

Review paper

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NETWORKING EFFECTS ON SOCIAL ENTERPRISES' INNOVATIVENESS

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In the paper, the connection between networking and the innovativeness of social enterprises is explored. The research is motivated by the idea of understanding the impact of networking on the innovation of this special type of organizations that, due to its hybrid nature, has the potential to respond to today's economic and social challenges. The research is based on a sample of 837 social enterprises from 11 European countries. The results showed that networking was one of the key features of these organizations, as more than 90% of the surveyed organizations cooperated with other organizations, but also that networking itself did not affect the innovation of social enterprises. A more detailed analysis shows the differences that the networking forms and organizational age have on innovation.

Keywords: networking, innovativeness, social enterprises, organizational age

JEL Classification: M14, O31, O35

INTRODUCTION

The factors that drive innovativeness in social enterprises are explored in this paper. Research in the work of social enterprises in Serbia (Žarković-Rakić, Aleksić-Mirić, Lebedinski & Vladislavljević, 2017; Aleksić-Mirić, Petrović & Aničić, 2018; Aleksić-Mirić, Petrović & Aničić, 2019;) shows that social enterprises' awareness of their social mission, their attitude that innovation is important, the financing obtained through grant schemes and the involvement of their owners, boards, customers, and nongovernmental

organizations in the organizational decision-making system are among the most important drivers of innovativeness in social enterprises in Serbia. Research in social enterprises in Europe shows that innovation is also influenced by the availability of financing (Schätzlein, Schlütter & Hahn, 2023), changes in the external environment, a company's growth orientation, the employment of paid staff instead of volunteers, previous experience in founding/managing a social enterprise, motivation for work in/with a social enterprise, satisfaction with professional life, the level of education and disability. The research presented in this paper aims to understand the effects that networking has on the innovation of this special type of organizations, which, due to their dual nature (Searing, Poledrini,

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Young & Nyssens, 2022) and efforts to simultaneously achieve economic and social goals in a harmonious balance (Cho, Kim & Oh, 2022; Mas-Machuca, Akhmedova & Marimon, 2023), have increasingly been attracting attention from the professional and academic public and have the potential to respond to today's economic and social challenges. The paper examines a possible existence of differences in the behaviour of social enterprises depending on their age, so all the examined enterprises are classified into two groups - the so-called "old" generation of enterprises, which includes the organizations founded in the period from 1944 to 2000, and the so-called "new" generation of companies, which includes the organizations founded after 2000.

The foregoing can be systematized through the following research questions:

- RQ 1a. Does networking significantly affect the innovation of social enterprises?
- RQ 1b. Do all forms of networking affect the innovation of social enterprises?
- RQ 2a. Does the age of social enterprises change the conclusions about the impact of networking on innovation?
- RQ 2b. What forms of networking influence innovation in the so-called "new" and "old" generations of social enterprises?
- RQ 3. What factors influence innovation in the so-called "new" and "old" generations of social enterprises?

The paper is structured as follows: Section 2 provides an overview of the relevant literature; Section 3 presents the methodology used; Section 4 deals with the research results, only to be followed by the discussion in Section 5; finally, the Conclusion Section summarizes the research findings.

LITERATURE REVIEW

Questions about the networking and social enterprises has relatively recently attracted more attention in

academic research. A lately published analysis by D. Littlewood and Z. Khan (2018) reflects a systematic review of the literature on social enterprises and networks. Based on a review of 77 top journals in the field of business economics and management, they conclude that there is an increase in interest in researching the relationship between social enterprises and networks, the diverse applications of the network perspective, concepts and theories, a diverse research methodology and still a very large area for further research to be done.

