

**ICLTIBM 2019****9<sup>th</sup> International Conference on Leadership, Technology, Innovation and Business  
Management: Leadership, Innovation, Media and Communication****THE RELATIONSHIP BETWEEN SOCIAL INNOVATION AND  
SOCIAL INTELLIGENCE: A CONCEPTUAL FRAMEWORK**

Cemal Zehir (a), Dilek Karaca (b)\*

\*Corresponding author

(a) Yıldız Technical University, 77200, İstanbul, Turkey

(b) Yıldız Technical University, 34349, Istanbul, Turkey

**Abstract**

In this study, it is aimed to investigate the relationship between innovation and emotional capabilities, at the societal level. The objective of this study is to explain the content and the scope of the social innovation concept, and determine the relationship between social innovation and social intelligence, which is the basis of emotional competency. The ultimate goal of social innovation is to create the transformation that will result in social benefit. This study is based on the theoretical discussions on innovation and transformation, which are the two of the theoretical dynamics of social innovation. The phenomenon of social intelligence lies at the basis of the transformation. The development and the maintainability of the social innovation must be transformed into social competence. Social intelligence at the societal level provides awareness for transformation. In this study, social innovation is explained on the basis of the relevant theories and the relationship between social innovation and social intelligence is discussed. This study also aims to increase the awareness for the social innovation concept.

2357-1330 © 2021 Published by European Publisher.

*Keywords:* Social innovation, social intelligence

## 1. Introduction

Increases in population, technological revolutions, economic crises and other similar incidents have caused problems in social structure of the societies. Disorder in social life has resulted in significant need for change. These problems have tried to be scientifically solved through the modernist approaches. Social innovation, conceptualized on the basis of systems approach, has been considered as an effective tool in solving social problems. Social innovation is to find novel solutions to social needs and problems to create change in a positive way. It is important for the social order that this process must be sustainable by being transformed into competence. One of the dynamic phenomena affecting this transformation is social intelligence. Although social intelligence was first defined as “the ability to understand and manage men and women, boys and girls, to act wisely in human relations” by Thorndike (1920), in the literature there is no consensus on the definition of the social intelligence concept. According to Marlow (1986), social intelligence is an individual’s ability to understand their own and the others’ feelings, thoughts, and behaviors and to respond appropriately to this understanding. This definition also consists of an individual’s problem solving abilities to reveal problems in their relations with others and to find beneficial solutions to those problems. Based on this, it can be said that social intelligence is closely related to social competence.

The main objective of the social innovation is to create the transformation that will provide social benefit. This study explains the content and the scope of the social innovation concept on the basis of the system approach and investigates the relationship between social innovation and social intelligence. This study is based on innovation and transformation, which are the theoretical dynamics of social innovation. The phenomenon of social intelligence lies at the basis of the transformation. The development and the maintainability of the social innovation must be transformed into social competence. Social intelligence at the societal level provides awareness for transformation. In this study, social innovation is explained on the basis of the relevant theories and the relationship between social innovation and social intelligence is discussed. This study also aims to increase the awareness for the social innovation concept.

## 2. Problem Statement

In this study, it is aimed to investigate the relationship between innovation and emotional capabilities, which has been primarily considered in the organizational context, at the societal level. Organizations, which are considered as subsystems of the societies, use their physical, intellectual, and cultural resources to create value that will result in benefits for the society. They develop some behavioral patterns related to their operational activities by coordinating their resources. Over time, those patterns are transformed into competence within the organization that will provide the marginal value. According to the dynamic capabilities approach, it is important for the operations of the system that capabilities and competencies within the system must be steadily restructured and regenerated. At this point, organizations must reinforce their learning process and ability by using knowledge effectively. It was proved that organizational novelty and innovation are enhanced through the development of the organizational capabilities. It is also important for social innovation that the same dynamic process is transformed into

competence. In this context this section, theoretical discussions on social systems and social structures, and social innovation is explained on the basis of the systems approach.

Systems Approach is one of the theories which provide the basis for a better understanding of social innovation and a better explanation of how it emerges since social innovation, in principle, symbolizes the radical change in the social structure and the social system (Heiskala, 2007). Additionally, Systems Approach provides the basis for a number of theoretical discussions on social structure and social systems (Moulaert et al., 2013). Systems Approach is a holistic view addressing the social studies and investigating the societies and the relationship between the societies and the individuals. It has made contributions for explaining the social phenomena and developing the social order (Hatch & Cunliffe, 2006).

