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The effectiveness of the contribution of social innovation in enhancing companies competition

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Abstract--This study aims at showing the extent to which social innovation contributes in enhancing the competitiveness of companies. This is by tackling and exploring the concept and value of social innovation in terms of importance and objectives, in addition to the institutional framework of social innovation, the various institutional bodies supporting it, and concentrating on the policy and goal of social innovation in supporting the Fourth Industrial Revolution for economic institutions in a way that supports their competitiveness, and the problem of change in the pattern of institutions. This is due to the role that social innovation plays in serving society, the development of economic institutions, and the extent of its contribution in enhancing the competitiveness of small and medium companies, given that social innovation is a source of competitiveness.

Keywords---innovation, social, knowledge, institution.

Jel Classification Codes: F0, F3, F4, F5.

1. Introduction

Over time and in the whole world, societies evolved continuously through human beings' inherent innovation, it is a DNA miracle, for it keeps us alive and evolving. Considering that institutions rely on technology, it is interesting to witness a rapid growth rate during the last twenty years, starting from sound services until easy accessibility for applications and data services. In the meantime, we see a radical evolution along with the fourth industrial revolution, therefore there are unique opportunities to help face development plans challenges and economic visions.

Generally, taking the initiative in innovation is exclusive to entrepreneurs as society individuals, which started making specific changes on the social scene. Entrepreneurs give a different point of view to the reality in which the world lives, and hold new thoughts and dreams, for they know exactly how to do things.

Consequently, and through combined forces of the new generations, and the fourth industrial revolution, we can take real effective steps in the social innovation field, in the Zain Group, we give a big importance to social innovation since it not only deals with biggest challenges in our society but provides a legal means to youths in our region to adhere for a goal and to be active participants on the scale of social and economic growth of their societies.

Social innovation has impacted human development, and new inventions have borne fruit in many fields, since it is the basis that opens wide horizons to new discoveries. Now, with the technological breakthrough, innovation helped provide a list of various choices.

The Problem

Watching ideas coming from growing generations with the fourth industrial revolution aspects and creations being linked; makes it more interesting. That link breaks borders and helps overcome obstacles, and in some case brings out products and services to the surface. In fact, those social innovations and ideas could be effective in their nature, but that link lays out new possibilities to institutions for a more inclusive and fairer growth. Based on the forgoing, it is vital to raise the following problem: **to which extent may social innovation contribute in enhancing the competitiveness amongst economic institutions?**

The study importance: this study focuses on the extent to which social innovation enhances the competitiveness amongst economic institutions in order to maintain the continuity and growth of each the institution, and its superiority comparing to rivals, through acquiring competitive traits starting from discovering the environment through which it is influenced by, and with which it shall leave an impact.

Study aim: this study aims at presenting a clear understanding to the method of enhancing different forces and the fourth industrial revolution, and the world vision from the perspective of new generations of social innovation; it determines the unlimited privileges that it brings to humanity, business, civil society and to governments in addition to showing the role that technology of social innovation plays in enabling an inclusive method concerning social and ecological economic effects in order to generate a positive change, and finally, this shall present a clear understanding of relations between social innovation and economic development goals in the context of limits and social frames which will eventually enhance competitiveness between companies

Method: the current study follows the inductive approach based on description and analysis by tackling expected economic effects of the spread of social innovation techniques on some levels based on studies carried out on desktop scanning, as well as previous studies that has tackled those effects on both regional and international levels. In addition to the analytic method in order to explore different companies economic situations, and the factors that qualify certain companies to profit from social innovation techniques instead of others who are not able to. This helps developing a set of recommendations of policies to enable companies in enhancing their competitive skills.

2. Theoretic Framework of Social Innovation

The new generation mentality, composed of youths basically, plays a role in understanding the importance of confronting the most compelling issues in the society because they will definitely face the threats of our complex world, since the new generation has a different mentality that sees the world in a different perspective from last generations. It is obvious that they always challenge to make change in their societies; however means of communication such as social networks; accessible through information and communication technology, help them achieve that change.

2.1. Social Innovation Concept

Noting the insistence of confronting social and economic sever pressures, it is now vital to take into consideration these two forces, that we are amid a fourth industrial revolution, and that we move in a direction lead by a mentality of a new generation. Gathering these two unique and dynamic pressures, feeding each other in the context of social borders, has paved the way for a new concept i.e. Social Innovation.

Yet first, we cannot qualify any term with “innovation” unless it has two standards (**Hawar, 2019**):

Modernity: that is innovations should not be only original and unprecedented, but new on the basis of context and application;

Improvement: generating solutions cannot be named as innovation, unless its outputs are more effective and more efficient than alternatives that have already existed.

Innovation presents a solution as a product or a service with the following characteristics:

- Taking into consideration the artistic, social, and economic factors

- Entering widespread use
- A new solution to a social problem in a more effective, efficient and sustainable way than the existing solutions.

