or as means to interpret findings)	Review of transcripts and drafts by key informants (key informants are or have been working at organization investigated) Indication of data collection circumstances(explanation how access to data has been achieved)	Details on case study context (explanation of industry context, industry cycle, P/M combinations, financial data)	Organization's actual name given (actual name to be mentioned explicitly - as opposed to anonymous.)
	Check for circumstances of data collections actual procedure (reflection of how actual course of research affected data collection process.)		
	Explanation of data analysis (clarification of data analysis procedure)		

Yin (1994) Case study research: Design & Methods (2nd ed.) Newbery Park CA Sage Publications.

3.2   Data Collection

When selecting research and data collection methods, there are two important dimensions to consider: deciding on the number of cases that are being investing and deciding on the amount of detailed information you will to collect about each case organization. When fewer cases are collected, more detail is required, and therefore more data on each organization needs to be collected. Where there are a large number of cases that are being investigated, only a small amount of data is often required (Gomm et al., 2000.) There are several data collection methods in qualitative research.

Interviews
Data collection for this research will include 10 in depth interviews across 3 organizations. Interview participants will be selected from within the organizations, and diversified by selecting individuals holding various levels of positions. The purpose behind this is to be able to draw from different perspectives, and avoid relying on one point of view within the organizations.

Interviews along with focus groups are considered to be the most common data collection methods within qualitative research (Gill, Stewart, Treasure and Chadwick, 2008.) Interviews are able to provide a deeper understanding of individual motivations and beliefs and other contextual factors within the research environments. Interviews also allow you to delve into more sensitive topics (Gill, Stewart, Treasure and Chadwick, 2008.) Interview participants will be selected from within the organizations, and diversified by selecting individuals holding various levels of positions.

I have constructed a worded script, which I will use to interview each participant following a semi structured interview pattern. Structured interviews often consist of predetermined questions, and does not allow room for variation or follow up, while unstructured ones lack guidance and may lead to collecting data that is not at all relevant to the subject area. Semi structured interviews allow the researcher to clearly define and categorize areas they would like to explore while allowing enough flexibility to dig deeper into different subject areas, as well as allowing room for more elaboration (Gill, Stewart, Treasure and Chadwick, 2008.) An interviewee my also reveal information which the researcher had not previously thought of, unlike structured interviews, which while they are faster and easier to administer, tend to be rigid and lacking in depth (Gill et al. 2008.)

3.3   Data Analysis

At the interpretation stage of qualitative research, the researcher forms and explains generalizations and attempts to provide insight for behavior patterns. It is at this stage of the research study that theories are formed Peshkin, (1993.) The interpretations stage involves providing insight and developing theory based on the data that has been collected.

At the analysis stage, the researcher can take the description and the explanation approach or the evaluation and prescription approach. The former portrays the organization on the organization's own terms in how it chooses to portray itself while the latter provides an external point of view, which in some cases may contradict the view of those within the organization (Gomm R et al., 2000) There is an element of bias in every research, but these may be eliminated or reduced, by analyzing and taking into account any factors that may influence the data collection stage, the analysis stage or the conclusion stage (Rich and Ginsburg 1999.)

Stakeholder Assessment
Before we can analyze how organizations engage with stakeholders, we first need to understand the relationships that exist between the organization and its stakeholders as well as the interdependent relationships that exist within the stakeholder environment (Rowley 1997.) There are several ways of classifying stakeholders including Carroll's (1989) primary and secondary classification model. In Freeman's (1984) model, the organization is central to the stakeholder set. For the purpose of this study, diffusion patterns will be analyzed using the focal firm viewpoint since diffusion patterns are being studied with relation to tactics used by the organizations itself, and how the organization engages with its stakeholders to achieve objectives.

Analysis Techniques
The purpose for conducting a stakeholder assessment is to identify stakeholder interest in relation to a company's corporate mission. After establishing the interests of each stakeholder group, an organization is better able to formulate a strategy which aligns with those interests while serving the greater goal of achieving the company's corporate mission (Ranängen H, 2015.)

A stakeholder analysis allows an organization to assess who their stakeholders are, the influence that these stakeholders have and the engagement strategies they must formulate in order to meet the objectives of the firm (Elmustapha H, Hoppe T, Bressers H, 2018.) For the purpose of this research, a stakeholder analysis will be used to identify those who play a role in spreading innovations/ ideas, what role they play, the extent of that role and the ways in which social organizations manage these stakeholders.

Bryson, J M (2004) describes 15 stakeholder identification and analysis techniques. Of those, the power interest grid, and the basis of power technique will be used for the purpose of this study. Additionally, I will use Roger's (2003) innovation process for innovations as a framework for mapping out stakeholder involvement at different stages of the innovation diffusion process.

Power/ Interest Grid

The power-interest grid is often used to understand the company's environment, where power is defined as "those who can affect the company's strategy." and interest as "those who care about a company's strategy." (Ackermann and Eden, 2011, p.184.) The power versus interest grid classifies stakeholder into 4 categories: players, that is those with high interest in the outcome of a project, as well as having significant power to influence that outcome; subjects, have high a interest in the outcome of a project, but little power over the outcome of the project; context setters, who have significant power but low interest, and the crowd, who have neither high interest or significant power (Bryson J M, Cunningham G L, & Lokkesmoe K J. 2002.) The basis of power technique will be used primarily to validate the power-interest grid by identifying each stakeholder group's source of power.

Roger's Innovation Process for Organizations

The concept of diffusion is often discussed within the context of social groups, and how ideas are spread across different categories of adopters, while adoption analyses the individual, and how they adopt ideas: i.e. from becoming aware of the innovation to its adoption and continued use. There have not been many studies on how this process takes places within the organization.

For the purpose of this study, I will use Roger's (2003) innovation process for organizations, as it provides a framework which allows us to analyze how ideas are formed, developed and implemented within the organization. The five-stage framework relates to two broad subjects, which are, initiation and implementation. The initiation stage relates to how the organization formulates ideas, gathers data, and plans for the adoption of the innovation, while the implementation stage deals with the management of internal structures in order to put the innovation in use (Shea, McCall and Ozdogru, 2006.)

4   RESEARCH FINDINGS

4.1   General Information

This chapter illustrates the results of three case companies interviewed to find out the role of stakeholders in the diffusion of innovation within social organizations. The findings will also be complemented with direct quotes from interview participants and figures that will help to illustrate the results. I will begin by providing a brief description of each case company in order to provide some context. This will be followed by a stakeholder analysis and stakeholder mapping based on the interviews of case company participants. Third, the results will highlight the basis of power for each stakeholder group in order to learn how they are able to influence innovations as well as their diffusions. The stakeholders will be ranked, from those who are considered to be the most powerful, to those who are considered to have the least amount of power. In this context, power relates to the influence capacity of each stakeholder group throughout the diffusion process. Finally, the results will reflect how stakeholders influence each stage of the diffusion process using Rogers' (2003) five-stage innovation process framework. The results will reflect which groups influence each stage of the process as well as how they do so. In this section, we will also be able to analyse the different tactics that the case organizations used to diffuse innovation as well as how the organizations engaged these stakeholders throughout this process.

4.1.1 Brief Introduction to Case Companies

Three social organizations with different characteristics were used as a part of this study. The firm characteristics will help to provide context to the research results, and highlight factors that may influence diffusion patterns in these organizations. As previously stated, it was crucial to diversify the case studies selected in order for generalizations to apply across all social organization types (Eisenhardt 1989.) Three organization types were selected: a religious non-profit organization, a non-profit organization working with countries and governments, and a non-profit, non-governmental youth run organization. The only prerequisite for selection was that each organization be one whose activities and purpose be primarily social. Organization characteristics will include the size of the organization, which will be measured by the number of employees, the age of the organization, the organization's main purpose and lastly, the organization's main beneficiaries.