All phenomena current in the universe are in a hierarchical order within systems. Societies are composed of groups, groups consist of individuals, individuals are made of organs, and organs include cells. Each of these phenomena is called as a system. For example, individuals exist in a number of systems, both natural and artifactitious, such as the Solar System, the Earth, the society, and the organizations. Each one is the subsystem of another. Each subsystem provides the systematic order by performing different functions (Hatch & Cunliffe, 2006). Changes in the structures of the societies cause problems in the systems over time. Since those problems hinder social development, unprecedented solutions to these problems are needed to be provided in social systems (Howaldt et al., 2016).

Consideration of the Systems Approach in social sciences increased with the modernism approach. Increases in population, deficiencies in economic and social systems as a result of the first industrial revolution led to social problems. The quest for new solutions to those problems paved the way for the use of innovation concept as an effective tool to organize the social life (Howaldt et al., 2016).

The term “system” was first used by Durkheim to explain social system. This provided the basis for the analyses of systems theories at the organizational and societal levels. Boulding (1956) explained the systems in a hierarchical order based on the General Systems Theory. In his model, he indicated the levels in the systems with examples from the nature, and considered the society which reflects the systems of social relations as the eighth complex level in the nine-level hierarchy. This level, which considers the social relations in an order, specifies the systems which are shaped by the collective communication, ideologies, dominant ideas, values, and prejudices (Hatch & Cunliffe, 2006).

Another theoretician studying on social structure in the framework of the systems approach, Giddens (1984) pointed out seven structures in the societies. These are economic structure, the structure of the natural environment, technological structure, demographical structure, regulatory structure, normative structure, and finally, cultural structure. According to the Giddens’s structuration theory, structure both enhances and hinders the individual activities. This both enabling and restricting structure is created by the selective behaviors of the individuals. Giddens explained the dynamics of social structure through the dichotomous concepts that mutually support one another. These are meaningfulness-communication, equity-power, and legitimacy-allowance. Between these dichotomous concepts, three different phenomena, which are schemes, norms, and power relations play mediator roles. In this process, material and symbolic experiences generate the structure and outputs of the social systems through reciprocal effects (Hatch & Cunliffe, 2006). Heiskala (2007) defined the changes in those structures as

social innovation. The term “structure” reflects the parts and the relationships among those parts in a society. Individuals having social role in the social system and the relationships they establish with their groups and societies constitute the social structure.

In 1966 sociologists Peter Berger and Thomas Luckman, in their book called “The Social Construction of the Reality” identified the language and speaking, that is symbolism, as the determinant of social structure. This theory, also called as Social Construction Theory, emphasizes that individuals are affected by others and this interaction can enable the transformation that will automatically provide the stability in the social system (Giddens, 1984).

Modern social theoreticians accepted social structure as a tool that can control the social outputs and specified social structure as an objective entity that can be definable and measurable. Open systems approach, on the other hand, found out that social structure is not stable and emerges by being affected by environmental variables. As a result, social structure was accepted as a variant process, rather than an objective entity (Hatch & Cunliffe, 2006).

In general terms, Systems Approach considers the society as a complex system that consists of sub-systems and argues that social order is provided through these structures and systems that make of the society. Others theories on the basis of the Systems Approach examine the social structure and social system under the perspective of different paradigms. All these approaches aim to make predictions on what will provide the stability of the social system and create the radical change under the unstable conditions.

### **3. Research Questions**

The research question of this study is as follows: Do demographic factors have a moderator effect on the relationship between social intelligence and social innovation? In this context, the relational content of social intelligence and social innovation is given below.

#### **3.1. Social Innovation**

The general term used for the radical change in the social system is named as social innovation (Drucker, 1985, 2014). Social innovation is a result of trying to create a social change and solve problems radically with an innovative approach. Therefore, societies have social order through social systems and social structures (Hatch & Cunliffe, 2006)

Giddens defines social innovation as a process, product or program that causes a throughout change in the functioning of the social system. This change reduces the harmful effects on individuals and the environment in that social system. As a result of positive social innovation, the system becomes more resistant and acquires the capability to challenge with the difficulties in the future (Giddens, 1984).

Social innovation is a concept resulted from the quest for a solution to the world complexity. It is considered as a reflection of the need for the radical change in the society and is evaluated as a cultural innovation organizing the transformative social change to have a sustainable human development (Howaldt et al., 2016).