In the critical review of the organizational innovation literature, R. A. Wolfe (1994) identified the three major streams of research: (1) the diffusion of innovation research that focuses on exploring the pattern of innovation through a population of potential adopter organizations, (2) the organizational innovativeness research that focuses on exploring what it is that determines organizational innovativeness, and (3) the process theory research that addresses the issue of the processes organizations go through in implementing innovation. The drivers of organizational innovativeness are mostly examined within the second and third research areas, as identified by R. A. Wolfe (1994). Within this research corpus, several topics of importance emerged:

- *The importance of innovativeness in different contexts.*
 - (1) innovations and the awareness of their importance (Alegre & Chiva, 2008; Madhoushi, Sadati, Delavari, Mehdivand & Mindahost, 2011; Aleksić Mirić *et al*, 2018);
 - (2) innovation and previous experience and education (Maidique & Hayes, 1984; Lefebvre & Lefebvre, 1992; Kolvereid, 1996; Shane, 2000; Charney & Libecap, 2000; Kuratko, 2005; Ucbasaran, Westhead & Wright, 2009);
 - (3) innovation and the environment (Lawrence & Lorsch, 1967; Miller & Friesen, 1983; Davis, Morris & Allen, 1991; Russell & Russell, 1992; Naman & Slevin, 1993; Damanpour & Gopalakrishnan, 1998; Tidd, 2001; Koberg, Detienne & Heppard, 2003; Jansen, Van Den Bosch & Volberda, 2006);
 - (4) innovation and the company size (Schumpeter, 1942; Rothwell & Zegveld, 1982; Acs & Audretsch, 1987; Arrow, 1993; Rogers, 2004; Wagner & Hansen, 2005; Laforet, 2008; Eric Nielsen, 2015);

- *Innovativeness and networking.* The main source of innovation is gradually moving from the individual firm to its network (Pittaway, Robertson, Munir, Denyer & Neely, 2004; Rogers, 2004; Eggers, Kraus & Covin, 2014; Chesbrough & Bogers, 2014; Mokhtarzadeh, Mahdiraji, Jafarpanah, Jafari-Sadeghi & Cardinali, 2020; Hilmersson & Hilmersson, 2021); the primary motive for connecting is not only to reduce costs or reduce risk, but also to facilitate access to complementary technologies (Narula, 2004; Savović, Zlatnović & Nikolić, 2021), gain new or complementary competencies or conquer new or complementary markets (Pittaway *et al.*, 2004), and speed up product market entry (Hilmersson & Hilmersson, 2021); network connections not only expand the knowledge base of SMEs, but they also allow them easier access to both technical and commercial resources (Parida, Pemartin & Frishammar, 2009); too much networking may also lead to reduction in overall innovation (Lee, Ginn & Naylor, 2009);
- *Collaboration with different types of partners affects a company's innovation.* Cooperation with similar companies is much more important for improving the innovative performance of companies than connecting companies with research institutions, intermediary institutions and government agencies (Zeng, Xie & Tam, 2010); the role of consumers, suppliers, competitors, consultants, universities, and governmental organizations (De Jong & Hulsink, 2012); the role of network configuration and the certain types of partners in creating innovations (Pittaway *et al.*, 2004).

RESEARCH METHODOLOGY

The data for this study were drawn from the field research based on an online survey. The link to the questionnaire was sent by e-mail to the selected social enterprises together with an explanation introducing the purpose of the survey and the benefits gained from their participation in it. The respondents were the owners or managers of social enterprises aged 18

years and over. In the case when the non-founders responded to the questionnaire, they did that in the capacity of the person to whom the owner had delegated decision-making rights and authority to manage the organization in the owner's best interest. The sample consisted of 837 social enterprises operating in 11 European countries (in alphabetical order: Albania, Austria, Denmark, England, France, Germany, Italy, Poland, Serbia, Scotland and The Netherlands).

The questionnaire consisted of several modules. The first three modules were designed so as to capture data on the respondents' personal characteristics (such as their gender, age, education, previous experience in founding/managing a social enterprise, motivation, etc.), as well as the general characteristics of the enterprise itself (such as its type, size according to the number of employees, ownership structure, year of establishment, sector of economic activity, sales turnover, etc.). The other two modules were devoted to the following dimensions of social enterprises: access to financing, the main challenges and constraints for social enterprises, the role of innovation during the lifecycle of the enterprise, the influence of different categories of stakeholders on the decision-making process of the enterprise and the entrepreneurs' social capital.

