An incubation perspective on social innovation: the London Hub as a social incubator

Abstract

In the context of incubators, particularly those that are driven to achieving social objectives, this paper investigates core processes that support the development of social innovation. Social innovation as this paper argues is underpinned by a new form of social collaboration and engagement built upon strong forms of sharing knowledge and learning. Coupled with this is the element of social capital reinforced by entrepreneurship and leadership that promotes sustainability in the community. These factors drive innovative thinking and ways of engaging among stakeholders in order to create new forms of socio-economic impact. Such value-creating activity occurs in firms that operate within incubators involving a wide range of stakeholders who work through networks to co-create and meet social challenges. Through a case study of a social incubator and an incubatee, we demonstrate the core processes that irradiate the argument on social innovation. The contribution of this paper is threefold: firstly, social innovation is an emerging area of research, of which there is a dearth in terms of examining the processes empirically. We address the gap in this field by demonstrating the value of social collaboration and engagement using different innovation models. Secondly, we establish links between social innovation and incubation using the concept of social capital. This allows us to achieve our third contribution: exemplification of a dyadic value-based partnership and collaboration processes between an incubator and an incubatee, through activities driven by social innovation which aim to have social impact. The paper concludes with practice implications and suggests directions for future research.

Keywords: social innovation, social incubation, networks, impact


**Introduction**

Historically, innovation has been concerned with science and technology, placing emphasis on creating future commercial success and competitive advantage. Economics and management science have traditionally dominated our understanding of innovation. There has been proliferation of work on the mainstream concepts of commercial, business and technology innovation, and an acute shortage of research to help us understand how social innovations are carried out and how they are supported (Mulgan et al., 2007). Recently there has been an increasing tendency in literature to address the ‘social’ nature of innovation (Moulaert et al., 2005; Nichols & Murdoch, 2012).

While innovation studies have mostly focused on market forces, social and cultural factors can also influence their success or failure (Orlikowski, 1992). Additionally, commercial innovations have often offered benefits to the community and society. The healthcare sector can be considered a prime example of this, with companies such as Medtronic or GE.

Today, it is expected that an innovative idea will not only address economic motives but also target existing or newly emerging social issues encompassing the needs of all stakeholders involved and creating social impact- which can be considered the core focus of ‘social innovation’. Social innovation is thus seen to be carried out by organisations which have a social mandate and which seek solutions that are ‘effective, efficient, sustainable or just whereby value is accrued to society as a whole’ (Phillis, Deiglmeier and Miller, 2008:36). Methods of production or service delivery and measures for performance or quality require meeting the expectations of societal stakeholders at large. Gershuny (1983), Njihoff (1984) & Rickards (1985) as well as Hazel & Onaga (2003) argue that social innovations have typically remained very difficult to implement because they mostly require fundamental changes in the
accepted structures and processes of organisations. For this reason, innovation must be coupled with new forms of entrepreneurship resulting in opportunities that lead to profitability, growth and social outcomes.

At the same time that social innovation has been evolving, further developments are being witnessed in the context of where such social innovation is taking place. One such area has been within incubators. The incubator concept which was historically only been applied to industrial settings, it is now seen to also address social problems (Cervantes, 2002; Erlich, 2002). Incubators have been viewed as ‘hybrid organisations’ helping start-ups towards the innovation process (Ezkowitz et al., 2005). For instance, a business incubator is often described as a shared office space facility that seeks to provide its incubatees (i.e. ‘portfolio’, ‘client’, or ‘tenant-companies’) with a strategic, value-adding intervention system (i.e. business incubation) of monitoring and business assistance (Hackett & Dílts (2005, p.57).

Over the years, scholarly and practitioner attention has gradually shifted from understanding the ‘incubator’, which forms part of the structure, to the ‘incubation’ process particularly collaboration and learning (Karatas-Ozkan et al., 2005).

Given the emphasis on collaboration and learning processes, scholars (Karatas-Ozkan et al., 2005; Bruneel et al., 2012) argue that support for innovation also gradually shifted from the ‘office space’ to support for infrastructure, business, learning processes, access to networks, professional services and capital. This has resulted in newer concepts such as ‘project citizenship’ emerging as a value in terms of how project work aids the propagation of collaborative innovation benefits (Aronson & Lechler, 2009). While important to acknowledge and worthy of study, its inclusion in this paper is beyond scope. This paper has
studied in-depth processes, characteristics and dimensions of social innovation within the context of an incubator; one that is particularly driven to achieve a combination of social and economic outcomes. Hereon, this is referred to in the paper as a ‘social incubator’. No developed body of literature as such exists which focuses on social incubation especially in relation to social innovation. However, prior work has addressed incubation from a social capital perspective (Lee & Jones, 2008; Mosey & Wright, 2007).

Bocayuva (2001) underscores the increasing integration of incubation into social policies in order to perform a social function, instead of the traditional business support structure focus. With governments facing increasing resource constraints, programmes such as Social Impact Bonds, for example, tap into the private sector for venture capital type upfront investment and non-profit organisations in order to run programs that address social problems such as recidivism to minimise re-offending of prisoners (Field, 2014). The success of such programs in countries like Canada, for example, can significantly alleviate future burdens on governments, as the latter can pay investors a performance premium or a return on investment fee for having achieved improved social outcomes.

These intriguing developments have fuelled our scholarly interest in this field. We have refined our core research question as follows: what processes of social innovation characterise social incubation? In order to address this question, we have structured our paper as follows: we begin with defining social innovation and setting the context, by establishing a link with new and relevant paradigms of innovation, such as ‘open innovation’. We then focus on the ‘process’ of innovation from an incubation perspective and shed some light on
the relationship between innovation and incubation. This paves the way to develop a better understanding of what the literature covers and where the identified gaps are. Using this as background, our case study of a social incubator and an incubatee, helps further develop the discussion, draw key conclusions and identify areas for future research.