Social: this adjective is used to modify the value that is different from material or economic value, like creating accruals, or reducing the costs of society efforts, starting from solving problems that exceed individual gains and seeking to satisfying the whole society's needs (**Hawar, 2019**).

There are several definitions to social innovation, yet they usually contain wider standards than social objectives and social interaction between actors and the social outputs. Innovation must be new at least for beneficiaries, but not for the world, however transformative social innovation does not only provide new methods to the problems that seem intractable, but helps changing the social institutions that have created the problem in the first place (**Hadary, 2021**).

To be able to determine the concept and the meaning of social innovation, here are three different definitions giving a close **vision (Group, 2019)**:

- A definition by the Stanford Business Magazine, saying that social innovation is the operation of developing and spreading vital solutions to social and environmental issues; systemic and challenging in order to support the social progress.
- A definition by the World Economic Forum, saying that" social innovation means the innovated, practical, sustainable methods, based on the market meant to be useful for the society and the vulnerable categories in particular.
- Social innovations are new solutions (products, services, samples, markets, and operations...etc.) satisfying a social need in the same time (more effective than the existing solutions), leading to new or improved capacities and relations and to a better employment of assets and resources, in other words, social innovations are good to the society and enhances its ability to manage things.
- Social innovation is a phase of developing and presenting vital and appropriate solutions to social and environmental matters mostly is a methodology to support social progress. Social innovation is not a privilege to any systemic form or a legal structure, yet solutions generally require an active cooperation from parties composed by the government, companies and non-profit world (**Al-Atoum, 2021**).
- Social innovation is the aspect responsible of strategies study, ideas, and systems to develop institutions response to social needs, weather they were governmental or private, it is a new solution to a social problem, it is more effective, more skillful, and more sustainable than the existing solutions. i.e., they constitute real value for the society as a whole but not for the individual. Social innovation could be a product, a production operation, a technology, a principle, an idea, a law, social gestures, or an interaction between many elements. Social innovation maintains its role in finding sustainable solutions to challenges, problems facing societies continuously, increasing the competency and it flows into developing the vital and the essential sectors in the society that is represented in entrepreneurship, technology, healthcare sector, education, it aims directly at taking the society to its a best situation (**Hawar, 2019**).

- Social innovations are considered as events and activities, aiming at providing best social needs, and exchanging current solutions or the previous solutions with new ones that go along with developments we are experiencing, for those goals are put in order to develop and strengthen the civil society.
 - Social innovation includes different operations , techniques, and all activities containing a social goal like social activity, volunteering, education, in addition to many more definitions expressing this term, we can say that this field of specialty encompasses social interactivity between society's leaders. Social innovation concerns non-profit organizations more that profit organizations **(Hadary, 2021)**
- Definitions of Social Innovation by some bodies:**
- The Forum of the Organization for Economic Co-operation and development for Social Innovations, argues that social innovation is distinguished from economic innovation, for social innovation does not settle only for presenting new types of production or investments in new markets in order to be used, but instead it seeks for satisfying the new needs that the market does not provide, hence, innovating new methods that are more satisfying for people's needs by giving them a place and role in the production operation
 - The New Zealand Center of Social Innovation, argues that Social Innovation is designing and executing better ways to satisfy social needs, and that social innovations are new ideas that works on responding to urging and unsatisfied needs, so do new thoughts figuring out solutions to social, cultural, economic, and environmental challenges for the benefit of people and planet earth.
 - Social innovation in fact is a variable system, because it changes concepts, behaviors and previous structures since new challenges appear constantly.
 - According to Social Innovations Forum, social innovation aims at finding new solutions to social problems through:
 - ✓ Determining and presenting new services that may improve People's and societies' lives.
 - ✓ Determining and executing new operations in the labor market, complementarity of action to provide jobs and new competencies, new forms of participating and various elements to contribute in improving individuals conditions in the labor market.
 - Stanford Magazine of Social Innovation focuses on the product when defining the social innovation; the magazine defines it as a solution to a social problem in more effective, competent and sustainable way.

This leads us to consider social innovation as:

- A set of responses by involved ones to challenge or develop a given matter in the society, focusing on efficiency, competency, and sustainability, through solutions issued from the society, to constitute a real value for the whole society, and not only for individuals.
 - It might be a product, a technology, a principle, an idea, a law, a social gesture, or a mixture between many elements.
- From the above, the researchers Ghayath Howari and Kinda Elmiamaar, found that social innovation is a new solution to a social problem, in a more effective, competent and sustainable way than the already existing solutions. This solution constitutes a real value of the society as a whole but not for

individuals; hence social innovation might be a product, a productive operation, a technology, a principle, an idea, a law, or a social gesture or a mixture of many elements **(Hawar, 2019)**

2.2. Social Innovation importance: Social Innovation has a major importance in the first place, for it leads to develop and generate other types of innovation like technological innovation, and because it takes into consideration creating an environment, and appropriate conditions for technological progress, scientific, health, and societal.