Innovative social enterprises (ISE) are defined as an organization which has made innovations in products in the last three years, namely those whose managers or owners responded positively ("yes") when answering the question "Has your organization innovated in terms of products, the process, finance, or marketing in the last three years?" in the questionnaire. All the other organizations, namely those whose managers or owners responded "no" when answering the stated question, are categorized into social enterprises that have not innovated in the last three years (NISE). The terms "new" and "old" generations of social enterprises are also used in this paper. The organizations founded in the period from 1944 to 2000 are named the "old" generation of social enterprises, whereas the organizations founded after 2000 are referred to as the "new" generation of social enterprises.

Statistical analysis was performed using the t-test for testing the equality of the means, the z-test for testing the equality of the proportion, the hi-square test and some nonparametric tests in order to confirm the results obtained using parametric tests. For the numerical variables, the t-test was used for testing the equality of the means between ISE and NISE. As the answers offered in the questionnaire follow the Likert item logics, namely 1 - Completely disagree, 2 - Disagree, 3 - Neither agree nor disagree, 4 - Agree, 5 - Completely agree, the test results were checked by applying nonparametric tests. The analysis showed the same results. In order to make statistical inferences in the chapter, the p-value of 0.05 was used. The results of the conducted statistical analysis where the null hypothesis of the equality of the means or proportions were tested are accounted for in the tables bearing the symbols “=”/“No” or “≠”/“Yes”. In the case when the null hypothesis is not rejected, the symbol “=” or “No” are used, which means that the tested factor does not have any influence at all. When the null hypothesis of the equality of the means/proportions is rejected, the symbols “≠” or “Yes” are used, which means that innovativeness is influenced by the factor. Almost all the variables used in this research study, especially so the key “innovativeness” and “networking” variables, are categorical, so using other more advanced statistical techniques is limited.

RESEARCH RESULTS

The results obtained after the statistical analysis are grouped into three segments: cooperation within the same field of work; cooperation among SEs and innovativeness; and organizational age, cooperation and innovativeness.

Cooperation in the same field of work

To answer the first research question, a comparison of the column proportion and the tested null hypothesis that ISE and NISE cooperated with other organizations in the field of work in the same proportion was conducted. The result of that test is presented in the

second column of Table 1 as the equality sign, i.e. the percentage of the ISE that cooperated with other organizations was statistically equal to the percentage of the NISE that cooperated with other organizations. In other words, it can be inferred that cooperation, i.e. networking, has no effect on the innovativeness of social enterprises. The very same table also shows that more than 90% of the organizations surveyed cooperated with other organizations in their field of work. This applies to both ISEs and NISEs.

Table 1 Networking and innovativeness - the column proportions comparison

Questions/Factors	Test results	Innovative social organizations	
		Yes	No
Do you cooperate with other organizations in your fields of work (as indicated above)?	Yes	93.7%	91.2%
	No	6.3%	8.8%

Source: Authors

In order to gain a better insight into the forms of cooperation of social enterprises, the structure of the cooperation of the surveyed social enterprises was analyzed. Table 2 demonstrates the fact that at the very most they cooperate with other social enterprises (82.7%), only to be followed by cooperation with local authorities (75.1%), private businesses (64%) and civil society organizations (61.2%), whereas at the very least with a national authority (48.5%).

Table 2 Cooperation intensity

Cooperation with	Percent of cases	Responses	
		N	Percent
Other social enterprises	82,7%	535	24,9%
Local authority	75,1%	486	22,7%
Civil society organizations	61,2%	396	18,5%
Private businesses	64,0%	414	19,3%
National authority	48,5%	314	14,6%
Total	331,5%	2145	100%

Source: Authors

Cooperation among SEs and innovativeness

As mentioned in the theoretical framework of the paper, there are numerous studies showing that networking affects company innovativeness. What is different about this research, and why do the results show that networking does not affect the innovation of social enterprises? One possible explanation is that the type of business cooperation affects this relationship.