Social innovation refers to the new and convenient ideas in reaching social goals to meet the needs and problems of the societies. Social innovation requires knowledge. Social innovations develop to the extent how they response to social needs. For innovation to spread, individual support (fund provision, investments, purchases etc.) is a must (Mulgan et al., 2007) because for an invention, an idea or a social novelty to become social innovation it must be accepted by the society in which it is initiated. This is possible through the transformation of the social innovation into society reality via a series of coordinated and planned actions, that is, through the institutionalization of social innovation (Howaldt & Schwarz, 2017).

Based on the abovementioned discussions on social innovation, it is apparent that social innovation is consisted of a chain of activities. All activities in the chain are considered as a process as a whole. This process is related to behavioral changes beyond the creation and structuration of social innovation in the society (Drucker, 2014). The process beginning with noticing the need for a social change must have a societal focus to be resulted in social innovation and it is important that the whole process must be understood.

### **3.2. Social Intelligence**

Social intelligence was first defined as the ability to understand and manage the others in the literature by Salovey and Mayer, (1990) and Thorndike, (1920). The concept of social intelligence was not considered as a research topic for a long time. Later, Goleman (2006) studied the social intelligence in his book called “Social Intelligence: The New Science of Human Relationships”. Goleman, in his studies, emphasized the social intelligence as the ability for interrelationships, and as social phenomena revealed when interaction happens (Goleman, 2006).

Increases in neuroscience studies emphasized the importance of social intelligence as much as emotional intelligence (Albrecht, 2006). Whereas emotional intelligence is related with an individual’s noticing and managing their own feelings, social intelligence considers the psychology of groups rather than individual psychology. Social intelligence focuses on phenomena revealed in relationships an individual establish with others and is closely related with understanding and establishing communication of groups, organizations, or communities (Goleman, 1995).

Goleman (2006) identified two determinants of social intelligence: social awareness and social ability. Social awareness consists of a wide array of phenomena from intuitively noticing another person’s intrinsic mood, understanding their feelings and thoughts to comprehending the complex social circumstances. Social ability, on the other hand, enables to establish effective relationships by benefiting from social awareness. There are also a few measurement scales for social intelligence (Goleman, 2006; Unterborn, 2011).

Management scholars have pointed out the importance of the concept of social intelligence for understanding and effectively managing people. It is emphasized that social intelligence enhances the individual ability to understand and cooperate with others in a group, and additionally, reduces conflicts (Unterborn, 2011).

#### 4. Purpose of the Study

The main objective of the social innovation is to create the transformation that will provide social benefit. This study explains the content and the scope of the social innovation concept on the basis of the system approach and investigates the relationship between social innovation and social intelligence.

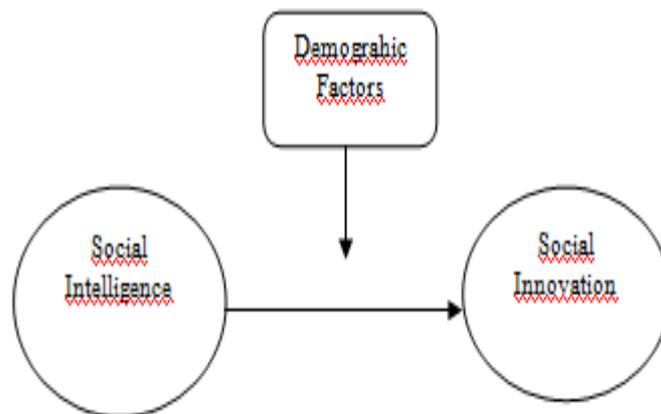
#### 5. Research Methods

The research model that established in the context of predicted theoretical relationships and related hypothesis are given below. After that, this research will be tested on people or organizations that have made social innovation. In the context of the developed conceptual framework, scales related to social innovation and social intelligence will be found. Questionnaire method will be applied in the research as data collection method. The collected data will be analyzed by SPSS.

*H<sub>1</sub>: There is a significant relationship between social intelligence and social innovation.*

*H<sub>2</sub>: Demographic factors have a moderator effect on the relationship between social intelligence and social innovation.*

*H<sub>3</sub>: There is a significant relationship between social awareness and social innovation (See Figure 01),*



**Figure 1.** Research Model

#### 6. Findings

In this section, theoretical findings of the study and hypotheses are given.