2.1.1. Social Innovation is a means to generate change: the method to precede this change is equally important as the change we wish to create; successful enlightened social innovation has enabling, equity, integrity, and entertainment values. In fact, the goal of social innovation is to achieve a fairer and more equal world. Social innovation may help facing local, national and global challenges in our world. However, inequality, poverty, climate change, racism, unemployment, suicide, mass immigration, unity, malnutrition are challenges for all of us.

2.1.2. Social innovation as means of education: more than any time, we are in need of understanding the method of a real and a lasting change, as well as harnessing people's passion and will to create a world more equal by learning social innovation and how to innovate for the sake of social interests, and offering people the necessary tools to generate the required change.

Learning social innovation, encourages people to be socially innovative, the researcher thinks that there are other talents one may have, and that if they are harnessed to develop skills and social innovation, he/she shall earn a means to best develop, and a flexibility to face challenges coming in front of him/her. The main objective of social innovators is to make change to the world, yet many struggle in widening their thinking and achieving a lasting impact.

2.1.3. Social innovation and technology: different technologies offer society, the necessary **tools** for finding local solutions to reduce disaster risk, yet societies may find difficulties in adopting some techniques when costs, infrastructure, and required skills are unavailable. Despite that, international organizations, governmental institutions, and civil society's organizations help in acquiring the necessary skills to use technology. Building those skills may reduce risk vulnerability, it may also create job opportunities and new companies **(Asia, 2019)**.

2.1.4. Developing products and services: this type of innovation researches includes developing tools and spreading them eventually, whether they were physical devices or service softwares; it implies the need to primary, fast, and rough samples repeatedly. The design must be precised by projects heads; conducting field studies, in order to execute their projects faster and with less cost.

2.2.1. Social contribution: invention is focused on making local society contribute to the work with the local towards the main goals; it implies developing activities of participation nature, concentrating on management, welcoming ideas

and contributions of participants, as well as training on the required skills to generate appropriate solutions (**Hawar, 2019**)

2.2.2. Contribution to research operation: Inventions help in data and information collecting coordinated operation in a particular context of challenges that inventors work on, consequently those information will help generate quantitative data capable of determining the roots of problems, this type provides palpable recommendations considering steps that should be taken (**Hawar, 2019**)

2.2.3. Contributes in focusing on the beneficiary: social innovation works for the sake of beneficiary on:

- Responding to beneficiary's needs
- Developing increasingly, using solutions tests with the beneficiary and modification when applicable.

2.2.4. Sustainability: social innovation works on:

- Maintaining livable conditions on long term i.e. infrastructure and employment costs;
- Involve governments and actors in society to come up with solutions

2.2.5. Achieving openness and inclusiveness: social innovation seeks to

- Facilitating information access; anyone can share, learn and access documents on any given content.
- Sharing tools and techniques used in an invention as much as possible with people in order to make them benefit from it in similar field experiments.

2.2.6. Investing in experiences: social innovation aims at

- Taking advantage of previous experiences, basing on it, and integrating best practices in products, services and operations design.
- Making the acquired knowledge accessible to the audience and making openness a priority are keys to problem solution

2.2.7. Social innovation and potential for evolution: social innovation aims at

- Being repeatable and allocable in the similar experiences
- Workable amid partnerships and various environments
- Thinking about techniques, available tools on the local level, and using what already exists.

From the above, it is possible to determine a set of reasons to define the importance of social innovation

- Providing new more effective responses to satisfy increasing social needs
- Providing local responses to social and societal complex challenges, depending on local resources, and mobilizing local actors to design solutions to social challenges
- Integrating different relevant authorities to face challenges, through new co-working methods,
- Involving beneficiaries in solution designs, and considering their roadmap solution designs,
- Putting best solutions forward, using fewer resources, which is important especially in resource-poor countries.

2.2. Social Innovation goals: social innovation aims at satisfying social needs in a better way than current solutions, for instance work, education, development, social, and health conditions, however these ideas are created in order to widen and strengthen civil society, social innovation contains social needs related to innovation like: the resource, method and techniques, so do innovations of a social goal similar to volunteering activities or online learning (**Al-Atoum, 2021**).

Social innovation goals and the added value are reflected in developing new thoughts for societal various needs satisfaction such as: fair-trade, online education, public health, environment protection, innovative financing, and social action. The role of social innovation is enhanced by linking public and private sectors, as well as civil society through general initiatives along with progress and well-being values for building an integrated system of social innovation, to allow linking the world of thoughts with the world of people, institutions and techniques. This role is illustrated under social media and communications having an impact on social transitions through the whole world (**Al-Jayousi, 2021**).