A more detailed analysis reveals that collaboration with other social enterprises affects the innovativeness of social enterprises, i.e. the statistical analysis made suggests that innovative social enterprises cooperate more with other social enterprises. The other cooperation forms examined do not report to affect the innovativeness of social enterprises, which is obvious from the second column of Table 3. Namely, in the first row of the table, the null hypothesis reading that the percentage of cooperation with other social enterprises in ISE and in NISE is the same was tested. The results of comparison of the column proportions shows that this null hypothesis is rejected, i.e. the percentage of the cooperation of ISE with other social enterprises is statistically greater than that of NISE. In the other rows, the null hypothesis reading that the percentage of the other forms of the cooperation of ISE and NISE are equal. The sign in the second column is an equality sign "=", which means that the null hypothesis is not rejected.

Organizational age, cooperation and innovativeness

In order to see whether the significance of networking in achieving innovativeness changes depending on the age of social enterprises or not, and what forms of networking are significant in achieving innovativeness in the group of the so-called "old" and "new" generations of social enterprises, the impact of the cooperation forms on innovativeness was tested. The results of the analysis are given in Table 4. Namely, in the organizations established before 2000, innovativeness is influenced by cooperation with other social enterprises, local authorities,

civil society and national authorities. Specifically, ISE cooperates with other social enterprises, local authorities, civil society and national authorities to a statistically higher percentage than NISE does. In the organizations founded after 2000, no influence of the cooperation type on innovativeness was found, i.e. the same was cooperation intensity in both ISE and NISE.

Table 3 Cooperation and organizational innovativeness-column proportions comparisons

Cooperation with	Test results	Innovative social organizations	
		Yes	No
Other social enterprises	≠ Yes	85.8%	73.5%
	No	14.2%	26.5%
Local authority	= Yes	75.7%	71.1%
	No	24.3%	28.9%
Civil society organizations	= Yes	62.3%	53.0%
	No	37.7%	47.0%
Private businesses	= Yes	67.1%	56.6%
	No	32.9%	43.4%
National authority	= Yes	48.8%	39.8%
	No	51.2%	60.2%
Total		416	83

Source: Authors

Based on the results and in the context of the outlined theoretical framework, it can be argued that the year 2000 is the turning point when networking and its importance in innovative behavior of social enterprises are concerned. Though networking proved to be an important factor for the innovative behavior of the SEs established prior to 2000, its importance has faded in the new millennium. This result is argued to originate from the fact that, after the year 2000, networking has become deeply embedded in the everyday functioning of all types of organizations in a manner so as to become the *sine qua non* of doing business. In that context, its potentials

Table 4 Cooperation and organizational innovativeness in the so-called “old” and “new” organizations - the column proportions comparison

Cooperation with		1944-2000			2001-2010		
		Innovativeness		Test results	Innovativeness		Test results
		ISE	NISE		ISE	NISE	
Other social enterprises	Yes	92.1%	62.1%	Yes	83.8%	79.6%	No
	No	7.9%	37.9%	(≠)	16.2%	20.4%	(=)
Local authority	Yes	81.2%	51.7%	Yes	73.6%	81.5%	No
	No	18.8%	48.3%	(≠)	26.4%	18.5%	(=)
Civil society organizations	Yes	65.3%	27.6%	Yes	61.7%	66.7%	No
	No	34.7%	72.4%	(≠)	38.3%	33.3%	(=)
Private businesses	Yes	66.3%	51.7%	No	68.3%	59.3%	No
	No	33.7%	48.3%	(=)	31.7%	40.7%	(=)
National authority	Yes	54.5%	24.1%	Yes	46.9%	48.1%	No
	No	45.5%	75.9%	(≠)	53.1%	51.9%	(=)
Total		101	29		303	54	

Source: Authors

to stimulate innovativeness were adequate before 2000, whereas after 2000, networking has become the business practice necessary for survival *per se*.