In organizational analyses based on the Systems Approach, it was discoursed on social structures and the systems of the organizations, which are considered as the subsystems of the society. Descending from the societal level to the organizational level, Barnard (1938) defined an organization as a cooperating system in which formal structures made of social mechanisms and informal structures made of self-organizing processes are interacted with one another. On the other hand, Merton (1957), one of the

outstanding science sociologists, specified formal rational organizations as social systems made of predefined action forms in compliance with the rules and procedures of the hierarchical order. These approaches considered the organizations as subsystems of the societies and made contributions to the development of the concept of social innovation in the organizational sciences by trying to understand and explain the social structure of the organizations. Some organizational researchers also appreciate some approaches or applications in the organizational science that have caused changes in the social structure of the organizations as important social innovations in the field. Perhaps the best example of this is EFQM excellence model, which is an important social innovation for organizations that has had worldwide affects and caused transformation in a number of organizations (Franz, 2010).

The argument that changes at the organizational level can also have effects on the societies can also be explained on the basis of the institutionalization theory. Organizations operate in an institutionalized environment which is dominated by the social, cultural, political, and legal regulations. Organizations survive in their environments since they are adapted to the belief, norm, and behavior systems, that is, structures and institutions of their environments and they are socially supported. Organizations act as change agents having influence to change their environments by way of this social support and empowerment and thus, they can display creative actions affecting their institutional environments (DiMaggio, 1988).

Social structure at the organizational level points out the individuals having organizational roles and the relationships within their organizational groups and units. Organizations, with all their departments and employees, are considered as effective systems at a high rationalization level. Organizations have also a social structure in addition to their physical structure, which is reflected by being a sub-system of the society. They use a number of their physical, intellectual, and cultural resources in order to create the social value that will provide benefit for the society. They generate some behavioral patterns through coordinating these resources in compliance with their operational field. These behavioral patterns are transformed into competence to generate the marginal value within the organizations over time. According to the dynamic capabilities approach, competencies and capabilities emerged within the system must be steadily restructured and renewed for the proper functioning of the system (Barney, 1991). In this process, organizations must enhance their learning process and learning capability through an effective use of knowledge. It was proved that innovation is enhanced through capability development (Calantone et al., 2002). Systems approach have a critical effect on organizations' abilities to achieve success, use knowledge effectively and enhance innovation (Baker & Sinkula, 2007; Pedler et al., 1997). Abrupt changes in environmental conditions force organizations to improve their abilities for effective learning and gaining competency. Organizational learning leads to a radical change at the basis of the organization (Hatch & Cunliffe, 2006).

This process of organizational change begins with identifying the problem and gaining awareness. There are also studies in the literature investigating the relationship between organizational awareness and emotional and social intelligence (Akgün et al., 2009).

The phenomenon affecting the innovation process is knowledge. The speed of creating new and genuine knowledge facilitates the innovation process (Drucker, 2014). A number of organizational studies provided evidence that innovation is enhanced through the development of learning abilities (Baker &

Sinkula, 1999). Additionally, Drucker (2014) considered the changes in the individual behavior as a criteria for innovation and as a result of learning and emphasized that innovation must have the characteristics of originality, novelty and genuineness.

As organizations have organizational abilities for creating and spreading knowledge and are able to transform their social capital into intellectual capital, a society also must have competencies for creating and sharing knowledge and transforming it into value (Nahapiet & Ghoshal, 1998). To do this, they must develop their abilities.

Increasing awareness at the societal level and supporting entrepreneurship and knowledge-based innovation pave the way for social innovation. (Mulgan et al., 2007). Whereas innovation provides an organization with a competitive advantage, innovation at the societal level provides social welfare (Cavusgil et al., 2003; Kırım, 2005).

## 7. Conclusion

This study is based on the current theoretical discussions in the relevant literature. Social innovation is related to how social welfare is enhanced through positive transformation. A number of factors, such as negative effects of technology, increases in population, and depletion of resources have caused social innovation to become important. The aim of social innovation is to use all of the society's tangible, intangible, natural, cultural and human resources effectively for social order and the operation of the system.

The phenomenon of social innovation has also become subject to studies at the organizational level. Organizations create value by using their resources and capabilities in coordination with their operations. They develop their capabilities by forming complex behavioral patterns in line with their objectives. Emotional capabilities is one of those complex behavioral patterns.

Emotional capability is defined as an organizational capability, based on individual emotional and social intelligence, which specifies an organization's competency in personal and interpersonal relations. On the other hand, social intelligence is defined as an ability to understand and establish relationships with others and it is an important phenomenon for effective communication. Research have provided evidence that organizational emotional capabilities enhance innovative activities and performance of the organizations.

This study emphasizes that the same dynamic process must be initiated in social systems at the societal level. Additionally, it argues that this perspective contributes to development of social innovation. It is predicted that social intelligence will provide the basis for the development of social competence and social innovation which will enable the social transformation

## References

- Akgün, A. E., Keskin, H., & Byrne, J. (2009). Organizational emotional capability, product and process innovation, and firm performance: An empirical analysis. *Journal of Engineering and Technology Management*, 26(3), 103-130.
- Albrecht, K. (2006). *Social Intelligence: The New Science of Success*. Jossey-Bass.