2.3. Social innovation value: In order to develop a lasting and overbearing solutions, projects need to confirm how much it shall use and contribute in recent business, designing and developing products and services, and using resources(employees, infrastructure...etc.) for a real innovation. Unfortunately businesses tend to stay away from financial contribution in social innovation and remain biased; therefore awareness about social innovation advantages is a very big matter to institutions, because it contributes to sustaining the link between businesses. The International Economic Forum has determined the deep advantages of social innovation, through excessive research; those advantages give value to all, for example (**Group, 2019**);

- The project will be able to create estimations to future orientations of the market through experiments and mistakes, accordingly, projects may rely on social innovation in creating and designing new products and services without a high-risk,
- The company will be able to serve and enter new markets or face new consumers no one had tackled before.
- Institutions will be able to widen its sales and distribution channels to a wider and a bigger audience
- Institutions may use its access to supply chains to add value to projects and societies that serve them in the same time, projects will create a field for sustainable long tem impacts; moreover, it will guarantee more stable relations with suppliers and service providers
- Big companies may offer help to small projects in order to develop its products weather by improving their quality or their design, as well as designing ecofriendly products, which shall harness a trusted brand.
- It is known that consumers always want to pay more for products and services with social conscience, consequently, by asking suppliers about their social and ecological policies, how the company deals with those issues will eventually appear.

- Encouraging diversity in work place will increase social innovation chances, because it pumps new capacities in the company, according to the Forbes poll of fostering innovation through divers workforce, companies believe that diversing talents will lead to generating more innovative thoughts,
- There is a financial gain for companies investing in social innovation and social projects, for investing in small and medium social companies, achieves income and provides thoughts portfolio to foster the company's strategy of innovation, and to attract potential partners or clients.

3. Social innovation within the framework of institutional action: There is no doubt that world society faces global transitions that we live in, with the rapid technological progress and the emergence of innovative solutions, we are obliged to go along with change, yet it belongs to us to make sure that transition is good for us, therefore new generations growing in a very linked world will lead that transition and bring up global issues to make sure they can challenge it. Hence cooperation, creativity skills, and problem solving concepts that lead to solutions based on social innovation are a result of the two forces feeding each other for the benefit of the both **(Group, 2019)**.

3.1. Institutional support for social innovation concept: The United States had created the Office of Social Innovation in the White House, which finances projects gathering general and special materials, with institutions supporting social innovation, on 2010. The American Government has enlisted 11 investments from "Global Innovation Fund" with a general financing from charitable organizations. This Fund focuses on partnerships with charitable associations, social organizations and business sector. In addition, now, educational institutions support teaching and research in social innovation increasingly, besides the leading efforts exerted by some institutions like the social projects initiative launched by Harvard Business School on 1993, and other universities offering short term programs in the field of social innovation, for instance magister courses fully specialized in theoretic and applied studies concerning the relation of social entrepreneurship and innovation, the goal of Cambridge Social Innovation Center is to build best practices in the business, civil society, politics and academia sectors, for a fairer, a more inclusive and a more sustainable world,

Researching and regional universities like Arabian Gulf University has a major role as a goal by creating "Social Innovation Center", in order to provide health, education, environment protection, entrepreneurship services, as well as small and medium industries, smart cities. However, to localize social innovation culture in the Arab World, there is a set of essential requirements including: encouraging social innovation initiatives and providing sustainable financing, social innovation business incubators and enhancing institutional partnerships, developing innovation methods.

By conducting excessive research on social innovation, a distance has been left between theoretical frames and applying the required solutions, therefore a social innovation framework has been put, not only to face this gap and to apply relative solutions, but to provide an understanding of how to find necessary products and services.

The below mentioned framework is unique, because it is applicable to all social sectors, namely non-governmental bodies (institutions, small and medium projects, entrepreneurs, and students), Amani Institute- an educational institute supporting institutions to work more efficiently in order to achieve social change, has created a guide of seven elements that has been modified by Stanford Social Innovation Magazine.

The following steps clarifies in details, that it is not only possible to find a socially innovated solution, but it is even possible to achieve a maximum effect of the institution and society (**Group, 2019**).

- **Distinction;** what is the social issue that you care about most? This gives a good understanding to the personal motive to achieve that,
- **Feeling:** what is the information that could be concluded from the typical social challenges? It is very important to use a set of resources intervening in “**finding the problem**”
- **Wondering:** asking questions about social challenges that nobody has asked, paraphrasing in challenge in a new way, will open new horizons for alternatives.
- **Communicating ideas:** sharing ideas with different groups of individuals and not only inside the institution; it will allow a useful feedback and an opportunity for emerging ideas on a large scale,
- **The Link:** discovering and understanding what other fields of specialty do to create new opportunities,
- **Experience:** also known as preparing “prototype” which is testing the idea on field in real life, it leads to innovators failure in finding feedback to improve the solution sometimes,
- **Influencing :** it is important to have a baseline and an assessment mechanism that gives knowledge about innovation amount

3.2. Social innovation policy in supporting fourth industrial revolution for the sake of companies:

One of the important pillars of the fourth industrial revolution is putting basis for the perfect society and basic values of freedom, justice, and solidarity; implying innovation encouraging and finding new ideas and concepts to achieve a just society. However all the previous may not be achieved only if people concentrated on basic values of freedom, justice, solidarity, democracy, participating in democracy, and putting economic and financial policies to support the fourth industrial revolution and encouraging social innovation to assure social progress.