Organization 1

Organization 1 is an international, non-governmental, not for profit organization, which has been in operation for over 60 years. It is one of the largest youth run organizations, whose main purpose is to empower young people through leadership development, while simultaneously engaging in social activities designed to impact different communities. Organization 1 has over 25,000 members around the world and operates in over 100 countries, partnering with over 8,000 organizations.

For the purpose of this study, I focused on in depth study of one country office, which has an average number of 5-7 employees per year and an average of 50-100 members, who also serve as volunteers within the organization. Though the organization's activities are designed in a way that simultaneously benefits multiple stakeholder groups, its main beneficiaries are its members. The organization also maintains long-term partnerships (10 to 15 years) with different organizations within local communities. Their beneficiary list therefore extends to Refugee Centers, Elderly homes, NGOs, Schools and For Profit organizations.

Organization 2

Organization 2 is an international organization, which is a little over 70 years old. The organization has roughly 180 members, who are located in various countries around the world and mostly works to aid various social needs around the world. The organization is funded by its members, who are also the organization's main beneficiaries.

The organization's main activities are broken into several functions, which are managed independently. For the purpose of this study, I focused on two country offices. These offices are managed separately even though they function under the same umbrella. Organization 2 was the only organization among the case companies that didn't rely on any volunteer efforts. All projects were developed and implemented by employees or contractors. Interviews we conducted with representatives from two local offices: one dealing specifically with migration issues, and another with international development projects. The use of two local, independent offices was particularly crucial for this study, since this was the only organization, which worked mostly with local governments around the world.

Organization 3

Organization 3 is a religious, non-profit organization, which has been operating for over 30 years, with over 80 branches operating around the world. The organization runs social engagement programs and while these programs function as part of the larger organization, these activities are operated and managed separately. Income and expenses are recorded and reported separately to other functions within the organization. Social activities include personal development programs, counseling services for local communities, health care centers, youth mentoring programs, feeding and clothing homeless people, and refugee programs.

For the purpose of this study, I focused on one country office, which was established in 2015. The country office has three employees, 110 volunteers and 600 members. Since the social arm of the organization functions as an independent entity, the main beneficiaries of social activities are all external stakeholders.

Table 3: Summary of Organization Characteristics (Local Offices)

ORG CHARACTER-ISTICS	CASE COMPANY 1	CASE COMPANY 2	CASE COMPANY 3
Age (In Years)	60+	70+	30+
Members (Local)	50-100	180 +	600
Beneficiaries	Members, Companies, Schools, Refugee Centers, Age Care Facilities	Local Governments	Refugee Centers
Source of Funding	Internal Members	External Donors	Internal Members & External Donors
Employee Base	5-7	11	3
Volunteer Base	50 - 100	-	110
Partner Organizations	Companies Schools Other NGO's	Local Governments	Other NGO's

4.1.2 Interviewee Characteristics

A total of 5 individuals were interviewed from the three case organizations; two each from organizations 1 and 2, and one interview participant from organization 3. 10 interviews were conducted in total, with initial interviews lasting an average of 90 minutes and follow up interviews, an average of 30 minutes. This makes a total average of 120 minutes per interviewee. Positions held within the organizations ranged from Co-founders to Country Managers. A detailed summary of interview participants is outlined in Table 4 below. Interview participants will also be assigned code names, with which they will be referred as, at the results section of this thesis.

Table 4: Interviewee Characteristics

ORGANIZTION	INTERVIEWEE CODE NAME	AGE	GENDER	POSITION
Organization 1	James	33	Male	Former Country President
Organization 1	Peter	29	Male	Country President
Organization 2	Mike	35	Male	Country Manager
Organization 2	Jane	32	Female	Office Manager
Organization 3	Sarah	40	Female	Co Founder

4.2 Findings

4.2.1 Stakeholder Analysis

This section displays the identification and analysis of the key stakeholders that were identified from the three case companies used in this study. These results were deducted following the five-step process recommended by Bryson (2004.) I began by making a list of stakeholders, based on mentions by interview participants of organizations 1 to 3. Additionally, I analyzed the results in order to identify specific needs provided to the organizations by each stakeholder group. These results were then mapped on a power, interest diagram, a grid, which classifies stakeholders based on their interest and their power to influence specific projects.

Stakeholder Mapping: Power/Interest Grid
The results of this study will only focus on key stakeholders, namely those stakeholders who were deemed to have had some level of influence in the diffusion of innovations within case organizations 1, 2 and 3. The key stakeholders identified in this study were: external donors, government bodies, project managers, employees and volunteers, partner organizations, the international office of each organization, and the beneficiaries. Note that the international office in this instance has been treated as a separate stakeholder group to that of other internal stakeholders such as employees. This allows us to view the influence of the international office from the central view of the local office of each organiza-

tion. I have chosen to map these out using Johnson and Scholes' (1999) power, interest grid illustrated below.
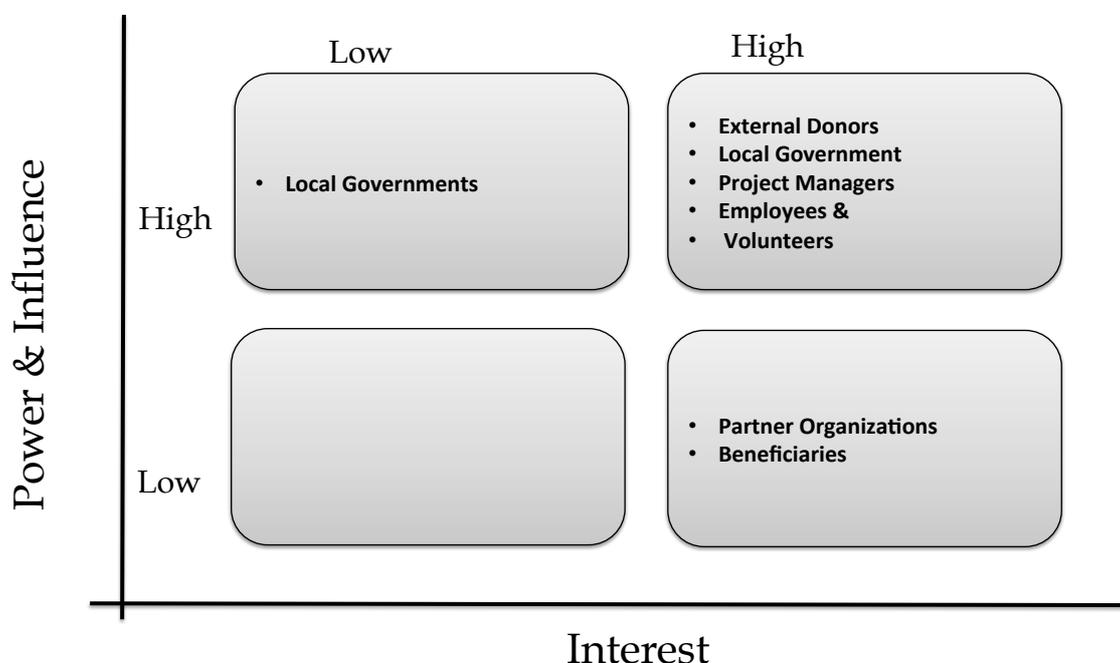

Figure 1: Johnson and Scholes' (1999) Power/Interest Grid

The power, interest grid above classifies stakeholders based on their power to influence a project as well as their interest in the outcome of those projects (Newcombe, 2003.) As reflected on Figure 1, external donors, governments, project managers, as well as employees and volunteers were all found to be players as they all had high interest in the outcome of social activities as well as having significant power to influence them.