Furthermore, having been intrigued by those results concerning the difference between the so-called “old” and “new” SE generations, the authors searched to explore if there were the other reasons for such results. Therefore, whether the influence of certain factors on innovation differed in the so-called “old” and “new” SE generations was examined. The results of the analysis are presented in the tables below (Table 5, Table 6, Table 7 and Table 8).

The influence of a lot of factors on innovativeness having been examined, the results were presented in four tables with the same four columns. The first column shows the questions in the questionnaire that represent the factors whose influence was examined. In the other columns, the result of the carried out statistical analysis is presented as “Yes”, when the results imply that the factor influences innovativeness, and as “No”, when the results imply

that the factor does not influence innovativeness; finally some are presented in the text form when the forms of the influence exerted by the factor are listed. The third column shows the results of the testing for all the surveyed social enterprises, the fourth shows the results of the testing for the so-called “old” generation, whereas the last column shows the results of the testing for the so-called “new” generation of social enterprises. The factors influencing innovativeness both in the so-called “old” and “new” generations of enterprises are listed in Table 5. The factors influencing innovativeness in neither the so-called “old” nor the so-called “new” generation of enterprises are listed in Table 6. In Table 7 and Table 8, the factors that affect innovativeness in the so-called “old” but not in the so-called “new” generation of enterprises and the factors that affect innovativeness in the so-called “new” but not in the so-called “old” generation of enterprises, respectively, are presented.

As has already been explained in the foregoing, the result “Yes” shown in the tables means that a

Table 5 The factors influencing innovativeness both in the so-called “old” and “new” generations of enterprises

Question/Factor	Factor influences innovativeness		
	All	“Old” generation	“New” generation
Is contributing to solving a social or environmental issue an objective of your organization?	Yes	Yes	Yes
How satisfied are you with your professional life in general?	Yes	Yes	Yes
Which of the following sources of funding are available for social enterprises in your country?	Personal savings, crowdfunding, microcredit, social investment, private investment	Personal savings, private investment	Grants from projects, donations, crowdfunding, private investment
Where did your organization obtain the funds to start its activity?	Bank loans	Donations/ fundraising,	Bank loans, grants from projects, personal savings
How important was innovation in the start-up phase of your organization, i.e. in terms of products, the process, finance, or marketing?	Yes	Yes	Yes
How important is such innovation now?	Yes	Yes	Yes
Did you innovate in response to change in your external environment?	Yes	Yes	Yes
The enterprise has a large network of business relations.	Yes	Yes	Yes
Customers and users influence decision-making.	Yes	Yes	Yes
The third-sector organizations and Non-Governmental Organizations (NGOs) influence decision-making.	Yes	Yes	Yes
What stakeholder engagement practices do you use?	Surveys and user satisfaction evaluation, Stakeholder involvement in reporting activities (e.g. sustainability reporting), social media	Social media	Public meetings, surveys and user satisfaction evaluation, social media

Source: Authors

particular factor influences innovativeness in the social enterprises, namely the percentage of the ISEs that answered “yes” to that question statistically differs from (is statistically greater than) the percentage of the NISEs that answered “yes” to that same question. Namely, the result “No” means that the percentage of the ISEs that answered “yes” is equal to the percentage of the NISEs that answered “yes”. For example, in order to see whether employing paid staff affects innovativeness in the so-called

“old” generation of social enterprises or not, refer to the result presented in Table 7, at the point of the intersection of the first row and the third column. “Yes” in that cell means that, in the so-called “old” generation of social enterprises, the percentage of the ISEs that employ paid staff is statistically different from (greater than) the percentage of the NISEs that employ paid staff, i.e. employing paid staff does influence innovativeness in the so-called “old” generation of social enterprises.