The fourth industrial revolution puts basis to build a smart factory, with comprehensive networks of all parts and production operations, all along with time management through information and robots using techniques, which will eventually contribute in productivity increasing through effectiveness of resources and convergence between production, interaction, work, and communication; this implies a various competencies and new specialties to support economic competitiveness, knowledge spread, experience, flexibility, creativity, innovation, and exploring success factors of companies and their employees.

These competencies does not appear from nowhere, but they need new policies to motivate innovation, however all civil society's categories. Business and sciences sectors must develop a methodological understanding of innovation in order to achieve companies' digital inclusive transition. The changes generated by electronic networks, and the use of data has a big impact on different sectors; it goes beyond the impact of the fourth industrial revolution on the industrial production.

The fourth industrial revolution still lacks innovative methods, and the path that industry shall take to keep up with this revolution is not yet clear. Hence there are many opportunities namely the industrial operations networking in the real time, which will consequently make the production cheaper. Using digital networks will allow a direct response to clients' needs i.e. products and services. In addition, the fourth industrial revolution can provide huge possibilities of new products and services that would enrich people's daily lives

Innovations of the fourth industrial revolution interact between social innovation and technological innovation. Thus the social and technological efforts combine to proceed an inclusive and complete change operation; hence this requires a full understanding of innovation and a wider frame of innovation policy. Financing researches and knowledge transmission in the academia is as important as business and companies, enhancing employees training policies and participation, science vitality and research and development system, creating new business samples, conducting researches to improve services, future organization of the business world, and the social acceptance of the new technologies (**Souad, 2019**).

3.3. The goal of social innovation in the company: social innovation aims at determining the responsible innovation elements in the field of companies' action, because focusing on innovation provides motivation to choosing social innovation to shed light on positive impact of social practices inside companies, and a chance to explore work from a business perspective in the first place, by looking into the cases where companies has rebuilt contact with society by emphasizing on serving the society as a means to achieve more development and gaining more of market shares.

In fact, this leads to instant benefits of business, but it also puts a long term strategy that exceeds social innovations' actions of the known companies, it includes more actions that might support social change, in addition, focusing on social innovation allows a better vision of the society, by considering stakeholders as important business dealers, i.e. consumers and clients all alike. The society increasingly demands dealing with commercial practices in a more ethical way.

Given that societies become weaker because of economic instability, resources crisis, and political changes, the society demands adopting new ways of thinking, which is mostly the path taking to successful economic and cultural transition. By taking this path must, society needs to pass through social innovation,

There is no doubt that the goal of innovation became very necessary to mobilize the society to provide socially useful solutions to boost economic growth of both

companies and different fields of economy. But this mission is not easy, especially when it comes to principle aspects of employment, education, and social integration in different initiatives and stories of success of social innovation.

Social innovation includes challenges, namely business growth, particularly in the emerging markets that has a middle class rapidly expanding and increasing consumer spending, social innovation originating from business, includes all society involvement activities in addition to activities supporting business sustainability and increasing growth. Social innovation aims at executing effective solutions for social, societal, and environmental issues; mostly paid by local and international companies, in a try to motivate social growth and support business sustainability

3.4. Social Innovation and change in companies pattern: Social innovation was discussed in the writings of figures such as Peter Drucker and Michael Young (founder of the Open University and dozens of other organizations) in the 1960s. It also appeared in the works of French writers in the 1970s such as Pierre Rosanvallon, Jacques Fournier and Jacques Attali. However, themes and concepts of social innovation have been around for a long time. Benjamin Franklin, for instance spoke of small modifications within the social organization of societies that could help solve everyday problems. Several radical reformers of the nineteenth century, such as Robert Owen, founder of the co-operative movement, encouraged innovation in the social sphere. All the great sociologists, including Karl Marx, Max Weber, and Émile Durkheim, focused on broader processes of social change. In recent years, sociologists have rediscovered Gabriel Tarde's work on the concept of imitation in order to better understand social innovation and its relationship to social change. Other theories of innovation became prominent in the twentieth century and many had social implications, without placing social progress at the center of the theory. Joseph Schumpeter, for example, dealt with the innovation process directly in his theory of creative destruction and defines entrepreneurs as people who combine existing elements, in new ways, to create a new product or service. Starting from the 1980s, Technological change writers increasingly addressed how social factors affect the spread of technology.

The article “**Rediscovering Social Innovation**” mentions how social innovations depend on history and institutions changes. This article also discusses ten recent social innovations that reflect current change, including:

3.4.1. Model Schools: Model schools are a social innovation that provides an alternative means for students to further develop and rely on their educational institutions instead of many of the salient issues of public school system. These primary and secondary schools are publicly funded and operate independently allowing teachers and parents to collaboratively develop alternative teaching methods for their students as the relevant regulations are less stringent for independent schools.