In doing so, the paper makes three distinct contributions - firstly, social innovation is an emerging area of research, of which there is a dearth of studies examining its characteristics and processes empirically. We address the gap in this field by demonstrating the value of key aspects of relevant innovation models, in order to deepen our understanding of the processes and complexities involved. Secondly, we establish links between social innovation and social incubation by engaging with the concept of social capital. This has enabled the generation of insights into social incubation that are distinct from commercial incubation. Thirdly, we exemplify the dyadic value-based partnership and collaboration processes between an incubator and incubatee, through an exemplary case study (Eisenhardt, 1989).

**Social innovation: the key elements**

In order to scope the fundamentals of social innovation, we need to set the scene by providing a brief overview of relevant aspects of the innovation literature; innovation has shifted from being R&D-driven (large-firm), towards being driven by clusters of firms and technology start-ups (Etkowitz et al., 2005). The broadly accepted view is that innovation is an iterative and interactive process (Todtling et al., 2009). The ‘system of innovation’ concept was first presented by Freeman (1987) and later developed by Lundvall (1992) and Nelson (1993), who focused on interactions and relationships between technological development and the institutional embeddedness of innovative firms. Lundvall (1992, p.10) argues that it is the ‘structure of production’ and ‘institutional set-up’ that form the two dimensions of a system.
of innovation, which highlights various learning interactions (Nelson, 1993; Edquist, 2005). Crevoisier (2004) described the ‘Innovative Milieu’ approach as combining three paradigms: (1) the technological paradigm (focusing on innovation, know-how and learning), (2) the organisational paradigm (stressing the importance of networks, cooperation amongst firms and competition), and (3) the territorial paradigm (emphasising the role of proximity and region-based competition).

Research evidence points to the fact that in knowledge-intensive industries, geographical proximity of firms plays a role (Kukalis, 2010). The cluster-based concept of innovation takes into consideration the geographic concentration of interconnected companies, specialised suppliers, service providers and associated institutions in a particular field or area (Porter, 2003; Malmberg & Maskell, 2002). Knowledge transfer can take place in such formations either by inter-organisational collaboration (Cantner et al., 2010; Muthusamy & White, 2005) or by ‘multiple-applicant inventorship’, a composite state of labour mobility and hidden cooperation.

The networking perspective has been highlighted as an important element in capacity-building for innovation as well as incubation (Bruneel et al., 2012; Scillitoe & Chakrabarti, 2010). Tidd & Bessant (2009) have characterised a network as “a complex, interconnected group or system”. Networking can help companies address a lack of financial capital, experienced management teams, or resource capacity, since the lack of all such factors can eventually decrease, as the incubated firms attain maturity. Such factors are seen to form innovation networks. An innovation network can be conceptually described as a hybrid form of organisation that can replace the hierarchical firms and markets. Powell & Grodal (2005) highlight strategic alliances and informal ties, whilst Katzy & Crowston (2008) draw
attention to the importance of collaborative networks in enabling firms to innovate through joint access to relevant external competencies. The above discussion is summarised in Table 1, adapted from Todtling et al. (2009).

Insert Table 1 here

Extrapolating some of the insights into the context of social innovation as set out in the introduction, a starting point to understanding social innovation is ‘who carries it out’. Generally there are three instigators - individuals, social movements and organisations. More important, though, are ways to address the question of how social innovation happens. Mulgan et al. (2007) described five different patterns to explain this, as demonstrated in Table 2 below.

Insert Table 2 here

Leadbeater (2007) argues that any social enterprise strategy needs to be formulated within a more comprehensive strategy for social innovation - the latter focusing on addressing unmet social needs and achieving a desired social impact. A formation of a social enterprise can encompass incubators wherein new ideas can be generated as a result of the practice, imagination and input of users and beneficiaries of the innovation (Mulgan et al., 2007). Social innovation can thus be instigated by a wide group of organisations, including NGOs, charities, community groups, governments, business, academics and philanthropists (Biggs et al., 2010). Using the Triple Helix System of Innovation framework, Vas and Koruth (2013) suggest that collaboration amongst stakeholders is best achieved when innovation as an objective is formed by strong and continuing interactions rather than prescription. To drive an
integrated approach amongst collaborating organisations with the aim of achieving common objectives, they identify four critical dimensions which are relevant to stakeholders in the social innovation process – internal transformation of each stakeholder within the innovation ecosystem; factor of influence between stakeholders; creation of an overlay of influences or the formation of a new helix; and, the subsequent emergence of influence from this helix on other constituents outside the ecosystem.

Such recent perspectives on innovation, as discussed above, help strengthen the concept of social innovation as consumer and user-centric. Further, social innovation is becoming strongly rooted in the increased application of distributed networks of interactions, on emphasising collaboration among stakeholders, as well as on maintaining relationships and increased permeation of the boundaries between production and consumption (Murray et al., 2010). This alignment is further supported by Holmes & Smart (2009), who argue that problem-solving in ventures that involve organisations addressing social issues, is often framed in terms of ‘joint problem-solving’, rather than from within an organisational or institutional approach. This perspective allows for the development of learning and capabilities, for the mutual benefits of all parties involved (Nicolopoulou & Karatas-Ozkan, 2009). As will be elaborated through the case study, this can be achieved by an inclusive approach (Lucas et al., 2013; Nicolopoulou et al, 2015) that integrates users in the core processes of social innovation.

As its becoming evident, different models that explain social innovation are starting to emerge. The convergence of different sectors involved in social innovation provides opportunities for initiating start-ups and improving the transfer of knowledge. Similarly,
facilitating factors responsible for social innovation, particularly incubation processes, still remain relatively under-researched (Biggs et al., 2010). This is a particularly important concern, as social innovation has to be stimulated by providing an environment conducive to this form of innovation (McKeown, 2008; Westley et al., 2006). Incubation and incubators can play a pivotal role in providing those desired conditions.

**Linking incubation and social innovation**

*Incubation and incubators*

Eshun (2009) and Aernoudt (2004) argue for different types of incubators, as illustrated in Table 3, whilst Carayannis & von Zedtwitz (2005, p.95) present five incubator archetypes: the university incubator, the independent commercial incubator, the regional business incubator, the company-internal incubator, and the virtual incubator. Deriving from the Carayannis & von Zedwitz’s (2005) definitions, the fundamental differences between different incubator models/types stem from (a) the purpose of the incubator and (b) the nature of relationships it manages. It is also possible to achieve the objective of employment generation and provision of other social and public-oriented services when the government plays a dominant role as a ‘social incubator’ (Etzkowitz et al., 2005).

