The implementation of social innovations:

A multiple case study among international new ventures in
developing and developed countries

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Abstract

Over the last two centuries, many social innovations have emerged, and the concept is increasingly used as an academic research topic. These social innovations are often developed by INVs, which internationalize quickly in order to introduce the innovation wherever it is needed. Along with the implementation of these social innovations in different countries, firms face challenges associated with shaping the local institutions. Especially between developing and developed countries, institutional environments differ greatly. While research has shown that institutions matter for implementing social innovations, academic research has not yet studied which institutional strategies are adopted to implement social innovations in developing and developed countries. This thesis therefore studied the kind of institutional strategies that INVs are likely to adopt when working to implement a social innovation. A multiple case study was conducted by interviewing six INVs, of which three were operating mainly in developing countries and the other three were operating mainly in developed countries. The findings indicate that there are indeed differences in the implementation of social innovations between developing countries and developed countries. This research therefore contributes to the literature streams of social innovations, institutions and INVs, and is valuable for managers of INVs which are implementing social innovations.

Chapter 1 – Introduction

Many complex societal problems exist and need to be addressed, whether it is to mitigate climate change, create more income equality, or solve issues such as unemployment. Solving these societal issues is where social innovations can play a critical role. Over the last two centuries, many social innovations have emerged. Examples are the establishment of the Fairtrade movement, the introduction of Wikipedia, and the spread of collective insurance against sickness and poverty (Mulgan, 2006). All these innovations consisted of new ideas that tried to meet urgent needs that were not being met at the time, and were aimed to improve peoples' lives (Mulgan, Tucker, Ali & Sanders 2007). Despite the lack of agreement on a definition of social innovations, the concept can be summarized as "new ideas – products, services, and models – that simultaneously meet social needs and create new social relationships or collaborations" (Murray, Caulier-Grice & Mulgan, 2010, p. 3). It thus includes the process to develop, advance, and then implement novel solutions to societal problems such as poverty, inequality and climate change, in manners that are directed towards changing existing institutions (Van Wijk, Zietsma, Dorado, De Bakker & Martí, 2018). The concept of social innovations is a rapidly growing practice and therefore increasingly used as a topic of academic research. However, extensive theory regarding social innovations is lagging, as insufficient attention has been directed towards understanding how a social innovation is implemented (Lee, Spanjol & Sun, 2019; Cajaiba-Santana, 2014). Implementing a social innovation involves embedding and scaling up the social innovation and refers to the period in which the innovation is adopted and institutionalized (Herrera, 2015; Oeij, Van der Torre, Vaas & Dhondt, 2019). Authors have argued that a social idea only becomes a social innovation when it contributes to solving actual problems and the innovation is institutionalized (Howaldt & Schwarz, 2010). The implementation phase thus determines the success of social innovations. Considering the important role of social innovations in the future of our worldwide society, there is an increasing need to understand more regarding their implementation.

Social innovations are often developed by start-ups or new ventures, which then internationalize quickly in order to bring the innovation wherever it is needed (Chen, 2012; Piccarozzi, 2017; Song, Song & Parry, 2010). These types of firms are called international new ventures (INVs) and are defined as organizations which are international from inception (Oviatt & McDougall, 1994). Researchers have increasingly paid attention to this phenomenon of INVs (Aspelund, Madsen & Moen, 2007; Fan & Phan, 2007; Rialp, Rialp & Knight, 2005), and have stated that new ventures develop more innovations than larger or longer existing firms (Song et al., 2010). INVs are firms which, from origin, aim to derive competitive advantage from using or exploiting resources, and selling products or services in multiple locations (Oviatt & McDougall, 1994). INVs thus seek to derive competitive advantage from implementing a social innovation and exploiting it in different foreign locations. As social innovations often hold a solution for a worldwide or cross-border problem, these are frequently developed and

implemented by INVs. Additionally, INVs with a social goal or mission are often set up with funding from sponsors based in developed countries to benefit people in less developed countries or are otherwise global ventures that aim to meet a social need which exists in various countries.