According to interview participants, external donors were often companies whose goals were somewhat aligned with the projects of the case organizations. These organizations would often set aside funds for various social activities and then look to provide funding to social organizations, which they believe to have the vision and capacity to facilitate these projects.

One participant is quoted as saying:

"They can say by x time, we want to focus on education in Africa or trade, or health etc. So they have these funds sitting there for these purposes. The organization may have the funds and they say okay, who is there that can implement these things that we want to do?" – (Jane, Organization 2)

As reflected by the above statement, external donors have high interest in the outcome of projects, because the projects are in alignment with their own goals. They were also able to influence social innovations and their diffusions since these innovations were financially dependent on their donations. The basis of power for each stakeholder group will be further explored in the next section.

As reflected in Figure 1, governments were classified both as players and subjects. Players were those who in addition to having power to influence projects due to political power were also the main beneficiaries of social activities, as was the case for Organization 2. Where local governments were not beneficiaries, these were classified only as subjects. They were able to influence some phases of the diffusion process but were not found to have significant interest in project outcomes. Internal stakeholders, that is, project managers, employees, and volunteers; were found to have both significant power and interest. Without their efforts, projects could not be implemented. Two out of three of the case organizations were heavily dependent on volunteers. The results also showed that while partner organizations and beneficiaries had high interest in social activities and their diffusion, they only had power to the extent that project managers allowed. These results will be further explored when analyzing stakeholder influence across diffusion stages.

4.2.2 Stakeholder Basis of Power

According to Eden and Ackermann (1998) stakeholders have power either when they provide support to an organization such as finances, or when they have the authority to give access to, or restrict an organization's activities. Bryson 2004.) Yukl (1998) further expands on this by identifying three source groups of power: position power, personal power and political power. Position power has to do with organization authority, that is, the authority to control information, rewards and punishment. Personal power has to do one's influence, based on their personality, expertise, and the nature of the relationships they have built. Finally, political power gives one control over decision processes. It is crucial to identify stakeholder power and influence, in order for mangers to recognize how stakeholders influence projects (Bourne and Walker 2005.)

EXTERNAL DONORS
The results of this study found external donors to have the strongest basis of power, since without their funding projects are often unable to move forward. The results indicated that where an organization was heavily dependent on finances from external stakeholders, the more likely that these stakeholders were able to not only shape the innovation but also influence the diffusion patterns i.e. the length of time it took to implement the idea, whether or not the idea would be implemented at all, and whether or not this idea would later take a different shape. This is reflected in statements made by interview participants.

Table 5: Case Company Comments on External Funding

COMPANY	CITATION
Mike Company 2	*"This means you have the beginning of a project and an end and you need to be able to tell them how you spent the money, which means we have to be efficient."*
Jane Company 2	*"The organization which is providing the funds would say, I understand, I like this project but our focus right now is on this, can we focus on this etc. so sometimes you find projects which were originally very large now being reduced because of the funding and at times the projects being completely transformed. Where the funds come from is quite decisive on where the project is going."*
Jane Company 2	*"The country then say, 'we have these funds here, its not fully what we want, but are we willing to lose these funds just because its not exactly what we want."*
Sarah Company 3	*"There are so many more projects we would like to be involved with. This is really important when it comes to people who are contributing money to us, to see that their money is actually going towards making a difference."*

Since the level of dependency on external funding varied between the organizations, the influence of external donors also reflected differently between each case organization. In this study, projects by Organization 2, were the most dependent on external donors and hence best reflects the full extent to which they were able to influence innovations and their diffusions. While Organization 3 was not as heavily dependent on external donors as in the case of Organization 2, project managers were required to be accountable for how these funds were used in order to continue securing funds.

GOVERNMENT
The analysis of statements by interview participants (see citations in Table 5) revealed that government officials were found to be the second most important stakeholder group. Where social activities required heavy involvement from governments, whether the governments were the main beneficiaries themselves or simply the facilitators, they highly influenced how ideas evolved and at times determined who would be involved in the implementation process.

Table 6: Case Company Comments on Government Influence

COMPANY   CITATION

Mike Company 2	*"Ultimately it's the government of the given country that will approve or not; you will not be allowed inside a country doing things that the government doesn't want you to do so you have to have positive relationships."*
Mike Company 2	*"Working in the political arena, limits the level of flexibility.* *"We need to maintain neutral relationships with government in order to preserve our capacity to operate."*
Jane Company 2	*"We use the expertise that are in the country. It's a requirement/ a request by the countries themselves that the target countries' expertise need to be used as much as possible."*

Government officials were also able to set guidelines and restrictions on how innovations would be implemented and diffused within their regions. As reflected in the statement above, in case Organization 2, for instance, noted that using internal expertise of the country where a project would be implemented was a requirement set by the government for project implementation.

PROJECT MANAGERS & INTERNAL STAKHEOLDERS
The internal stakeholders identified in the three case companies were project managers, employees and volunteers. Project managers were the third most influential stakeholder group, as they were in charge of formulating new ideas and solutions. They had the responsibility of matching innovations to societal problems. Project managers also had the power of decision in selecting partner organizations. When asked about how they select partner organization, interviewees in organizations 1 and 3 are recorded as saying:

Table 7: Case Companies Comments on Partner Selection

CASE COMAPNY   CITATION

James Organization 1	*"It comes down to: how do they see the role in developing the individual i.e. the person who is coming into the company. If we find out that the company is not really interested in the development of this person, then we wouldn't partner with this company and the*

	opposite applies"
Sarah Organization 3	*There are many organizations already doing something to help people so you almost don't need to invent anything. We just look at some of the things that people are doing out there that speak to our hearts the most and then we decide to just add value and bring strength to what they already do."*

Project managers had the authority to select or reject partnerships, based on whether or not potential partners' goals were in alignment with the goals of the social organization. Even in instances where the case organization relied on the innovative efforts of the partner organization, they had the power to choose which organization to partner with, and which organizations to support with human resources.

Two of the three case companies, Organizations 1 and 3, were heavily dependent on volunteers. At least 90% of internal stakeholders of both organizations were volunteers. As a result of this dependency, employees as well as volunteers were awarded the same level of power and influence over decisions relating to innovation creation and their diffusions. Only Case Organization 2 operated without the use of volunteers. In some cases however, Organization 2 worked with paid interns who are said to also be given the same level of authority and power as employees.

PARTNER ORGANIZATIONS

Two out of the three of the case organizations, conducted all their social activities through partner channels. These partner organizations were primarily companies, schools, and other NGOs such as age care facilities. The research found that the extent to which partner organizations were able to influence innovations and their diffusions was dependent on the type and nature of the organization in question. These results were especially reflected in Company 1, which works with the most diverse group of partners.