3.4.2. Society-centered planning: This social innovation allows communities to plan and develop systems that meet their specific local needs using their historical knowledge and other local resources.

3.4.3. Emissions Trading: The Emissions Trading Program is designed to address issues associated with the continuing increase of pollution. The program

provides solutions such as capping the amount that certain pollutants can emit, and implementing a licensing system to control the amount of pollution generated by each participating business. If the company needs to use more pollution than allowed, it can buy credits from a company that has not issued the maximum allowed. The goal of an emissions trading program is that over time and with greater awareness, society will limit the types and numbers of pollutants emitted to only what is necessary.

3.4.4. Fair Trade: Products including coffee, sugar and chocolate are currently traded below high standards resulting in difficult conditions for farmers and a less sustainable environment. Fair Trade is a movement that certifies traders to exchange with the farmers who produce these products. The idea behind this movement is that by earning a living wage and being able to meet social and environmental standards and promoting 'environmental sustainability', lives of these farmers are improved.

3.4.5. Habitat Conservation Plans: Habitat conservation plans are an attempt by the United States Fish and Wildlife Service and the Environmental Protection Agency to protect endangered species by providing economic incentives to conserve their habitats and protect these species from danger.

3.4.6. Individual Development Accounts: This social innovation is based on supporting the working poor class through the savings decisions they made to improve their lives. This initiative will award \$2 for every dollar saved by the working poor towards college education, buying a home, starting a business, and other similar and fruitful initiatives. This is made possible by charity, government and corporate sponsors who donate for this purpose.

3.4.7. International Labour Standards: Labour standards vary from a country to another, and some are reasonably better than others. In an effort to harmonize them internationally, the ILO, participating governments and employees have contributed to the development of standards that protect workers' rights to freedom, equality, security and human dignity.

3.4.8. Microfinance: This social innovation is created to support those who are financially unable to access financial services such as banking, lending, and insurance. The ultimate goal of microfinance is to enable escaping poverty by helping to improve living conditions and financial viability among the program poor participants.

Socially Responsible Investing: "An investment strategy that attempts to maximize financial and social returns as investors generally prefer companies and other organizations that support their practices in environmental sustainability, human rights, and consumer protection.

3-3-9- Supported Employment: Supported employment is a social innovation geared towards assisting disabled or disadvantaged workers who are not employed because of their conditions, helping them to obtain suitable work. The job support service also provides access to job coaches, transportation, assistive technology, specialized vocational training, and individual supervision designed in an effort to assist the program participants to become the most competitive applicants and generally better prepared for job market.

4. Role of Social Innovation in Society Service and Development of Companies

Economists estimate that more than two-thirds of economic growth is attributable to innovation and the ability to generate new knowledge. Practically, it is not possible to separate between technical innovation such as cars, mobile phones or Internet and social innovation, as the spread of different technologies requires a kind of social innovation. In current century, investment in education and health constitutes about 25% of national income of most countries in the world and this is linked to national innovation policies and the ability to develop new innovation models such as open innovation. The theory of social innovation can be described by what is called “the interdependence of difference” and this is that social innovation is a blending and networking of different elements of ideas across several different institutions and sectors so that it generates relationships and innovative solutions to societal issues. Here, the role of the link or entrepreneur emerges in the process of linking, networking and communicating between different sectors through ideas, financing and societal influence.

4.1. Social Innovation in Service of Society and Companies:

The process of generating, testing and popularizing an idea passes through a stage of deep understanding of the society’s needs and the best ways to invest local and technical knowledge and society experiences, in order to provide service to the society. But this process requires entrepreneurs and initiators to address humanitarian challenges such as poverty, unemployment, water, energy and food crisis, education, health and social work.

The important role of social innovation engine is to adapt various technologies and social media platforms in order to provide new services for public interest and sustainable development, and the ability to persuade and change the pattern of thinking and perception about vital societal issues of interest to the human society, such as early education for talented or people with special needs and open education, open publishing, public transport initiatives, tackling climate change and poverty, and tackling social ills such as smoking, illiteracy and road accidents.

Social innovation represents a different model for private interest, where major institutions work to sponsor, adopt and maximize the role of ideas from entrepreneurs as part of corporate social responsibility, and this creates job opportunities for young people and employs the skills of the next generation in a constructive and fruitful manner. However, there is a need to document social innovation experiences in the Arab world in order to develop public policies and local models for innovation drawn from local culture.

The role of social innovation goes beyond the concept of social entrepreneurship and social company because it goes beyond the concept of market mechanisms to social theory and theory of social change. In fact, we need more empirical research to document the role of social company in promoting social innovation and sustainable development. Perhaps one of the features of innovative industries in America is that about 30% of those who manage small industries in green or

environmentally friendly technology sector, were originally CEOs in large companies, and this is an indication of the managers' willingness to take risks and lead (**Al-Jayousi, 2021**).