However, social innovations sometimes fail because the firm that developed the innovation underestimates the implementation challenges associated with shaping local institutions (Venugopal & Viswanathan, 2019). Research has shown that the implementation of social innovations requires institutional change. Institutions are ''humanly devised constraints that shape human interaction'' and provide the rules of the game in a society (North, 1990, p. 97). The institutional environment forms an important factor in the implementation of social innovations, as this implementation often involves re-negotiating existing institutions, while considering diverse actors with opposing interests (Helms, Oliver & Webb, 2012). Institutions particularly matter for companies operating internationally, because the efficiency of host countries' institutional environments affects the costs and uncertainty a firm faces when implementing social innovations abroad (Hotho & Pedersen, 2012). Especially between developing and developed countries, institutional environments differ greatly (Meyer, Estrin, Bhaumik & Peng, 2009). Emerging or developing economies are often considered to have poorly developed institutions, in comparison to developed countries which are mostly characterized by strong institutional structures (Meyer et al. 2009). Particularly in emerging or developing countries, the formal institutional environment has been viewed as weak – if not absent – in facilitating the implementation of social innovations (Urbano, Toledano & Soriano, 2010). Developing or emerging economies often consist of institutional voids which are defined as ''institutional conditions that hamper the ease by which buyers and sellers can interact'' (Doh, Rodrigues, Saka-Helmhout & Makhija, 2017, p. 294). Developed countries tend to have reliable formal institutions that regulate the market, in comparison to developed countries which often lack these (North, 1990). Developed countries thus have – in general – much better formal institutions than developing ones (Levchenko, 2007).

INVs operating in developing host countries presumably have to deal with weak or poorly developed formal institutions when working to implement social innovations (Rao-Nicholson, Vorley & Khan, 2017; Urbano et al., 2010). On the other hand, INVs operating in developed countries face different – usually better developed and supporting – institutional environments and are therefore likely to employ different strategies to implement a social innovation. Even though research has shown that institutions matter for implementing social innovations, it has not yet been studied which strategies are adopted when working to implement social innovations in these different institutional settings. Especially developing and developed countries' institutional environments differ greatly, and thus different strategies are expected to be employed.

The research question of this study is therefore formulated as follows: ''How do INVs work to implement social innovations in developing and developed host countries?''. The aim of this research

is to study the kinds of actions or strategies that INVs are likely to adopt to respond to and try to change the host country's institutions, in order to implement a social innovation. This research question is answered by comparing INVs operating in developing countries to INVs operating in developed countries. Given the different features of the institutional environments in these countries, the actions and strategies that INVs adopt to implement a social innovation, were expected to vary.

A qualitative research method is used for this research, considering the explorative and contingent nature of the research question. More specifically, a multiple case study has been conducted by gathering primary and secondary data on six cases. Three of these cases consist of INVs being mainly active in developing countries, whereas the other three cases include INVs operating primarily in developed countries. Primary data was collected through interviews with INVs operating in either developed or in developing countries, and which were working on implementing or had implemented social innovations. Secondary data, on the other hand, which includes press releases, newspaper articles, and website content about those INVs, served as background information on the cases and was used to triangulate data retrieved from the interviews.

This research fills several gaps existing in current academic literature. Researchers namely have stated that the concept of social innovation is still considered underdeveloped and requires further research (Rao-Nicholson et al., 2017; Sinkovics, Sinkovics & Yamin, 2014). Even though there is accumulating evidence about the expansion of institutional diversity and the strategies in response to these institutions, the implications of this are still poorly understood (Rodima-Taylor, Olwig & Chhetri, 2012). Researchers have stated that institutions matter for implementing social innovations but have not studied which strategies are adopted by firms in response to these institutions. This is specifically important for INVs as social innovations often aim to solve or address international societal problems and are thus frequently developed by start-ups or new ventures. While various studies exist regarding institutional strategies, none of them applies these strategies to implementing social innovations by INVs. Thus, by gaining insight into the strategies used when implementing social innovations in either developed or developing countries, gaps in the literature will be filled.

Academic research exists regarding the concept of institutions, the concept of INVs, and the concept of social innovations. There are also studies combining INVs and institutions (Peng, Wang & Jiang, 2008; Rao-Nicholson et al., 2017; Urbano et al., 2010), social innovations and institutions (Helms et al., 2012; Prabhu, Tracey & Hassan, 2017; Viswanathan & Sridharan, 2012; Westley & Antadze, 2010) and INVs and social innovations (Chen, 2012; Knight & Cavusgil, 2004; Piccarozzi, 2017). However, none of the existing studies combines all three streams of literature. In this thesis, the following streams of academic literature are combined. The first stream concerns literature regarding social innovations. This study contributes to this stream of literature by stating which strategies are adopted to implement social innovations, in different institutional environments. This immediately leads to the second contribution, which is to the literature stream concerning institutional theory from an

international business perspective. This research further investigates institutional strategies, specifically for implementing social innovations by INVs. The third and least stream, concerns literature and research regarding INVs or born-global firms. A contribution is made to this stream of literature by expanding theory about INVs and their actions and strategies. The gap existing in the literature will be filled by combining and extending the theories regarding institutions, INVs, and social innovations.