Table 6 The factors influencing innovativeness neither in the “old” nor in the “new” generation of enterprises

Question/Factor	Factor influences innovativeness		
	All	Old generation	New generation
Is your organization’s core income independent of grants, donations, bequests, or benefactions?	No	No	No
Does your organization invest any profits to fund its core activities?	No	No	No
Are you the founder of the enterprise?	No	No	No
Does your current position give you a possibility of deciding on/ managing the major issues in the enterprise (e.g. the strategy, the enterprise objectives, the activities to be run, the organization of teamwork, etc.)?	No	No	No
Is /(has) anyone in your family (been) an entrepreneur?	No	No	No
On my team, people generally cooperate effectively.	No	No	No
I can generally cooperate with my team members.	No	No	No
Shareholders/Investors influence decision-making.	No	No	No
State and public administration influence decision making.	No	No	No
Sex	No	No	No
Did you attend any vocational education or training courses relevant for your current position?	No	No	No

Source: Authors

DISCUSSION

The presented results provide answers to the questions, “How does networking influence the innovativeness of social enterprises?”, “What are the effects that different forms of networking have on the innovativeness of social enterprises?”, “Does organizational age change the obtained results?”, and “Why does networking not affect innovativeness in the same way in the so-called “old” and “new” generations of social enterprises?”. The findings of the presented research study can be summed up as follows:

- *The network homogeneity effect on innovativeness.* More than 90% of the surveyed organizations cooperate with other organizations in their core operations field. This applies to both the ISEs and the NISEs. If understanding who social enterprises cooperate with is more focused on, then it can be noticed that they cooperate most with other social enterprises (82.7%), then with a local authority (75.1%), then private businesses (64%) and civil

society organizations (61.2%), whereas the least cooperation is noticed with the national authority (48.5%). A more detailed analysis reveals that cooperation with other social enterprises affects the innovativeness of enterprises, i.e. innovative enterprises cooperate to a statistically greater extent with other social enterprises. The other examined forms of cooperation have not shown to affect a company’s innovativeness.

- *The fading importance of networking on innovativeness.* In the so-called “old generation” organizations (actually those founded between 1944 and 2000), networking has an impact on innovativeness. Namely, a statistically higher percentage of the ISEs cooperate with other SEs, a local authority, civil society and the national authority than the NISEs do. In the so-called “new generation” organizations, no impact of cooperation on innovativeness has been demonstrated. In other words, there is no statistical difference in cooperation of the ISEs and NISEs with the other explored organizational types.

Table 7 The factors influencing innovativeness in the “old” but not in the “new” generation of enterprises

Question/Factor	Factor influences innovativeness		
	All	Old generation	New generation
Does your organization employ paid staff?	Yes	Yes	No
Have you been involved in founding a social enterprise before this one?	Yes	Yes	No
Have you managed a social enterprise before this one?	Yes	Yes	No
What is your main motivation to work in/ found a social enterprise?	Yes	Yes The creation of a personal employment opportunity	No
Which funds do you actually use for your activity?	Grants from projects	Grants from projects, donations/fundraising	No
The owner/Board of Directors influence(s) decision-making.	Yes	Yes	No
Employees influence decision-making.	Yes	Yes	No
The community influences decision-making	Yes	Yes	No
I generally trust the people on my team.	Yes	Yes	No

Source: Authors

Table 8 The factors influencing innovativeness in the “new” but not in the “old” generation of enterprises

Question/Factor	Factor influences innovativeness		
	All	Old generation	New generation
Is your organization involved in any economic activity, such as selling goods and services?	No	No	Yes
Is it important for your organization to grow? (e.g. to increase the number or range of activities, recruit more employees, etc.?)	Yes	No	Yes*
Suppliers influence decision-making.	Yes	No	Yes
On my team, people generally trust each other.	Yes	No	Yes
What is your highest educational qualification?	Yes, university-undergraduate	No	Yes*
Do you identify yourself as a person with severe disabilities?	Yes	No	Yes

Note: * Statistically significant at the 0.1 level.