Table 8: Comments on Partner Organization Influence in Organization 1

"The companies know what they want. They know exactly what they need so with them it is very straightforward. Then we try to match our needs and figure it out."- Peter, Organization 1

"I would definitely say the NGOs and the schools are not as proactive as the companies in influencing what we do." – Peter Organization 1

"Most times we go with the project, then they say, no one is interested in the project, e.g. students. Then we say we will come to the school, and explain the project to the students. Then the students can sign up immediately and the school sees that the students want the project." – (James Organization 1)

INTERNATIONAL OFFICE

As previously stated, the international office is treated as an external stakeholder in this study, since the study focuses on local offices. This allows us to analyze how the international office influenced the activities, innovations and diffusion patterns managed by local offices. The pattern across all three organizations, shows that local offices tend to be independent from control of larger organizations, as there are different needs in each region which require different responses. Interview participants from case organization 2 also highlighted the importance of independence even within teams for the purpose of ownership and accountability. As reflected by statements made by participants of case organizations 1 and 3, see Table 8, the international offices mostly played the role of establishing long terms goals of the organizations as a whole but often left social innovations and their implementations to the local offices. They played little to no involvement in any stage of the diffusion process, except their role in helping to spread innovations between country offices.

Table 9: Case Companies Comments on the role of The International Office

| CASE COMPANY	CITATION
James Organization 1	*"Every 5 years, the international head of the organization defines a mid term ambition. 'What do we globally try to achieve in 5 years?' and then this is a global plan. It's not a concrete plan but rather things that we need to figure out together and then Finland rather every country has a right to decide how they want to run their own operations"*
Sarah Organization 3	*"Do whatever works for your people. If I have a great idea, they wouldn't know if the idea is good because they don't know the people and the context."*
Sarah Organization 3	*"We never take instructions from anyone. We just try different things and see if they work." in Denmark, They*

> *tried an app for refugees and it's working really well and its reaching people, you don't have to ask anyone if you can do it. We have the freedom to explore what works and what reaches people."*

BENEFICIARIES

While beneficiaries did influence various stages of the diffusion process, they did not have power over decisions relating to the innovations or their diffusion. They were only involved to the extent that they were given power to do so by project managers. This is with the exception of local governments, which were the only beneficiary group that had significant power to influence innovation characteristics and their diffusions.

4.2.3 Stakeholder Influence Across Diffusion Phases

Rogers (2003) five stages of process innovation are agenda setting, matching, redefining and structuring, clarifying and routinizing. Agenda setting, which is the first stage of the process has to do with problem identification. Someone within a team recognizes a problem, which then prompts them to seek out a solution for that problem. Matching, which is the second stage of the innovation process refers to a stage where the organizations are able to formulate a solution that they deem as fitting to solve the problem. During this stage, organizations consider the feasibility of the proposed actions, as well as any chances or success and/or failure. The third stage of the innovation process is redefining and restructuring (Rogers 2003.) At the redefining and restructuring stage, the organization either adapts the innovation to accommodate for the structure of the organization, or they make changes within their structure in order to facilitate the implementation of the innovation. During the fourth stage, which is clarifying, the organization seeks to spread the use of the innovation across the organization, which then leads to routinizing, where the organization seeks to integrate the innovation into every day activities until it is no longer considered a foreign practice, but rather one that is now seen as normal part of an organization's activities (Shea, McCall and Ozdogru, 2006.) The participation of each stakeholder group was analyzed across each stage of this process. Figure 2 presents key stakeholders along Rogers (2003) process of innovation stages.
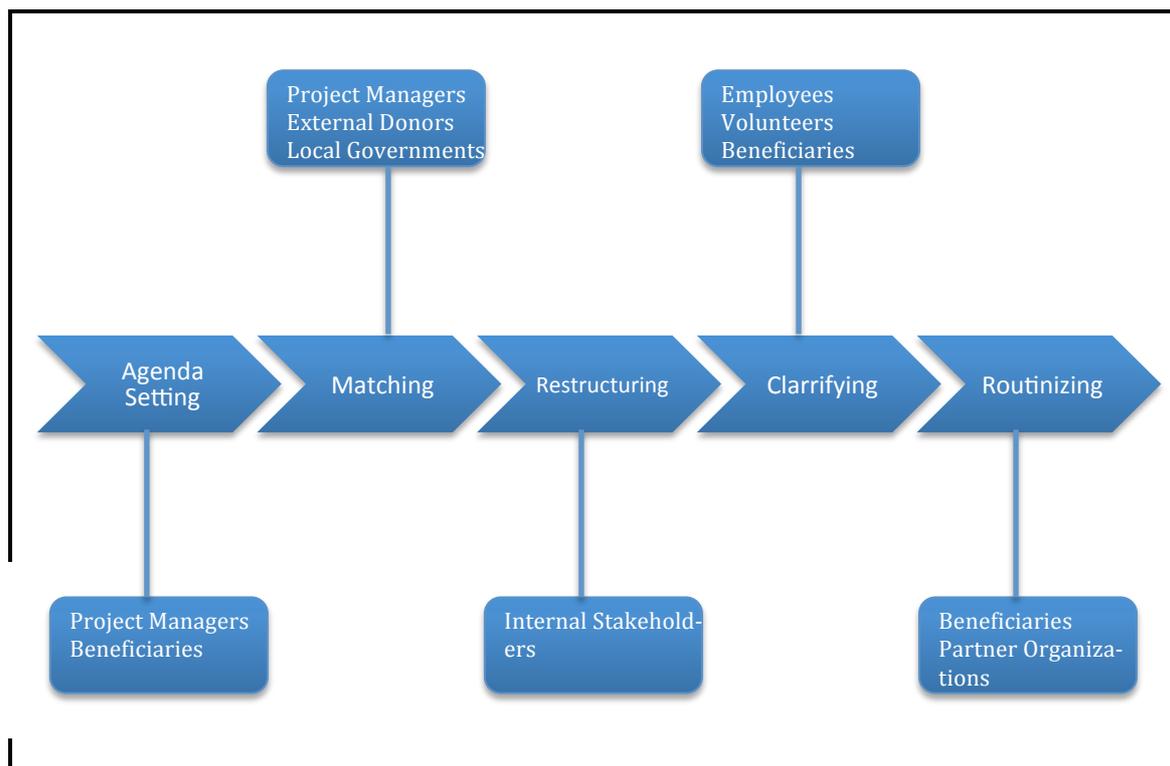
Figure 2: Stakeholder Influence across Roger's (2003) Process of Innovation

AGENDA SETTING

The results from the case companies reflect that three stakeholder groups were often involved at the agenda setting stage of the innovation process. These stakeholder groups were identified as project managers, beneficiaries, and local governments. Local governments were only involved at this level of the innovation process when they were also beneficiaries. In fact, when local governments were also beneficiaries, results show that they gave significant input at every stage of the diffusion process, from influencing the nature of the innovation, all the way to its implementation. At the agenda setting stage, project managers were responsible for identifying problems within their target environment, and creatively developing social innovations to help address those problems. The results indicate that, how project managers conducted this process, was often determined by three factors: the nature of the beneficiary group they were engaging with, their resource dependency, and the urgency of the need they were addressing. Table 9 below summarizes these results.

Table 10: Agenda Setting Activity Summary by Case Companies

Case Company	Beneficiaries	Agenda-Stetting activities
Organization 1	• Members • Companies	• Informal process • Community engage-

	• Other NGOs	ment • Research • Experimentation
Organization 2	• Local Governments	• Engagement • Formal process & proposals • Structure & Accountability
Organization 3	• Other NGOs (Refugee centers, schools, youth centers etc.)	• Informal Process • Engagement with beneficiaries • Research • Experimentation

Within the organizations themselves, interview participants described this process as being informal and non-hierarchical. Ideas by project managers, employees and volunteers were given the same weight within the organizations as reflected in the following statement: *"If the idea is good, you are given the go ahead to do it. It's an informal process. It's just a conversation. It depends on what it is. If it's within their sphere of authority they can just do it."- (Sarah, Organization 3.)*

This is with the exception of Organization 2, which is reported to follow a considerably rigid and formal structure. Mike, from Organization 2 is quoted saying: **"Work is in the political arena which limits flexibility."** This statement suggests that formality limitations were the direct result of working with local governments.

