

## **Social innovation in practice: The role of relationships in developing, acquiring and utilising dynamic capabilities in social enterprises**

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### **Abstract**

In a constantly changing environment social enterprises (SEs) need to utilise dynamic capabilities in their pursuit of social innovation. Addressing the ‘double bottom line’ of both social and financial goals, alongside managing the challenge of fluctuating and scarce resources, SEs are dependent on relationships with a range of organisations to support the exploitation and development of existing capabilities. The paper presents a conceptual model of the role of relationships in supporting the management of dynamic capabilities by social enterprises engaged in social innovation which is then tested by means of an exploratory study involving the use of a survey conducted with around 500 UK SEs. We find that SEs are particularly reliant on external support during the implementation phase of social innovation, using relationships with other organisations to further exploit opportunities through the harnessing of knowledge and expertise.

**Keywords:** social innovation, social enterprises, dynamic capabilities