**Insert Table 4 here**

Fuzi (2013) argues for the creation of the ‘quadruple helix’, whereby emphasis is duly placed upon systems which are characterised by open innovation and a user-driven orientation. Within this new model, Fuzi (2013) locates the role of public authorities as drivers of ‘Living Labs’, operating in real-world settings, and highlighting the contribution made in terms of innovation, not only of products and services, but also of societal infrastructures. Carayannis
et al. (2012), on the other hand, propose the model of ‘quintuple’ helix, whereby knowledge becomes a driver of models of innovation, creating impact on society and a drive for sustainable development. Typically, in a manufacturing or production context, creativity would be seen as ‘slack’ for most departments which have a heavy focus on production or administration, whilst research and development (R&D) would be seen as the only area of the organisation that could afford such slack (Backman et al., 2007). Nonetheless, incubators can provide an ideal environment, combining space for creativity, together with dedicated resources, as well as structures for the creation and maintenance of social networks, and social and intellectual capital; this combination can make them uniquely suitable for fostering innovation. This can be further contextualised within the overall discourse on an open innovation paradigm. The main tenets of this paradigm indicate that firms can and should combine internal and external ideas into architectures and systems with requirements defined by a business model that utilises both external and internal ideas to create value (Chesbrough, 2003a, p. xxiv).

Social Capital

Extending the argument of creating value within multiple-helices or in environments within incubators, Carayannis et al. (2012) include a form of ‘social capital’ as part of the fourth helix (which they name ‘media-based’ and ‘culture-based’ public) (p.6), and highlight the role of the ‘political system’ (p. 6), as an important drive towards the formation and operation of the five helices-based model. Taking this into consideration, it could be argued that the turn towards ‘socialised’ forms of innovation justifies the adoption of incubation processes and, in effect, services the logic of a multiple bottom line (i.e. socialised and not exclusively financial) model.
The creation of social capital is a significant link which has been identified as a by-product of incubation activity, bridging aspects of incubation with the creation of innovation as well as social innovation. Scillitoe & Chakrabarti (2010), following Adler & Kwon (2002), identified social capital as “the goodwill or benefit available to actors within a social network” (p.157). This can happen in a very simple format of sharing contacts, knowledge, or expertise, and such networking interactions can also take the form of counselling or mentoring (Scillitoe & Chakrabarti, 2010 Rice, 2002). From this perspective, frequent interactions and strong relational trust play a role, both in terms of information sharing, as well as, eventually, learning, technical and business assistance (Aldrich, 1999; Scillitoe & Chakrabarti, 2010).

Encapsulated within the social capital dimension, are the entrepreneurship and leadership factors that are needed to generate value to businesses and achieve social outcomes. Leadership drives a values-oriented approach to organisational action in incorporating a social agenda for innovation. This is particularly relevant in highlighting action during what has been termed the ‘fourth era of innovation’ (Anthony, 2012). The characteristics of this new era include a focus on the business model as the locus of innovation, a general orientation towards a multiple bottom line logic (incorporating the capacity to create different forms of impact), the focus on addressing issues of global relevance via responses that are locally legitimate, as well as the key role of people who have been termed ‘corporate catalysts’ (Anthony, 2012). Subsequently, a new type of ‘mission-driven leaders’ have emerged, who are motivated by the desire to solve big - often global - problems and who call on corporate resources outside their traditional span of control to address sprawling challenges (Anthony, 2012, p.48). The characteristics of such leaders are important as agents that initiate and promote change in a business situation.
Alongside leadership there is an increasing acknowledgement of the importance of the entrepreneurship, and in particular *social entrepreneurship* in the process of social innovation. Zahra et al. (2009, p.519) have proposed a definition which places entrepreneurship at the core of that process: “Social entrepreneurship encompasses the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner”. Social entrepreneurship is characterised by the concept of triple or ‘multiple’ bottom lines, which appear to circumscribe social enterprises in a different light from economic enterprises (Chell et al., 2010; Chell 2007; Nicolopoulou, 2014), suggesting, at the same time, greater complexity at the managerial level for ensuring sustainability and growth (Lucas et al, 2013; Nicolopoulou et al (2015)). The trend for social entrepreneurship has already attracted significant interest in the last decade from scholars, who have been exploring the topic at various levels, including ways in which such multiple (and possibly conflicting) bottom lines are involved in its processes, as well as operationalising those at the level of strategy, leadership, structure and governance. Within the framework of social entrepreneurship, social innovation has been studied as a targeted outcome and a way of creating impact for society, community as well as stakeholders involved. For that reason, often social entrepreneurs are seen as social innovators (as conceptualised, for example, by Ashoka Foundation).

We can therefore, conclude for now, that there are three core processes of social innovation in an incubation context; these can thus be identified as a) the need for collaborative networks to drive learning and knowledge transfer; b) creation of social capital underpinned by social entrepreneurship and leadership; and, c) ultimately, dyadic values-based.

1 [https://www.ashoka.org/social_entrepreneur](https://www.ashoka.org/social_entrepreneur) (Accessed April, 2015)
relationships. For the purpose of our current study, the experience of the Hub highlights these core processes of social innovation.

**Research design and methods: Case study and in-depth interviews**

For the present research we have chosen to focus on one exemplary case study, in order to help highlight the theoretical concepts underlying our research. We are not focusing on a deductive case approach aimed at producing testable propositions (Yin, 1994); rather, we are building upon Stake’s (2000) approach, which follows a grounded theory perspective, and is embedded in the interpretivist research paradigm. According to Stake (2000; pp. 437-438), there are three types of case study: the first is the ‘intrinsic case study’…. ‘of interest…in all its particularity and ordinariness’, making no attempt to generalise or to build theory. The second type is the ‘instrumental case study’, examined mainly to provide insight on an issue. The third one is the ‘collective case study’, where a number of cases are studied in order to investigate some general phenomenon. Using Stake’s (2000) typology, we have employed an ‘instrumental’, exploratory case study approach, aiming to highlight insights on the issue in-focus. Whilst Yin (1994) differentiates between the unit design in single (holistic or embedded) and multiple (holistic or embedded) case studies, we are focusing on an embedded case, highlighting a ‘case-within-a-case’ logic (i.e. both an incubator and an incubatee), as well as the relationship between the two. In terms of the particular approach chosen, the embedded case studies are not aimed at more widely generalizable results, but are, rather, looking into highlighting in-depth nuances of the phenomena studied and uncovering aspects raised within the initially chosen theoretical framework, as a point of
departure. This kind of research aims at the potential of transferability (Patton, 2002) to other contexts, rather than generalizability.