- Baker, W. E., & Sinkula, J. M. (2007). Does market orientation facilitate balanced innovation programs? An organizational learning perspective. *Journal of product innovation management*, 24(4), 316-334.
- Baker, W. E., & Sinkula, J. M. (1999). The synergistic effect of market orientation and learning orientation on organizational performance. *Journal of the academy of marketing science*, 27(4), 411-427.
- Barnard, C. (1938). *The Functions of The Executive*. Harvard University Press.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of management*, 17(1), 99-120.
- Boulding, K. E. (1956). General systems theory—the skeleton of science. *Management science*, 2(3), 197-208.
- Calantone, R. J., Cavusgil, S. T., & Zhao, Y. (2002). Learning orientation, firm innovation capability, and firm performance. *Industrial marketing management*, 31(6), 515-524.
- Cavusgil, S. T., Calantone, R. J., & Zhao, Y. (2003). Tacit knowledge transfer and firm innovation capability. *The Journal of Business and Industrial Marketing*, 18(1), 6-21.
- DiMaggio, P. (1988). Interest and agency in institutional theory. *Institutional patterns and organizations culture and environment*, 3-21.
- Drucker, P. (1985). *Innovation and entrepreneurship: Practice and principles*. Harper & Row.
- Drucker, P. (2014). *Innovation and entrepreneurship*. Routledge. <https://doi.org/10.4324/9781315747453>
- Franz, H. W. (2010). Quality management is ongoing social innovation. *Social Dimension of Innovation, Prag.: Social Dimension of Innovation, Prag*. Retrieved from <https://ssrn.com/abstract=2533277>
- Giddens, A. (1984). *The constitution of society. Outline of the theory of structuration*. The University of California Press.
- Goleman, D. (2006). *Social Intelligence: The new Science of Human Relationships*. Bantam Dell.
- Goleman, D. (1995). *Emotional intelligence*. Bantam Books.
- Hatch, M. J., & Cunliffe, A. L. (2006). *Organization Theory: Modern, Symbolic and Postmodern Perspectives*. Oxford University Press.
- Heiskala, R. (2007). Social innovations: structural and power perspectives. Social innovations, institutional change and economic performance. *Making Sense Of Structural Adjustment Processes In Industrial Sectors, Regions And Societies*, 52–79.
- Howaldt, J., Oeij, P. R., Dhondt, S., & Fruytier, B. (2016). Workplace innovation and social innovation: an introduction. *World Review of Entrepreneurship, Management and Sustainable Development*, 12(1), 1-12.
- Howaldt, J., & Schwarz, M. (2017). Social innovation and human development—How the capabilities approach and social innovation theory mutually support each other. *Journal of Human Development and Capabilities*, 18(2), 163-180.
- Kırım, A. (2005). Yeni Dünyada Strateji ve Yönetim [Strategy and Management in the New World]. Sistem Yayıncılık.
- Marlow, H. (1986). Social intelligence; Evidence for multidimensionality and construct independence. *Journal of Educational Psychology*, 78(6), 52-58.
- Merton, R. K. (1957). *Social Theory and Social Structure*. Free Press.
- Moulaert, F., MacCallum, D., & Hillier, J. (2013). Social innovation: intuition, precept, concept. *The International Handbook on Social Innovation: collective action, social learning and transdisciplinary research*, 13.
- Mulgan, G., Tucker, S., Ali, R., & Sander, B. (2007). “Social innovation: What it is, why it matters and how can it be accelerated”. Skoll Centre for Social Entrepreneurship.
- Nahapiet, J., & Ghoshal, S. (1998). Social capital, intellectual capital, and the organizational advantage. *Academy Of Management Review*, 23(2), 242-266.
- Pedler, M., Burgoyne, J., & Boydell, T. (1997). *The Learning Company: A strategy for sustainable development. 2nd Ed*. McGraw-Hill.
- Salovey, P., & Mayer, J. D. (1990). “Emotional Intelligence”, Imagination. *Cognition and Personality*, 9(3), 185-211.
- Thorndike, E. L. (1920). Intelligence And Its Uses. *Harper's Magazine*, 140, 227–235.
- Unterborn, K. (2011). *Creating a Performance-based Social Intelligence Measure Using a Situational Judgement Test Format* (Doctoral dissertation). Central Michigan University.