4.2. Contribution of Social Innovation to the Growth and Development of Companies

There is no doubt that the goal of social innovation is to provide socially beneficial solutions that push institutions to the right start driving the economy and society forward, especially when it comes to the main aspects of employment, education and social inclusion. Therefore, this move can be for these benefits. The involvement of society and stakeholders in civil society aims to support the improvement of roles and to transform the stakeholders into co-innovators within the social innovation process. Given that promoting social innovation and stakeholder responsibilities for innovation in economic companies enable specific elements of cases where social innovation is brought about by business, particularly in SMEs, makes this innovation harder. In general, social innovation is critical to the full survival and growth of any business in the economic company. However, SMEs are not always able to support ad hoc management differently than done for large companies by integrating operations, because it may be that small and medium businesses are unable or unwilling to social responsibility.

Also, corporate social innovation initiatives usually align these elements with publicly funded research and innovation activities with an intended social impact, to achieve the same social impact from privately funded initiatives, such as SMEs and larger organizations. This should be included in the planning phase of implementing social innovation initiatives considering all stakeholders in order to engage a range of experiences and perspectives and explore the applicability of these aspects in the industry.

Selected aspects of industry-relevant open innovation for SMEs are highlighted, including aspects of the beneficial use of open access and its contribution to business sustainability, environmental and ethical considerations, as well as policies, standards, behavior, issues of gender, diversity and equality in workplace (**Al-Atoum, 2021**).

5. Social Innovation: the Problem of Enhancing Competitiveness of Small and Medium Companies

5.1. Social Innovation as a source of Competitiveness

Competition is no longer possible on the basis of cost reduction only (**Nabil, 2007**). Market requires quality speed and flexibility in satisfying needs, and this can be achieved through social innovation that small and medium companies are good at. The Japanese considered that "continuous innovation is the engine of competitiveness (**Duff, 1999**)" through which continuous improvements in products and production methods can be made (**Said, 1995**). This enables the institution to offer the best products and use production methods at the lowest

cost and the best quality and at the fastest speed, better than competitors who cannot keep up with them.

It is also worth noting the direct impact of social innovation on the competitive forces of the company, whose intensity varies from one force to another (**John, 2006**):

For customers, if the social innovation offered achieves their satisfaction, the market share of the organization will increase by gaining new customers and strengthening the loyalty of old customers, on the grounds that the organization's pursuit of social innovation expresses its interest in its customers and its continuous desire to meet their needs.

For suppliers, social innovation enables the institution to change the process of production or the final product to the extent that part of the traditional supply is deleted or reduced from the components of the product, which represents for suppliers a loss of a commercial way which strengthens the position of the institution in negotiating with them and gaining discounts according to the new position.

With regard to the power of alternative goods, its threat represents a motive for making new social innovations that make the consumer ignore alternative products, especially if these new social innovations achieve the required satisfaction and are compatible with his financial capabilities and thus maintain the competitive position of the institution.

As for the new entrants, social innovation enables the organization to control the production method as well as to introduce new or improved products, making it protected from new competitors, which means that social innovation establishes barriers to access new sector. The same goes for competition between sector institutions. Social innovation alone is required if it is constantly enabling these institutions to stay in the market and gain more and more market shares.

5.1. Social Innovation Requirements to Maintain the Competitive Advantage of companies

5.1.1. Competitive vigilance: Competitive vigilance refers to the process that systematically collects, analyses and evaluates data on current and potential competitors for the purpose of providing an end product in the form of information useful to contractors in their decision-making process (**Haffman, 2000**). Competitive vigilance is concerned with observing the activities of competitors by collecting the necessary information to understand their behavior, in order to be able to predict their future behavior. Thus, knowing the conditions of competitors, their current capabilities, as well as their strategies and analyzing them, allows small companies to determine the methods to be followed in the event of any danger from competitors, and in this regard, Porter identified the information that a small company needs about competitors in five points, which are (**Houari Maraj, 2005**).

- Current competencies of competitors;
- Strategy of competitors;

- ☒ Capabilities of competitors;
- ☒ Assumptions and capabilities that competitors can resort to

5.1.2. creating an appropriate environment for creativity and offering incentives

Creating the appropriate environment for workers in this activity is a very important factor. Examples of this are participatory management and understanding between the entrepreneur and his employees. The entrepreneur must also motivate and encourage his employees to innovate and give them appropriate incentives **(Salil Abdel Latif, 2005)**.

5.2. Social innovation for managing small and medium companies: The concept of social innovation for managing small and medium businesses is concerned with how to move from an abstract concept to a more realistic approach so that entrepreneurs and business decision makers can identify the new capabilities that it can offer. This potential varies between SMEs in different sectors, which can be explored by exploring specific challenging business sectors, for example where technology is a key, such as biomedicine, nanotechnology, and cyber-security.