We chose to focus on a single incubator, as at the time of the study, the Hub in London (Angel/Islington) exemplifying in a unique way the attributes of ‘socialised’ forms of innovation, as discussed in the literature above. The developments in this field justified our initial choice, as the concept of application of social economy has, since then, grown in several ways, including its modes of operation, as well as measurement of its different features and notion of impact (Nicholls, 2009). We collected data through in-depth interviews with the top managers of the incubator and the incubate and through participant observation on the site. Two managers were interviewed in depth, through visits to the incubation site, and follow-up interviews also took place. Participant observations of the incubation site took place, and relevant notes were kept in order to enrich and supplement the interview materials, particularly with a view to gaining a deeper understanding of the interaction dynamics of Hub as a collaborative space. Additionally, we looked at secondary materials such as several youtube Hub videos from around the world, and over time, one of the researchers paid several visits to other international Hub locations, where the same principles were adopted.

A total of 8 hours of participant observation took place over the period of the research; the observation focused on the dynamics of the interactions of the participants in the incubation site; in particular, this targeted the ways in which discussions and interactions-on-the ground were initiated and pursued, as a key aspect of facilitation of the active co-creation of projects. Apart from the rich and dynamic interactions of participants in the incubation site, in addition, support was provided for their interactions via an active online ‘mailing list’
(online community) which functioned effectively as a communication and interaction platform for the members of the incubator.

The communications involved were constructive, dynamic and of facilitating nature for the needs of open collaboration and learning; members would email with an inquiry, a request for help or a referral, an offer for sharing of resources or expertise, or a promotion of materials or innovative solutions (e.g.: an innovative sustainable heat generator for the shared office space). Collaboration took place on-the-ground with meetings facilitated within the space of the incubator and support for projects or work provided by fellow members in the incubator. An atmosphere of encouragement, creativity, collaboration and like-mindedness prevailed, which proved to be positively supporting the co-creation of projects and other forms of business engagement which were targeting the creation of further social impact.

The interviews on which the development of the case study was based took place during 2008/9 and follow-ups took place during 2015. The follow-ups helped enrich the views of the researchers, and consequently this paper, by taking stock of changes and developments that emerged over this period. We chose specifically to speak with the key stakeholders in the case involved, and interviews were conducted in order to gain better insights through in-depth conversations. Following the logic of elite interviewing (‘elite’ is denoted by status, experience and exposure to an international network, according to Kakabadse & Louchart, 2012), the focus on the select few stakeholders enabled us to gain direct access to unique information, and assured the openness of their responses (Kakabadse and Louchart, 2012). Within the logic of such interviews, Kakabadse & Louchart (2012) compiled a framework of four interactive stages, including preparation, following-up, conducting the interview and sense-making (via reflection). Negotiation, preparation and following a semi-structured
agenda for interviewing are also key aspects of such a process. Additionally, following the elite interview logic (Kakabadse and Louchart, 2012) the establishing of a communication code which involved ‘relationship-building’ with the interviewees was an important lever for attaining a good degree of rapport during the interview. We found, that for the purposes of this research, interviewing the key ‘top’ stakeholders allowed us to experience in a more immediate, in-depth and direct manner the range of their relevant experiences. Additionally, since the Hub is, largely, a unique model, concentration on a few unique individuals allowed us to tap into details of core processes, and strategic and operational aspects of the under-studied phenomena involved- an aspect which also justified the use of a qualitative study approach. The immediacy attained by such an approach is a core argument of the qualitative inquiry (Schwandt, 2000). A total of three interviews took place with the key stakeholders of the incubator and the incubate company. We selected semi-structured in-depth interviews as the main data collection method due to the potential of collecting information-rich data narratives (Patton, 1987; Kakabadse & Louchart, 2012)- such rich narratives can be an effective way to understand dynamics involved in unique management positions.

The interviews conducted focused on a combination of key themes which had been identified in the relevant literature, such as model of incubator and incubatee company, involvement of different forms of capital; modes of support by/through the social incubator; approach to incubation taken, definition and application of the concept of social innovation, links between social innovation and sustainability in terms of community development and the creation of impact; links with social entrepreneurship; learning, collaboration and knowledge transfer.

The interview materials were analysed by drawing out key themes and relating them back to the theoretical frameworks used, in a mild form of ‘grounded theory’ (Lincoln & Guba,
1985). Some of the themes that emerged from the interviews addressed the following: underlying processes of social incubation, ways to facilitate growth; ways to sustain social innovation in the longer run; dynamics and benefits of social innovation; benefit to clients; opportunities and constraints of the related processes; sustaining social innovation in the long run. Such areas formed the main themes that helped create the case-within-case structure, below.

Case study: the Hub, London (Social Incubator), and an incubatee, Oguntê (Social Enterprise, focusing on social innovation)

The Hub (now ‘Impact Hub’), based in London (Angel/Islington) operates in a hybrid form of incubation, acceleration and education aiming to bring people in a co-working space, operating in ways that involve community engagement and the creation of impact- yet not always through structured programmes. Its value proposition is ‘the art of hosting’ and focuses on hosting conversations with peers, stakeholders, or competitors, taking people out of their silos. Its focus has been re-directed towards people coming together for the creation of impact, which can take place through collective action, rather than isolation.