Another consistency across all three organizations; is that each organization engaged with the local communities in order to better understand their needs. The beneficiaries often inspired the nature of the innovation. In all three cases, interviewees suggested that social innovations were often informed by needs identified by interacting with the communities. This is reflected in the statements made by interview participants:

Table 11: Case Company Comments on Interaction with Local Communities

CASE COMPANY	CITATION
James Organization 1	*"It comes from a need within society. Many times with the NGO's and the schools we need to listen very carefully. What is actually going on in the school and where do they*

	really need our support and also take into consideration what they like, what they don't like and that usually works out."
Mike Organization 2:	*"Countries come with their needs and then we try to see with our expertise what we can do for them, it comes from the country, usually we develop a project together to address that specific issue then we go."* *"If they say, we want to export mango, you have to go down to the producers which are mostly rural people to see what the problem is, and try to find solutions there."*
Jane Organization 2	*"If they say, we want to export mango, you have to go down to the producers which are mostly rural people to see what the problem is, and try to find solutions there."*
Sarah Organization 3	*"There are many communities here who do work within the city. We spent some time engaging with NGO's within the city so that we could better understand their needs."*

Organization 1 had the most diversified group of stakeholders, which they engaged with differently. One interview participant from Organization 1, revealed that in addition to engaging beneficiaries, the organization also used a combination of research and experimentation. Engagement methods were determined by the nature of the organization. Companies for instance were described as having a clear idea about what they needed, which meant that the case organization itself played a small role in the innovation process. In schools, the case organization would also conduct research before engaging with them. James, from Organization 1 is quoted saying: **"In the schools, especially, we do a lot of research. It's very important with the schools that they know that we know what they are talking about."** In other instances, social activities were unplanned and in response to an urgent need. This was the case when working with refugee centers where he was also quoted saying: *"***With some NGOs its more straight forward, for instance with the refugee crises. They needed help fast and they needed people who speak Arabic fast. With them, it was 'get us more hands and Arabic speakers and its okay."** – (James Organization 1)*

MATCHING
At the matching stage of the innovation decision stage, project managers had to review their structures and resources in order to determine the feasibility of the actions proposed at the agenda setting stage. Different stakeholder groups were involved in influencing this stage of the process. Due to the differences in organizational structure, this stage of the process looked different in each case

company. Below is a visual summary of those stakeholder groups, which were most influential in decisions regarding innovation feasibility.

Table 12: Stakeholder Influence in Feasibility Testing

CASE COMPANY	STAKEHOLER INFLUENCE
Organization 1	• Project Managers • Employees & Volunteers • (Experimentation)
Organization 2	• Project Managers • Local governments • External Donors
Organization 3	• Project Managers • Employees & Volunteers (Experimentation) • NGO Partner Organizations

According to an interview participant in Organization 1, employees and volunteers were particularly influential at this stage of the diffusion process. Employees and volunteers would give their input regarding a proposal, and this input would be the basis of whether or not they would proceed with an innovation. In addition to that, the interviewee revealed that they would use experimentation as a method of exploring whether an innovation was feasible or not. Sarah from organization 3 is quoted saying: *"We just try different things and see if they work."* Peter, (Organization 1) also stated: *"Sometimes we agree on a decision but then reality is different from the decision, which makes it not sensible to go with the plan anymore, then we go back and we do something else. This happens often."*

The results from Organization 3 were similar to that of Organization 1, in that employees and volunteers also played a significant role in influencing the nature of an innovation through discussions and experimentation. Where the social innovation would be implemented by partner organizations, those partner organizations and their structures would determine the feasibility of that innovation.

The results from Organization 2 were significantly different to those of one and three. While several stakeholder groups were involved with this stage of the diffusion process, the two most influential stakeholder groups were the local governments and external donors; external donors having the strongest influence. Jane, (Organization 2) is quoted saying the following:

"The countries are with us through the process, even when we meet with the donors. We can't go to the donor ourselves, the country has to go to the donor and say, this is what we want, and this is the project we have developed with this organization."

With reference to external donors and their influence on the innovation, the same interview participant stated: *"Sometimes you find projects which were originally very large now being reduced because of the funding and at times the projects being completely transformed." – Jane (Organization 2)*

It is clear from the statements above, that the most influential stakeholder group at this stage of the process was external donors. As previously mentioned, Organization 2 relied heavily on external funding, with almost all projects being funded by some external source. Without their funding, projects were unable to move forward. The question of feasibility was determined more by how much funds the organization was able to secure, and whether or not their proposals were in alignment with the vision of those securing the funds.

REDEFINING/RESTRUCTURING
At this stage of the diffusion process, project managers determined which structures were needed to facilitate the implementation of new ideas. The most significant structural change at this stage of the diffusion process were human resources, and how these were managed in order to successfully implement the innovation. There were a significantly high number of mentions regarding employee and volunteer involvement in organizations 1 and 3. Internal buy in was particularly important since employees and volunteers were responsible for the implementation of social innovations.

In Organization 2, the project managers of the case organization facilitated all project implementation. At this stage of the process, governments were the most influential in how projects were to be implemented. An interview participant is quoted saying: *"We use the expertise that are in the country. It's a requirement by the countries themselves that the target countries' expertise need to be used as much as possible." – (Jane Organization 2)* The tactics used to diffuse these ideas within all three organizations will be further explored at the next stage of the process.

CLARIFYING
Several diffusion tactics were used by each organization, whether the diffusion was within the organization, or diffusion into the communities. A summary of these tactics has been presented below.

Table 13: Diffusion Tactics by Case Companies

CASE COMPANY	DIFFUSION TACTICS
Organization 1	• Vision Statements • Conferences & summits • Bi-Weekly Updates: Country Office • ADCA change management model • Feedback Sessions
Organization 2	• Vision Statements • Written Guidelines • Training sessions • Workshops • Community Representatives • Education
Organization 3	• Vision Statements • Modeling • Weekly meetings with staff and volunteers • Feedback sessions

All three organizations mentioned the importance of establishing a common vision among internal stakeholders and how a common vision often inspired their drive to carry out activities. This point is reflected in the statements made by interview participants in Table 14.

Table 14: Company Comments on the role of Vision

CASE COMPANY	CITATIONS
Peter Organization 1	*"Another thing we always do is start from the why. Why do we think this is a good thing to do? If the why is clear to everyone, usually it gets implemented."*
Jane Organization 2	*"What attracted me to the organization is the vision; they make an effort to put the vision across so you really understand."*
Sarah Organization 3	*'Most people become volunteers because the vision is clear, we are reaching people and this is going somewhere and they can easily get a sense of the bigger picture."*

Diffusion tactics in organizations 1 and 3 were mainly aimed at volunteers and employees, who were mostly responsible for implementing social innovations. Organization 1 was more deliberate and intentionally structured in their diffusion process using various methods including the ADCA change management model. This is reflective in the following statements by James from Organization 1.