Source: Authors

To explain why the impact of networking on innovativeness is different in the so-called “old” and “new” generations of social enterprises, a more detailed analysis of the impact of the factors on innovation before and after 2000 was conducted. The results of the analysis show that the factors that

influence innovativeness both in the so-called “old” and “new” generations of enterprises are contributing to solving a social or environmental issue as an objective; satisfaction with professional life in general; the sources of funding available for social enterprises in your country; the sources of funding for starting

the organizational activity; innovation is important in the organizational start-up phase, namely in terms of products, the process, finance, or marketing; innovation is important in the current phase; innovation as a response to change in the external environment; a large network of business relations; the influence exerted by customers and users on decision-making; the influence of the third-sector organizations and NGOs on decision-making, and the stakeholder engagement practices in place. The factors not influencing innovativeness in either the so-called "old" and "new" generations of enterprises are as follows: innovation is important in the organizational start-up phase, namely in terms of products, the process, finance, or marketing; the independence of the organization's core income of grants, donation, bequests, or benefactions; the investment of profits in funding the core activities; the respondent-related factors (the respondent is the founder of the enterprise, the respondent's family history of entrepreneurship, the respondent's sex); a possibility of the respondent to make decisions on/manage the major issues in the enterprise (e.g. its strategy, the enterprise's objectives, the activities to be run, the organization of teamwork etc.); the effectiveness of team cooperation; general cooperation with team members; the influence that shareholders/investors have on decision-making; the influence the state and public administration have on decision-making, and relevant vocational education or training. The following factors influence innovativeness in the so-called "old" but stopped influencing innovativeness in the SE founded after the year 2000: employing paid staff; involvement in founding a social enterprise before this one; the respondent's history of managing a social enterprise; the main motivation to work in/found a social enterprise; the activities funding types; the Influence the owner/board of directors have on decision-making; the influence the employees have on decision-making; the influence the community has on decision-making; trust in the people on the team. There are but few factors that did not influence innovativeness in the "old-generation" enterprises but started influencing innovativeness in the "new-generation" enterprises and they are as follows: the organization is involved in the economic activity,

such as selling goods and services; the importance of organizational growth (e.g. increasing the number or range of activities, recruiting more employees, etc.); the influence suppliers have on the decision-making process; trust among the team members.

CONCLUSION

This paper is namely aimed at investigating the effects that networking has on the innovativeness of social enterprises. The results show that networking is a characteristic of social enterprises, that cooperation with other organizations is a normal way of their operation, and that this fact is independent of innovativeness as a characteristic of an enterprise. A more detailed analysis shows that cooperation with other social enterprises is a characteristic of innovative social enterprises, compared to noninnovative social enterprises, which supports the conclusion that similarities support innovativeness. In this sense, encouraging the mutual cooperation of social enterprises through various forms of formal or informal social networks, collaborative communities and interorganizational connections may have a positive effect on their networking, since the other investigated forms of cooperation do not show that they affect the innovativeness of enterprises. The results also reveal that networking has a greater impact on innovation in the so-called "old" than in the so-called "new" generation of social enterprises.

This research study provides a better understanding of social enterprises' operations in terms of their innovation and networking, as well as the factors that may influence them. When the limitations of the paper are concerned, they imply that on the paper was written based upon the data collected from 11 European countries. Therefore, the relevant conclusions refer to these countries, with a limited applicability in other contexts. In order to verify the validity of these conclusions in other countries, new research should be conducted. The sample of social enterprises is not random, which can be considered as a shortcoming. Almost all the variables used in this research study, especially "innovation" and

“networking” being the key variables, are categorical, so the use of other more advanced statistical techniques is limited.

ENDNOTES

- 1 These countries were in the FP7 research project Enabling the Flourishing and Evolution of Social Entrepreneurship for Innovative and Inclusive Societies and the data were collected from them.
- 2 Due to a large number of the tables that contain the results of the tests with p-values, the foregoing results are presented together with the original outputs from the SPSS piece of software in the Dropbox folder, the link of which is given below: <https://www.dropbox.com/sh/n8fnyasb78ip415/AAARVl4r2szACAYGuEVyEIJoa?dl=0>

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