The Hub has a wide membership base- its members belong to a network, although they do not necessarily physically share an office space all the time. The Hub is seen as a one-stop-shop or a transition space, utilising the experience of the community and the value of people contributing according to their value and expertise, and focusing on how they can be brought together in order to achieve a transformation with a business focus and a social impact. In January 2005, four graduates came together to share a workspace, transferring knowledge and know-how from relevant experiences they had in Johannesburg.2 Going

2 https://www.youtube.com/watch?v=nerYN4oCCio (Accessed April 2015)
beyond the concept of a shared workspace, the initiative instilled a sense of ownership, as people gradually engaged with the place as well as with each other, and started collaborating in order to spin out collaborative initiatives and business activity.

In terms of the Hub philosophy, a social innovator must have the determination of an entrepreneur, but also has to employ strong ethical values with an intent to create a positive impact for the society and environment. This drives capacity building and adds value to the business activity. The Hub is characterised by diversity in terms of its population and is promoted through word-of-mouth, whilst, additionally, a form of proactive ‘headhunting’ takes place - whereby individuals with sought-after attributes are encouraged to join.

The Hub is financially self-sustaining, and, whilst it has received some grants, it has also developed concrete income-generating methods; those include running memberships, as well as the renting out of meeting spaces. Additionally, it has introduced programmes to accommodate new memberships, (in the form of ‘Labs’), for groups and organisations, which help facilitate participants to immerse themselves deeper in issues of particular interest- clients of these services can be social enterprises, large-scale companies and other organisations.

One of the forms of membership in the Hub is online membership to the members’ list upon an annual fee. The Hub supports people in growing their business by using a team approach, and seeks to respond to challenges of lack of space, talent, or investment whilst supporting people build their business or initiatives.
Collaboration and sustainability - key processes in social innovation

Collaborative design principles were taken into consideration in the process of creating the Hub. One example was the adoption of a collaborative insurance policy. The collaborative model operates by providing entrepreneurs with what they need, serving them in a peer-to-peer, horizontal fashion. The collaborative platform which has been created at the Hub, is based on communication channels between the people involved, their interactions and the space available. Seeking to accommodate different members’ needs, for example, is proactively encouraged via email requests and communications. The model that is followed is based on principles of open innovation, and not on a top-down approach, as the case often is with business incubators. This usually results in people learning from peers rather than from advisors, i.e. from real stories and experience and via trusting their peers to support them with their experience in order to proceed on a similar journey. The process of social innovation is based on working with the community, thinking of ‘others’ as well as collaborating.

Driving through principles of sustainability is also important to the Hub and central to its strategy and activities. At the London Hub, an example of this, has been the Ethical Fashion project, for which fashion students collaborated with Hub members in order to launch fashion design and promotion activities involving sustainable materials sourced from developing countries, such as Bangladesh.

Innovation in the Hub focuses on people interactions and the development of collaborative ideas in a creative space. People come to the Hub in order to find innovators as they seek a service and a team that is experienced. They search for people who are open, can share and
can be used as ‘sounding boards’. The Hub plays an important role in creating new connections with such people – and in this way, it is serving the grassroots of social entrepreneurship activities, for which collaboration is often a key process.

Harnessing social capital–entrepreneurship, learning and leadership-for social innovation

Oguntê is an example of one of the incubatees in the Hub. The company has defined itself as a ‘social innovation and leadership company that focuses on harnessing women’s skills in order to provide solutions to social and environmental problems’. Oguntê describes such women as ‘social innovators’. The vision of Oguntê has been focused on women leading the social economy, and its aim is to achieve this by harnessing women’s skills, and thus enabling them to become fully fledged in the new forms of social economy. In terms of the values of the founder, Servane Mouazan,

‘My values- they are my tickboxes, indicators- bold, exciting, connecting, generous and reciprocal. These are my day to day, month to month, year to year indicators, I need to have those to give to something my love’.

Oguntê also helps women with developing networking capabilities across sectors, including ways to improve thinking and working, such as a mind-based coaching approach with roots in neuroscience and culture-based methodologies; according to Servane,

‘In 1997 I was in Holland engaging in creative arts and festivals organisation. I worked with Fairtrade and Ethical Principles and went into marketing; I helped diverse groups such as the Capoeira Group. [...] In Holland there is good support for business creation, and an attitude of learning by doing. [...] I have built relationships with developing countries over the years, particularly in terms of
social work and activism. [...] Networking is about following up and building relationships; paying a lot of attention to client feedback. What is the ‘niche’? - speaking in activist terms, taking an activist perspective, which is non-conformist. 

I have been developing the space and the network in the UK and internationally. It is about developing a different way of hosting, sharing, openness, community that is value-driven’.

Consequently, for Oguntê, social innovation is rooted in networking and collaboration that drives synergy with a focus on serving the community. It is a co-productive approach, which is realised via Oguntê actively co-designing models with its stakeholders. Social entrepreneurship is seen by the company founder as a combination of aspects of proactivity, compliance as well as innovation, and social entrepreneurs are seen as agents of social change. In this model, change is always seen as gradual, and has to be facilitated, and this is often done through building social capital. According to the founder of Ogunte,

‘Social capital is a vehicle through social networks, the capacity to interact and make sense of the information that circulates around us. We are in constant conversation with front line practitioners. We work through extracting patterns, testing assumptions and drawing conclusions and organising support services based on the information we have collected, there is a new kind of conversation and campaigns; our work is about sharing the information, connecting people, analysis, conversation and progress’

Oguntê sees competence-building as the first step to capacity-building. People that participate in the activities offered by Oguntê are encouraged to connect with social leaders whom they admire, and to identify the subsequent impact of these connections on the group and on themselves. In engaging with those, the principle of change of oneself in order to attain
change in the larger order, is employed. In order to build on social leadership skills, Oguntê’s learning approach has involved over time different techniques, including face-to-face as well as online learning, including the engagement with tools such as simulations in ‘virtual worlds’. Such intense networking is important in terms of social innovation, which according to the founder of Ogunte is defined in terms of its impact potential.

‘...social innovation: you never really know when a social innovation IS a social innovation- other people can judge this and it does not really matter- what matters are results. At the moment, I am looking at how new media, ICT and new technology ventures can prevent violence against women, all can be innovation as technology is added to a topic [eg: violence against women] that people do not want to talk much about. I am not fussed about the words, what I want to see is the results. But the minute it is implemented, it is no longer an innovation! For global scale less theory is needed and, more translatable replicable achievements’.