"We try to bring people together quite often so that we get power from the synergy and collaboration." – (James Organization 1)

"We have spaces there for 'good case' practices. The local offices present what they did and the other local offices can take it home and do it like that by themselves. Every week or every 2 weeks, there is a Skype meeting between the members and one person from the national office: this is the way to spread information. So if something works out then it is mentioned, suggesting that other local offices may do the same." – (James Organization 1)

Organization 3 however followed a much less structured process, allowing volunteers to experiment, without being required to follow a specific format in order to carry out projects. According to an interviewee, country offices adapted their activities to their regions and often did not expect that these activities would look similar in the different regions. While Organization 3 also held weekly meetings and feedback sessions, they focused more on influencing organizational culture, and allowing that culture to shape how they worked. This is reflective in the statement made by the interview participant: *"We do a lot of modeling. Culture can't be built unless you are the culture. You can't really sit people down and teach them culture. People will become the culture that you are. Culture has more to do with who you are than it does what you say and did."- (Sarah Organization 3)*

Diffusion into the community
There was no mention of diffusion within the organization in Organization 2 since the bigger part of project implementation belonged to external stakeholders, namely local governments, local experts and beneficiaries. While the organization conducted conferences and training sessions, these were mostly related to values, structures and procedures, which were not directly related to projects. One interview participant states: *"Sometimes workshops just tell you where there is a change in the procedure or when they feel like the same people make mistakes all the time." – (Mike Organization 2)*

As far as diffusing innovations into the target communities, the most important stakeholder groups for Organization 2 were the local governments, country experts and the beneficiaries. As previously mentioned, local governments set guidelines of how projects were to be implemented, one of which was to include the use of local experts. An interview participant from Organization 2 also highlighted the importance of working with the local communities stating:

"You cannot go from Europe and try to explain things to the community, they are more receptive when they have someone from the region speaking to them about solutions." – (Jane, Organization 2) Additionally, the organization would facilitate education for beneficiaries, especially when beneficiaries were local communities who required a particular skillset to continue managing an innovation after its implementation.

ROUTINIZING

Out of all three case organizations, only Organization 1 made a deliberate effort to routinize innovations. According to an interview participant, the process of routinizing would follow: Members provided a report of what they had done and what the results of those actions were. They also reported the feedback from partner organization, i.e. schools companies and other NGO's. If everyone was happy with the results, that information would be diffused back into the system during summits and conferences.

Country offices and volunteers however, were not restricted to a certain way of doing things. They were allowed flexibility to make changes to projects as necessary. As one interview participant stated *"If the volunteers are well equipped and know what they are doing, most of the time they make changes to the project without consulting us." – (Peter, Organization 1)*

All innovations in Organization 2 were project based. Project managers therefore didn't attempt to routinize innovations within the case organization, since innovations were specific to individual country situations and would be irrelevant in a different setting. Project managers however followed up on innovations but had no control over their continued use or long term success. An interview participant is quoted saying:

"The real impact of the project cannot be seen right at the beginning, you have to wait about 2-3 years to see if whatever you have done is lasting. Unfortunately you see a lot of projects are completed, and some of the things you have put in place are not being managed well. When you look at the indicators, you can say, yes we have met our target, but three years later there is nothing left." – (Jane, Organization 2)

Because Organization 3 followed a somewhat flexible structure, there was no formal process of routinizing innovations. Since implementation also relied heavily on NGO partners, the NGO's themselves would set their own routine structures, without interference from the case organization.

5 DISCUSSION

This chapter will reflect on the results of the three case organizations, in order to answer the research questions presented in this study. Patterns of diffusion and stakeholder involvement will be established across the three case organizations, following discussions regarding factors, which may contribute to differences in results between the organizations.

How do social organizations engage stakeholders in the diffusion of social innovations?

As Bryson (2004) emphasized, it is crucial for organizations to pay attention to the interest of stakeholders, as stakeholders play a significant role in ensuring that organizations meet their objectives. This is particularly true for non-profit organizations, whose projects would not be able to move forward without the support of external stakeholders such as donors. While the level of financial dependency differed across the three organizations, financial reliance on finances from external bodies, is a challenge which non-profit, social organizations are generally known to face.

The results of this study were consistent with Arena, Azzone and Bengo's (2015) study, where they found that social organizations tend to involve a larger set of stakeholder groups in their decision making process than for-profit organizations. The results reflected that the stakeholder groups possessed different levels of power and influence across the diffusion stages, which resulted in the case organizations engaging a different set of stakeholder groups at each level of the innovation and diffusion process. This is also consistent with Brown's (2003) findings, where he concluded that different stakeholders become more important at different stages of the diffusion process.

The main stakeholder groups identified in the study were external donors, local governments, project managers, employees and volunteers, partner organizations, and beneficiaries. The stakeholders, who were considered to be the most critical, varied between the case organizations. This was due to the differences found in the organization's innovation processes, their resource structures, and the nature of their engagement with beneficiaries. In organizations 1 and 3, project managers, as well as employees and volunteers, were most critical to success since they were not only involved with every stage of the innovation and diffusion process but also gave the most input with regards to innovation creation, implementation, and responsibility of innovation spread. Neither of these organizations relied heavily on external funding, which allowed them almost full control over every stage of the innovation process.

In Organization 2, however, it was project managers, local governments and external donors who were the most critical in contributing to the innovation and diffusion process of social activities. Of these three stakeholder groups, ex-

ternal donors were considered to be the most critical and influential group since projects heavily relied on their financial contributions. Social innovations were therefore often shaped according to their preferences. Local governments were also highly influential within this organization, having the power to shape how projects would be implemented.

While Freeman's (1984) stakeholder definition of 'one who can affect or be affected by an organization's objectives', has been criticized for including too many stakeholder groups, this definition was particularly fitting to social organizations where the stakeholders groups' existence of power was not the only basis for project involvement. With the exception of local governments, beneficiaries did not necessarily have power or influence over the activities of social organizations. Their involvement was limited to the discretion of project managers, yet in all three organizations, their input was crucial in inspiring the nature of innovation decisions, and as a basis for measuring whether social innovations were actually successful.

The stakeholder groups within the organizations were identified by listing them based on mentions by interview participants. Following Bryson's (2004) recommended process of identifying stakeholders, the importance of these groups were ranked by identifying the needs that they provided to each organization. The primary factor in ranking the importance of stakeholder groups, was by identifying those parties who either had the power to help the organization achieve its objectives, or whose influence could hinder the organization for achieving its objectives.

Based on the results of this study, the role of power was significant in influencing how organizations prioritized the claims of different stakeholder groups. The two groups which were deemed to be the most powerful, that is, donors and government bodies were highly prioritized in Organization 2 for instance where without their presence, the organization's objectives could not be met. As Newcombe (2003) pointed out, the absence of power does not necessarily make stakeholder groups irrelevant. Beneficiaries for did not have power if we refer back to Knox and Gruar's p.121. (2007) definition of power, that is "a relationship between parties in which one party A can get another party B to do something that B would not have otherwise done." All three organizations noted however, that it was crucial to involve beneficiaries in the process as they were crucial in helping to inform project managers of their needs.

Engagement activities varied between each stakeholder group, depending on the claim of each group towards the organization, as well as the stage of the innovation diffusion process. According to research results, all three organizations followed an informal process of engaging with beneficiaries at the agenda setting stage. This was true except where the beneficiaries were local governments, where engagement tactics were formal and structured. At this stage, organizations were looking to better understand the needs of beneficiaries.