However, SMEs operating in different sectors may also share particularly common aspects of managing SME innovations. For example, companies operating in technology sector are expected to foster and support a high level of society-related innovation in recent times and the sector's transformation from being a sector that "influences social life and modern economies through information technology". This shift has resulted in a rapidly growing technology sector and has led to challenges a difficult social situation that needs to be addressed such as job losses or gender equality and diversity in technical sectors. There is an urgent need to study the practices of these social issues **(Al-Atoum, 2021)**.

Social innovation has a cross-sectoral approach and is universally applicable, as social innovations are triggered by a variety of actors, including research institutions, corporations, and independent institutions, which tend to use their own definitions of social innovation. Therefore, it is worth discussing what distinguishes it from other forms of social work or innovation.

Social innovation focuses on the innovation process and how innovation and change are shaped (as opposed to the traditional definition of innovation prioritizing corporate internal organization and productivity). It also focuses on new work and new forms of collaboration "business models" especially those working towards a sustainable society.

In order to distinguish between social and business innovation for managing SMEs, The Young emphasized that social innovation is developed and spread across organizations whose main content is not just profit maximization. On the other hand, the European Policy Advisors Office has defined social innovation more precisely as socially oriented by both ends and means. According to these influential definitions, social innovation is characterized by the ability to satisfy social needs that traditional politics seem increasingly unable to address while empowering groups and individuals and a desire to change social relations. Thus,

social innovation is often presented as a way to increase the quality and cost-effectiveness of social services for managing SMEs and deliver equivalent or greater value despite significant budget constraints.

Social innovation can occur within government, the for-profit sector, the non-profit sector (also known as the third sector), or in between, and higher education institutions are leveraging the power of research to support this goal, research has focused on the types of platforms needed to facilitate this collaborative social innovation across sectors where historical studies indicate that transforming any system can take many years and requires not only the ability to forge multiple partnerships, but also the involvement of political, legal and economic institutions.

Social innovation is often an effort of mental creativity that includes fluency and flexibility between a wide range of disciplines. The act of social innovation in a sector is linked to diverse disciplines within society. Social innovation theory of “correlated difference” emphasizes three basic dimensions of social innovation. Firstly, innovations are usually new combinations or hybrids of existing elements, not entirely new. Secondly, its practice involves transgressing regulatory or disciplinary boundaries. Finally, they leave behind compelling new relationships between previously separated individuals and groups, and social innovation is also gaining insight within academia.

Conclusion

With the transformation and rapid spread of technology among society members, the current trend towards which the world is moving has become clearer. Technological developments help the free flow of information, ideas and knowledge, and knowledge development. Thus, calling for a greater sense of innovation and cooperation as they allow the wave of change for the new generation of social and economic sects to break into work and push the world toward a positive path.

Social innovation provides the society with a platform for experience through trial and error, and provides the best appropriate solutions to the enormous challenges facing society and institutions alike. Therefore, it is important to ensure that appropriate and accurate measurement tools are in place to assess whether the solutions are effective or ineffective in the face of reality.

In sum, developing a standard measurement to study the impact of social innovation on the development of economic institutions is important in order to develop public policies based on information derived from users, so that they meet the needs of society and have a tangible impact on the economy, society and environment.

Findings and Recommendations:

☒ Improving performance, developing and renewing institutions is no longer an optional matter, but has become an essential condition for being able to survive, continuity, and unity, so the interest in this era is innovation and performance

development from a holistic and comprehensive perspective aimed primarily at forming and strengthening competitive capabilities.

☒ The ability for social innovation also has an effective and important role in supporting the competitiveness of companies by providing dynamism to the production system and effectiveness of public policy, not only as it was seen as a social base only, knowledge and information. In other words, we have to raise our innovative capacity even for social side. So, as developing countries, we should activate the components of the knowledge capacity of the society by spreading the spirit of innovation within this same society.

☒ As for societal loyalty, it has become the most important indicator for measuring the competitiveness of creative institutions, especially if the exported products are characterized by distinct and advanced specifications, and even if these products are not globally competitive, just their presence in the international market pushes these products to raise the level of quality, and thus catch up with competitors as happened to Japanese electronic products.

☒ We came to an important conclusion, which is that the competitive advantage is a strategic process that the organization cannot do without it as it qualifies it to better face competitors. Businesses will not be able to achieve competitive advantages, nor a good understanding of the changes taking place in its competitive environment, nor forecasting and planning to determine the course of its daily activity, unless it relies on technological innovation and a vigilant system.

☒ The increase in the degree of complexity of the competitive environment and the intensity of competition in order to make the best use of the information of the external environment. In other words, the more intense the competition is in the market, the greater is the need for the institution for more new innovations such as social innovation.

☒ The institution is required to allocate material and non-material resources and appropriate organization for its further research in the field of social innovation. It must also allocate qualified human resources for this, while opening the way for all workers to be involved in this process.

☒ Also, the existence of a competitive vigilance cell is among the characteristics of the modern company, as it enables it to compare itself with its competitors and allows it to identify the new competitive advantages it gains based on social innovation, in order to develop it, so it tries to take a leadership position in the market and in the sector in which it is active.

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