In the framework of developing a learning model focused on social innovation, an important activity that Oguntê is engaged in, is coaching, which is viewed as a meta-skill that focuses on ‘learning how to learn’. The learning models implemented include co-coaching and peer learning. The levels of learning involve the individual, the closed group and the network (at micro, meso and macro levels). Relevant questions that drive the learning experience include ‘what you know’, ‘what you know but have not acknowledged yet’, or questions on value-driven communication and on the role of social leaders. Regarding leadership, the emphasis is on continuous and collective transformation and growth, as noted by the founder of Ogunte:
‘It is a transformational leadership style; we continuously learn and grow and like to be accountable and practical, based on trust and creativity. It is about what needs to be achieved and implemented. We are very much interested in achievement and moving together with our clients’.

According to the founder of Oguntê, fundamental within the social innovation process is the capacity to look at already known issues from a different perspective; in order to attain that, participating companies and individuals form a ‘marketing collective’ through close networking. Linking the strong networking element of Oguntê back to the idea of social innovation, helps shed light on both ‘open innovation’ as well as ‘collaborative action’; in this way, networking also becomes a personal construct, taking place via a system of recommendations. It is values-based and focused on building personal relationships, partnerships in action, as well as creating a process and a ‘manifesto’. Beyond the individual and the interpersonal level, on a macro scale, this in turn reflected upon the community partnerships Oguntê has been able to develop, which are inherently value-based. Early in 2015, the Ogunte website (ogunte.com/innovation) featured impressive engagement numbers and impact, including having successfully supported over 5000 women social entrepreneurs and campaigners and having created a 6,000 member-strong network. According to Servane,

‘We are a community interest company- there are impact guidelines on which we report, and we have to follow every year- (they are about ) women in social enterprise, how women are supported in their work through initiatives that take in account the gender lens, how women and girls are valued as first class citizens in order to be enabled to thrive. We have been running a 5 year- programme of impact, which is not only UK-based. 5000 women social entrepreneurs have been supported by now and by 2020, we want to reach 1 million women social
entrepreneurs digitally- that involves us creating partnerships with other networks to make this happen. There is a big map (map.ogunte.com) and women can use this, and some women can become ambassadors and use networks close to them, and join those, (it is like) a human chain of social entrepreneurship which can change the course of the world. There is a high degree of responsibility attached to this– if you connect you will find support and peers are there for guidance or challenging questions’.

Whilst the company has been growing, and its impact has been magnifying, the original relationship with the Hub evolved into a form of peer support, moving beyond mentoring or physical presence at the premises.

‘The relationship with the Hub before was based on my physical presence in the building but now I don't spend as much time there.....I work remotely. I am still very much involved with the leadership team of many hubs- I am a however now a member colleague, and not so much a service user, some times I even operate as an associate. I have been having conversations with Hubs in Brazil, and follow up with various other hubs in Europe. Their leadership team has a good sense of connectedness, they are well travelled, understand cultural differences, know what is going on, on the ground, are good friends, they like testing things. For me, I did not follow their formal incubation programme, but two years ago I delivered to the Public Service Launchpad programme. The hosting was since the beginning superb; their methodology is the art of hosting, and the skill of handling networks and making connections. (This means a set of) fundamental values and a familiar place to be. I was a business support provider, and felt there were interesting things going in the network but my fellow members were more social enterprises, working at the front line. Art of hosting is focused on creating the environment and making connections on
the human side, it's not as rigid as a classic co-working space, but there is an effort to put the human in the mix, a combination of body, face, soul, emotions; I did not get structured (learning) skills from there; I got for example my financial skills from outside (providers), 4-5 years ago.... the hub is not on the top of the pyramid, (and as) networks are flat structures, I also serve the hub as much as they do. It is fluid.....there are also other (support networks) like women in social finance, social innovation networks, many are online, FB groups, networks such as The Next EDGE, Living Bridges, SOCAP, or networks I build based on programme I set up, I learn from them a lot and women social entrepreneurs in general, through networks which are online or physical, but highly curated’.

Based on the above, the processes of social innovation are clearly focused on collaboration, sharing, learning and harnessing the power of social capital. Sharing a common set of values and working in ways which are supported by principles which prioritise social and human elements also seem to be fundamental in promoting the creation, development and sustainability of ventures which are targeting the creation of relevant impact.

**Discussion**

Through this embedded (case-within- a case) study, we have elucidated some of the core concepts and processes involved in social innovation in the context of social incubation. The case helped us with highlighting relevant elements from different perspectives and demonstrated distinctive characteristics of social innovation by articulating several relevant underlying aspects.
The case of the London Hub exemplifies a social innovation model, which is underpinned by the open innovation paradigm; it is characterised by a communitarian approach which focuses on inclusivity, beneficiaries and stakeholders, and the creation of impact through focusing on sustainability for the community, via capacity-building and value-based partnerships in action. In social incubators of this nature, a communitarian (peer-to-peer) approach, rather than a top-down approach, is essential in terms of structure, governance and communication. The social incubator offers a space as the breeding ground for exchange and innovation between a wide range of stakeholders; in terms of the mapping onto typical characteristics of social incubators, a process of sharing rather than patenting the ‘manufactured capital’ of projects and initiatives takes place; the latter can also involve product, service, knowledge, methods, or a combination of all. This is illustrated in Figure 1 below.

**Insert Figure 1**

Processes of social innovation can be fostered by a collaborative approach. In this particular case, such an approach reflects on the use of space, the balance between demand and supply of services, the activation of several incubator-type activities and the set of values that underlie its relevant ways of working. Our understanding from the case studied is that the Hub is likely to grow further via social impact-generating activities, by achieving collaboration and attracting more investment to support it, as its priorities are space presence as well as investment in innovation. As shown in Table 3, the Hub portrays characteristics of type 1 and type 4 patterns of social innovation (see Table 4; Mulgan et al., 2007).