At the matching stage of the diffusion process, engagement efforts were targeted towards internal stakeholders. This result was consistent across all three organizations. The purpose of engagement efforts was to motivate internal stakeholders. Where efforts were targeted towards local government and donors, engagement tactics took the form of formal proposals, with the purpose of aligning organizational goals with stakeholder interests. Diffusion tactics were also used to establish a common vision, to build a sense of culture and in the form of written guidelines and training sessions. The purpose was not only to motivate internal stakeholders, but also to empower them with the skills that would enable them to implement social innovations successfully.

How do different stakeholder groups influence each stage of the diffusion process?

The stakeholder groups' involvement through the innovation diffusion process was analysed using Rogers (2003) five stages of process innovation of agenda setting, matching, redefining and structuring, clarifying and routinizing. Each case organization engaged with a different set of stakeholder groups during the diffusion process. In analyzing the results, some consistent patterns were found across the case organizations, but due to some organizational differences, some stages did not present uniform patterns.

In all three case organizations, project managers and beneficiaries were the two main stakeholder groups, and were found to be the most crucial at the agenda setting stage of the innovation diffusion process. Project managers were responsible for identifying problems within their target communities and formulating solutions that would eradicate those problems. In all three organizations project managers engaged with beneficiaries in order to better understand their needs. This result is consistent with Balan-Vnuk and Balan's (2015) study where they also found that social organizations are often developed as a direct response of needs that have been recognized within the communities. Other similar patterns were identified among the case companies at the agenda setting stage. While the organizations' activities were always guided by values, standards and procedures that were established by their international offices, all three organizations expressed that they were allowed complete freedom over creating innovative solutions that would be most appropriate to their target regions.

At the matching stage of the innovation process, similar patterns were found in organizations 1 and 3, but differed compared to results in organization 2. The feasibility of social activities in organizations 1 and 3 were determined through experimentation and volunteer input. If social activities were found to produce successful results within a small sample group, the activity would be adopted and diffused into the rest of the organization. When social activities were determined to not be effective, they were discarded, following further experimenting. Geoff (2006) suggested that the reason social organizations relied more on experiments than they did planned strategies was due to their limited financial resources. While we don't have enough information in this study to from this

conclusion, it is interesting to note the only organization that relied more on planned strategies as opposed to trial and error was Organization 2, which also happened to receive substantial financial contributions from external donors.

With regards to stakeholder participation, a pattern couldn't be established across all three organizations, mainly due to differences in formal structures and different sources of financial support. The most important stakeholder groups in organization 1 and 3 were project managers, employees and volunteers. Employees and volunteers in organizations 1 and 3 were given power to influence the decision as to whether projects would go forward or not. Neither of these organizations relied heavily on external funding, which allowed them almost full control over every stage of the innovation process. In Organization 2, project managers had much less power at this stage of the innovation process. The most important stakeholder group was external donors, who funded almost all social projects facilitated by this organization. This result is consistent with the underlying idea behind the resource dependence theory, which suggests that the stakeholder group, which has access and control of resources, is the group with the strongest bases of power (Pfeffer & Salancik 1978.)

Once again a consistent pattern couldn't be established across the three case organizations at the redefining and restructuring stage of the innovation diffusion process. Similarities were found in organizations 1 and 3, but differed from results in Organization 2. The factor, which contributed the most to these differences, was that the responsibility of implementing the social innovations differed across the different case organizations.

In case organizations 1, and 3, social innovations would later be implemented by employees and volunteers. As a result, it was more important to manage the internal structures of the organization in order to ensure that social projects would be successfully implemented. In organization 2, beneficiaries, namely local governments and communities were responsible for the implementation and management of social activities. Consequently, it was not necessarily to adapt internal structures within the case organization. It was more important that local governments and communities be empowered to implement and manage the strategies proposed by project managers. Additionally, local governments had a strong basis of power at this stage of the diffusion process, and were able to influence implementation strategies implored by project managers.

Which kind of tactics do social organizations use to diffuse innovations?

While the organizations had different levels of formality, diffusion practices can be classified as active across all three organizations, that is, the attempt was to make diffusion practices formal and centralized, as opposed to pure diffusion, which follows informal and unplanned process. (Greenhalgh et al. 2004.) In saying that, the three case organizations used in the study, followed different levels of structure and formality with regards to their innovation and diffusion

practices. Only one out of the three case organizations made a followed strict routinize practices relating to social innovations, mostly through knowledge sharing and establishing guidelines based on best-practice cases.

Jaskyte (2011) proposed that adoption patterns differed depending on the type of innovation. In this case study however, results show that adoption patterns differed based on the stakeholder groups involved . For instance, a higher level of formality was required when working with government bodies, as was the case with Organization 2, compared to Organization 1, which mostly worked with schools and other NGO's requiring less formal diffusion practices.

The nature with which the organizations engaged with different stakeholder groups was dependent on the level of power and influence the stakeholder groups had on the objectives of the organizations. For instance, governments and donors were able to influence the shape of innovations regardless of whether or not their proposals aligned with the vision of the organization, while other stakeholders such as beneficiaries and partner NGO's were allowed to influence innovations at the discretion of project managers within the focal case organizations.

Previous studies by Dees (2001) were also validated in this study. In earlier research, Dees (2001) concluded that vision and ideas played a significant role in the diffusion of social innovations. He further suggested that these ideas would become more important than the organizations and institutions, which initiated them. All interview participants from the three case organizations highlighted the role of vision as being foundational to their personal involvements with the organizations. The results also indicated that all three case organizations highlighted purpose and vision as one of the main methods used to inspire and motivate internal stakeholders. This seems to also be consistent with Strang and Soule's (1998) finding which asserts that when an innovation is easy to understand and communicate, it will also be easy to diffuse. Additionally, it is consistent with the findings regarding the relationship between complexity and innovation, which suggests that innovations, which are easy to understand and communicate, are more successfully diffused through the social system. (Greenhalgh, Robert , Macfarlane , Bate , Kyriakidou 2004.)

In previous studies, Strang and Soule (1998) suggested that face-to-face interaction played a significant role in influencing the diffusion of social movements. While all three case organizations facilitated conferences and regular meetings, the results indicated that only one out of three of the organizations used these meetings as a method for diffusing innovations. In one organization, conferences and meetings were used for knowledge sharing, while Organization 3 focused on establishing culture within the organization and among stakeholders. In earlier research, Strang and Meyer (1993), suggested that culture played a significant role in innovation diffusion. Given that these findings were only reflected in one out of three of the case organizations, it does not provide us with a strong enough basis to form any solid conclusions or validate previous research.

There was no significant mention of leadership and management, as influencing diffusion patterns, as was suggested by Jastyke (2011.) Prestigious actors were not mentioned either as being particalarly influential to the diffusion process in any of the organizations.

6   CONCLUSIONS

6.1   Overview

The purpose of this study was to explore the role of stakeholders in the diffusion of innovation within social organizations. Social organizations are becoming more important, as their activities have been found to have a positive impact on our economies, our interactions with each other and the wellbeing of society as a whole. Additionally, we are seeing a rise in societal challenges relating to diversity and immigration, which require that social organizations be better equipped to respond to those challenges. In order for social organizations to be effective in these efforts, they must not only come up with innovative solutions but must successfully manage relationships with relevant stakeholders to insure that those ideas are adopted into the social system.