**Insert Table 3**
Communitarian outlook and inclusive governance manifest themselves in such ways that ‘feeding back’ into the community, joint value problem solving and the creation of impact become part of the value added by the social incubation. In the case of the incubatee company, developing and implementing the principles and competence-driven framework that drive business practice among women social entrepreneurs and leaders helps achieve the creation of value. As Leadbeater (2007) identifies, a comprehensive strategy for social innovation is necessary in order to foster and align the activity of enterprises in ways that can address unmet social needs and achieve the desired social impact. Embedding the underlying values in an aligned way via processes of incubation therefore becomes a key driver for attaining social innovation.

Whilst the Hub is based on an internationally applied model, and currently operates in a number of countries, the particular case studied was The Angel/Islington, London, and its proximity to several neighbourhoods involved in regeneration and processes of development, enhanced the relevance of its model and value, over time. The locality of the incubator has been proven as central in bringing an ethically-focused, up-to-date set of skills to its surrounding community and well beyond (ie. internationally), as this was demonstrated in the cases of ethical fashion, or mentoring for change with women social entrepreneurs.

Revisiting the discussion on innovation, the three core processes which can be distinguished according to Enkel et al. (2009) include: a) the outside-in process, focused on exchanging the knowledge base through an effective integration of suppliers, customers and external knowledge of sourcing; b) the inside-out process, focused on generating profits by bringing ideas to the market, selling IP and multiplying technology by transferring knowledge ideas to
the outside world, and c) the coupled process, focused on co-creation with complimentary partners through alliances and co-operation. The social innovation processes studied in the context of the Hub provides evidence for the third type - the coupled process - whereby value-based partnership and collaboration leads to competence and capacity-building in the ventures and alliances of ventures that are formed and developed.

Furthermore, insights from other types of innovation processes that address, for example, the effective transfer of scientific knowledge to practitioners via commercialisation processes, may also be interesting in highlighting processes of knowledge transfer employed in the case of the Hub (Siegel et al., 2004). The ‘thinking’, the ‘doing’ and the ‘being’ are important components in creating a mindset and ensuing action in terms of knowledge transfer from theory to practice, particularly within a community setting that focuses on sustainability (Nicolopoulou, 2011). Such processes are important for the creation of social innovation from the core, as the relevant literature highlights, both in terms of social, as well as open innovation (Bessant and Von Stamm 2008; Fuzi 2013; Tidd and Bessant 2009). In effect, the creation of a common repertoire of knowledge and understanding of the underlying social issues could, in turn, facilitate an entrepreneurial response to those associated social issues which can present themselves as key drivers for social innovation.

Finally, social innovation is characterised by social interaction with stakeholders whereby the deployment of social capital becomes a key feature of the process. Socially responsible entrepreneurs seek to build relationships and networks (social capital) in order to share knowledge and expertise (cultural capital), as well as the manufactured (or intellectual) capital from their activities (i.e. product, services, or new methods) in a relatively open and collaborative manner (Nicolopoulou, 2014). Symbolic capital, which relates to the way an
individual or a particular aspect is valued by others, for example, via honour and prestige (Bourdieu, 1986; Ozbilgin et al., 2005; Karatas-Ozkan & Chell, 2010; Tatli & Ozbilgin, 2012), is acquired and developed further by the construction of the symbols of ‘worth’ (Fuller & Tian, 2006) by the social entrepreneurs engaged in social innovation.

More specifically, as we have seen, this interaction can have a catalytic effect in terms of regeneration of financial and social capital through the activities of a social enterprise, and the redistribution of these resources within the enterprise and/or directly back into the community within which the enterprise operates. This approach contributes to an understanding of the significance of relationships involved through the different interacting capitals, as well as of the open collaboration crucial in shaping social innovation; this often finds its expression in a multiplicity of relationships and networks which are targeted or curated in terms of their composition, and which are based on a peer-support model. It additionally highlights the potential for generating richer insights into the links between social incubation and social innovation, as it engages with interrelated dimensions that support the capacity-building and impact creation focus, which, in turn, for can further the activities of a social enterprise involved in such processes.

Conclusions and directions for future research

This paper has focused on the expanding nature of the social incubation concept as the driving force behind making social innovation a central agenda item for entrepreneurship and business. Social innovation is based on strategic collaboration of stakeholders in order to meet business and social challenges. In this paper we have illustrated several of the ways in which stakeholders implement synergistic collaboration which can lead to new forms of
social innovation. The role of incubators in facilitating innovation in general, and social innovation in particular, has been highlighted via a focus on open collaboration, network formation, learning and knowledge transfer, entrepreneurship and leadership in ways which are context-dependent in terms of their capacity to create impact. The case study of the Hub, a social incubator, and Ogunte, an incubatee, has exemplified the salient characteristics of a social incubation process—focused on working with the wider community to drive social change in an innovative, ethical, sustainable and empowering manner.

The limitations of the current study stem from the engagement with one (embedded) case study, which, nonetheless, for the purposes of the current work, was of an exemplary nature. For this specific purpose, and because the case study method implemented was of an exploratory type, it is challenging to generalise the results of this particular study (Bendassolli, 2013). However, transferability of findings to other settings is highly possible. Interestingly enough, since the case was first studied, several Hub incubators have opened across different geographical locations following, in general, a trend towards aligning with locations that bear promise in terms of growth and economic development, or playing the role, in some cases, of supporting the response to a changing socio-economic environment following effects of the on-going global economic crisis. In 2015, a website impacthub.net featured more than 54 open impact hubs, 11 impact hubs in the making across 5 continents and a strong membership of over 11,000 people.

We can also conclude from the study, that formations can thus form a kind of ‘social laboratory’ (the 2015 website information describes the Hub as ‘part innovation lab, part business incubator and part community centre’), where hybrid solutions can develop in ways in which businesses and innovation can grow. Several of the businesses that have grown
subsequently address in a much more explicit manner agendas of sustainable development and priorities which could well locate them within the scope of the ‘quintuple helix’ (Carayannis et al, 2012) model.

Implications for policy can also be drawn from the above, particularly in terms of the emphasis that can be placed on further engagement with governments and the public sector in the co-creation of socially innovative solutions for wider communities. In the policy science discipline, a burgeoning literature has emerged on policy transfer across international borders deepening insights into institutions like the OECD and their role in the incubation of ideas and its influence on social innovation among stakeholders (Legrand and Vas, 2014). This paper provides an impetus to take its findings on social innovation processes across disciplines, and cross-fertilise knowledge from them.

An extensive comparative study of several incubating formations would help highlight the potential outreach in terms of social innovation created and sustained out of the relevant projects supported. Impact assessment studies, or quantitatively-driven performance studies would also help build the case further for these types of formations, including the creation of impact through their activities. Additionally, the concept of open innovation can provide a further set of arguments over how to approach the subject, particularly when the establishment of partnerships is involved, whereby, via ‘intermediaries’, innovation is to be attained and propagated not only in the ‘for-profit’ business, but also in the social sphere (Badaway, 2011; Huizingh, 2011).

Future research can investigate the differences between incubators for commercial entrepreneurship/innovation and social incubators in further detail by focusing on structure,
governance and ownership of property rights. How do such differences shape social innovation that occurs in such incubator contexts? Investment and governance needs of social incubatees should also be explored further, in order to help incubators define and implement their future strategy and actions. Finally, the post-incubation activities of social enterprises are worth examining. What are their needs for furthering ‘social innovation’ as independent social enterprises if they opt for that route? Such questions warrant further research in the future.

Acknowledgements

We would like to thank the ex- Manager of the London (Angel/Islington) Hub, Maria Glauser, who granted us interviews and guided us through the concept and practices employed in the Hub. Also, we would like to thank the founder and owner of Oguntê, Servan Mouazane, who has also granted us interviews and who, has led the way in integrating collaboration, capacity-building and leadership in a concrete and successful example of social innovation.
References


Table 1: Related innovation approaches

<table>
<thead>
<tr>
<th>Innovation Approach</th>
<th>Differences based on conceptualisation of actor/factors/relationships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative Milieu</td>
<td>Underscores the importance of informal relationships amongst local firms, including ‘protagonists’, as well as soft factors such as common understandings, behaviours and attitudes towards innovation</td>
</tr>
<tr>
<td>Systems of Innovation (SI)</td>
<td>Argues that it is the institutions relevant to a nation, sector or region and their relationships that influence innovation. These include regulatory frameworks, organisations generating and diffusing innovation, and the firms that commercialise such knowledge</td>
</tr>
<tr>
<td>Innovation Networks</td>
<td>Builds the case based on specific relationships amongst actors, both in a region and beyond, that contribute to innovation. It underlines the motives for cooperation amongst firms, such as technological complementarities and access to particular resources and knowledge</td>
</tr>
<tr>
<td>Clusters and Knowledge Spill-over</td>
<td>Argues that the spatial concentration of firms and supporting organisations - in particular, industries - can contribute to knowledge spill-over and innovation. However, knowledge flow is considered as an externality with its mechanisms remaining unclear</td>
</tr>
</tbody>
</table>

**Source:** Adapted from Todtling et al. (2009, p. 60)
Table 2: Patterns of social innovation.

<table>
<thead>
<tr>
<th>Type 1</th>
<th>Spread through advocacy, persuasion and the sense of a movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>General ideas and</td>
<td></td>
</tr>
<tr>
<td>principles</td>
<td></td>
</tr>
<tr>
<td>Type 2</td>
<td>Spread through professional and other networks, helped by some evaluation</td>
</tr>
<tr>
<td>1+ design features</td>
<td></td>
</tr>
<tr>
<td>Type 3</td>
<td>Spread through professional and other networks, sometimes with payment, IP, technical assistance and consultancy</td>
</tr>
<tr>
<td>1+2+ specified</td>
<td></td>
</tr>
<tr>
<td>programmes</td>
<td></td>
</tr>
<tr>
<td>Type 4</td>
<td>Spread by an organisation, using quality assurance, common training and other support</td>
</tr>
<tr>
<td>1+2+3+franchising</td>
<td></td>
</tr>
<tr>
<td>Type 5</td>
<td>Organic growth of a single organisation, sometimes including takeovers, with a common albeit often federated governance structure</td>
</tr>
<tr>
<td>1+2+3+4+some direct control</td>
<td></td>
</tr>
</tbody>
</table>

Source: Mulgan et al. (2007, p. 24)

Table 3: Patterns of social innovation in the case of the Hub.

<table>
<thead>
<tr>
<th>Patterns of social innovation</th>
<th>Application to the Hub</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spread through advocacy,</td>
<td>Social innovation and incubation</td>
</tr>
<tr>
<td>persuasion and the sense of</td>
<td>through connecting people and communities with common values and</td>
</tr>
<tr>
<td>a movement</td>
<td></td>
</tr>
</tbody>
</table>
shared interests, with a communitarian and collaborative approach

Spread by an organisation, using quality assurance, common training and other support

Social innovation facilitated and spread by the Hub providing office and meeting spaces, opportunities for networking through events and training; select individuals are invited to become members

Table 4: Typology of incubators

<table>
<thead>
<tr>
<th>Incubator Type</th>
<th>Major Concern</th>
<th>Primary Objective</th>
<th>Secondary Objective</th>
<th>Sectors Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mixed incubator</td>
<td>Business gap</td>
<td>Generate start-ups</td>
<td>Generate employment</td>
<td>All sectors</td>
</tr>
<tr>
<td>Economic development incubator</td>
<td>Regional or local disparity gap</td>
<td>Development of the region</td>
<td>Generate business</td>
<td>All sectors</td>
</tr>
<tr>
<td>Technology incubator</td>
<td>Entrepreneurial gap</td>
<td>Generate entrepreneurship</td>
<td>Stimulate innovation, technology start-ups and graduates</td>
<td>Technology - focused especially new technologies</td>
</tr>
<tr>
<td>Research incubator</td>
<td>Discovery gap</td>
<td>‘Blue-sky’ research</td>
<td>Spin-offs such as from university</td>
<td>High technology</td>
</tr>
<tr>
<td>--------------------</td>
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<td>---------------------</td>
<td>----------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Social incubator</td>
<td>Social gap</td>
<td>Integrating social categories</td>
<td>Generate employment</td>
<td>Non-profit sector</td>
</tr>
</tbody>
</table>

Source: Adapted from Aernoudt (2004, p. 128)