This research was specifically designed to answer the following questions; 1) How do social organizations engage stakeholders in the diffusion of innovations? 2) How do different stakeholder groups influence each stage of the diffusion process and 3) what kind of tactics do social organizations use to diffuse innovations? I was also able to explore the basis of power for each stakeholder group and how this power allowed stakeholders to influence different stages of the diffusion process. The results of this study were analyzed using the power/ interest grid, the basis of power technique and Rogers (2003) innovation process for organizations. There is a need for studies that go beyond social innovations, focusing more on the nature of the organizations where the innovations take place. The results allow us to contribute to studies relating to stakeholder management, implementation studies and organizational change management.

The research followed a qualitative, multiple case study approach, where I conducted several in-depth interviews within three case organizations. The three organizations selected for this study were intentionally diversified. These included: a religious non-profit organization, a non-profit organization working with countries and governments, and a non-profit, non-governmental youth run organization. This allowed us to observe similarities between their diffusion patterns, thus providing legitimacy in forming generalizations, which are applicable to all social organizations. Additionally, this gives us an opportunity to observe how different environmental factors influenced various stages of the diffusion process.

6.2   Key Contributions & Implications

Based on research results and previous studies relating to the diffusion of social innovations, we can conclude the following:

The results validated the role of vision across all three organizations, as a method for helping to motivate and inspire internal stakeholders. This factor plays a significantly important role in social organizations, which often rely heavily on volunteers, as was the case in this study. Since volunteers do not receive financial compensation for their involvement in social activities, social organizations must motivate them through other means, namely through establishing common vision and investing in their personal development.

Internal stakeholders and beneficiaries are the most influential stakeholders in the development of new social innovations. The role of beneficiaries in influencing innovations was consistent across all case organizations, and also supports conclusions drawn from previous studies. This suggest that in order for organizations to develop useful innovations, they need to interact with their environment in order to better understand beneficiary needs. This observation is also consistent with management patterns across the case organizations, where local offices, were given full control over the creative process of social activities within their regions. This also suggests that organizations recognize that social innovations cannot be applied uniformly across country offices, but must also be adapted to suite the environmental context within which it operates.

The most influential factor in determining stakeholder power was the resource dependence structure within the case organizations. In this particular study, external donors' preferences for social innovations were prioritized over the needs of the beneficiaries. This suggests that the stakeholder group, which has access and control of resources, is the group with the strongest bases of power. I propose that in order for organizations to have control over innovations and their diffusion, they must explore income-generating activities, which will in turn, allow them financial independence.

Internal stakeholders are the most critical stakeholder group in most social organizations, since they are responsible for implementing projects. Diffusion tactics within the case organizations were found to have three main purposes: skills development required for implementing projects, motivating internal stakeholders, and knowledge sharing within the organization. In addition to that, diffusion tactics help organizations develop a sense of culture and establishing common values. Social organizations must invest in their internal stakeholders across all of the above dimensions since they play such a significant role in all aspects of the innovation and diffusion process. Where beneficiaries are responsible for implementing projects, diffusion tactics are often aimed at skills development and relationship building with local communities. In the absence

of relationship building, project managers may find it difficult to inspire local communities to adopt innovations.

We can therefore conclude that in order for organizations to succeed in their innovation and diffusion efforts, they must first determine and outline their purpose for existence. Secondly, they must establish a vision, which is clear and easy to communicate. I would also propose that social organizations gain as much financial independence as possible, in order to have more control over the innovation and diffusion process. Working with a variety of projects requires that social organizations build 'organizational flexibility', through research or continuous training for personnel in order to help them develop multiple skills (Nurdiani I, Fricker S.A. and Borstler, J 2015.) Finally, social organizations need to establish strong relationships with beneficiaries and partner organizations. Having direct contact with beneficiaries allows organizations to acquire an in-depth understanding of beneficiary needs and their environment in order to create relevant solutions, while establishing a strong relationship basis for influencing project implementation.

6.3 Limitations

Since the study was focused on stakeholder participation from the firm viewpoint i.e. the social organizations themselves, it was most appropriate that interview participants be from within the case organizations. Additionally, all interview participants held management roles, which allowed them insight into relationships with most of the stakeholder groups involved in the innovation diffusion process. This may have lead to results being skewed towards the viewpoint of top management. The study may have benefited from other viewpoints, for instance from employees, volunteers and partner organizations. Further research can also explore the network structures, analyzing the relationships between stakeholder groups and how these relationships influence the diffusion process.

As previously noted, the results in this case study validated that social organizations tend to engage with beneficiaries in order to better understand their needs. We saw in Organization 2, however, that project managers were willing to adapt initial ideas to suit donor requests. It would be interesting to explore this area further; particularly how these adaptations would affect the buy in of beneficiaries in implementing these ideas. Additionally, studies can explore the role of project managers in attempting to manage this conflict of interest.

The purpose of the study was to focus specifically on the role of different stakeholder groups at each stage of the diffusion process. This study focused on several stages of the innovation and diffusion process, from idea formation to their routinizing. This allowed us to have an overview of which stakeholder groups were most influential at each stage and what role they played but didn't allow

for in depth analysis of other environmental factors that may have influenced each stage of the process. For instance, we know that project managers and beneficiaries were the two most influential stakeholder groups at the agenda setting stage, but do not get an exhaustive view of all the factors influencing their decision or their inclination towards one innovation practice over another. Further research can focus on a more thorough study of each stage of the diffusion process in order to understand all the factors that influence decision makers at each of these stages.

The role of employees and volunteers is particularly significant in helping non-profit organizations achieve their objectives. Two out of the three case organizations relied heavily on volunteers; making up over 90 percent of the organizations' internal stakeholder base. As it is typically the case for social organizations to rely heavily on volunteers, it is particularly important to establish internal buy-in, i.e. adoption within the organization. Further research could delve deeper into diffusion tactics within the organization, and how the organization's leaders engage employees and volunteers to develop a sense of ownership when adopting and implementing ideas. Organizational studies would also benefit from analyzing the role that employees and volunteers play in contributing to innovative ideas, and how those ideas are structurally diffused through the organization. Results would contribute to leadership studies and change management, which would benefit both for-profit and non-profit sectors.

The case companies in this study were deliberately diversified in their selection. While this allowed us to identify common patterns, which could be applied to all social organizations, in some cases, it limited the ability to further delve into some significant results, which may have been observed in one organization. The influence of external donors and governments for instance, was found to be significantly strong in one of the case organizations. The other two case organizations however, neither worked directly with local governments nor did they rely heavily on external funding. The limitation of not being able to compare these results to similar organizations restricts us from making generalizations about how these two stakeholder groups affect diffusion processes in social organizations in general. Further studies, for instance, can provide comparisons between organizations, which are all dependent on external resources in order to establish if this pattern is consistent across similar organization types. Furthermore, studies can focus specifically on diffusion patterns within social enterprises and explore how the ability to finance their own projects influences diffusion patterns within those organizations.

This study focused on one country office of each organization, making conclusion about the entire organization based on the results observed within one office. The local office may not be representative of the entire organization and may be influenced by social and cultural norms within that region. Further studies could focus on diffusion tactics within the same organization across different country offices. Do social and cultural norms influence diffusion tactics?

Results would allow us to observe the role of business culture in influencing diffusion tactics and whether tactics should be adapted to different regions.

Having only explored patterns of diffusion within three case organizations, the size of the sample may not provide the strongest argument or basis for inferring these results as representing patterns of diffusion within all social organizations. While the study allowed for an in depth investigation of each case organization, the study would have benefited from analyzing a larger sample in order to provide a stronger basis for forming generalizations. The same study can be applied to a larger number of non-profit organization and determine whether similar patterns of diffusion can be found in the results of those studies.

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