This study also has a practical or managerial relevance. Implementing social innovations can be a difficult task. Through this study, managers gain an understanding of which strategies to employ in which type of countries, when implementing social innovations. As this study is a case study, different views and situations are collected and observed. The strategies and actions to implement a social innovation in different institutional contexts are studied. This research shows what managers can do to deal with or overcome the challenges of implementing social innovations in varying institutional environments and how to change the institutions of a host country. The conclusion of this study can be used for advice to managers of INVs to help to decide which strategy they have to adopt to implement a social innovation in a developing and which in a developed country. This study is also relevant for policymakers and other institutional actors because INVs react in response to institutions such as regulations.

In the next chapter, the theoretical background regarding the three concepts will be discussed. Firstly, the theory regarding social innovations will be explained. After elaborating on this, the theory regarding the institutional environment will be described. Next, the concept of INVs will be set out. Thereafter, the theoretical framework will clarify how these three concepts regarding social innovations, the institutional environment, and INVs are linked to each other in this study. Lastly, this chapter includes propositions that include expectations about whether an institutional strategy is more likely to be employed by INVs implementing social innovations either in developing countries, in developed countries, in both types of countries or not at all. Chapter three presents the methodology of this thesis. It will outline which research methods are used to collect the data, how the cases are selected and how the acquired data is used to examine the propositions. In the fourth chapter, the results that follow from the data analysis are presented. Based on the theoretical framework, these results will then be summarized, compared, and discussed. The study ends with the discussion and conclusion in chapters five and six, including the contributions, implications, and limitations of the research, as well as suggestions for further research.

Chapter 2 – Literature Review

2.1. Social Innovations

2.1.1. Definition social innovation

The first key concept of this research concerns the concept of social innovations. Even though social innovation is increasingly used as a topic for academic research, the field of research has become characterized by conceptual ambiguity, and the literature thus includes many different definitions (Van der Have & Rubalcaba, 2016). Despite efforts to come up with a clear definition and clarify its meaning, the concept of social innovation is therefore still considered ambiguous and under-developed (Cajaiba-Santana, 2014).

Social innovation is a specific type of innovation. An innovation can be described as ''the generation of a new idea and its implementation into a new product, process or service, leading to dynamic growth as well as to the creation of profit for the organization'' (Popadiuk & Choo, 2006, p. 303; Urabe, 1988). In contrast to innovations that are directed primarily towards gaining a profit, social innovations, in general, are set off by a social concern about people or the environment rather than by (solely) commercial gain (Dawson & Daniel, 2010). Even though social innovations differ from technological innovations in purpose and objectives, their outcomes may overlap (Howaldt & Schwarz, 2010). In academic literature, social innovation has many different definitions. Some authors define social innovations as innovative activities or initiatives, motivated by the ambition or goal of meeting a certain social need (Mulgan, 2006; Rao-Nicholson et al., 2017). Other authors refer to social innovations as a process of designing or inventing products, processes, or programs which change certain aspects of the social system in which the innovation is implemented (Westley & Antadze, 2010). Therefore, the literature regarding social innovations can be divided into three streams or views: one that views social innovation mainly as a goal or an outcome, one that regards social innovations as a process, and one that combines both visions.

The goal-oriented stream views social innovation as an end or outcome of an action. Mulgan (2006, p. 146) terms social innovations as ''innovative activities and services that are motivated by the goal of meeting a social need.'' From this viewpoint, social innovations are the result or outcome of deliberate and resolute action to change or establish new social practices (Howaldt & Schwarz, 2010). It thus entails novel social practices developed by collective and deliberate actions focused on bringing about social change (Cajaiba-Santana, 2014). In more practical terms, it refers to new products or services which aim to address certain social needs, such as creating a more sustainable or equal society (Grimm, Fox, Baines & Albertson, 2013). Westley and Antadze (2010) claim that a social innovation has occurred only when the invention has a lasting or revolutionary social impact and when it has

changed the institutions that caused or maintained the social problem. Cajaiba-Santana (2014) further argues that a definition of social innovation as a process leads to a too limited view. Social innovations should bring about changes in attitudes, behaviour, or perceptions. In his view, social innovation is about social change and therefore this outcome should be the fundamental defining component. Pol and Ville (2009) construe an innovation as a social innovation if the new idea has the potential to either improve the quality or the quantity of life.

In contrast, other authors stress the aspect of the process of developing social innovations. From this perspective, social innovations occur at the level of operations of a firm and are defined as a means to an end, rather than stressing the importance of the result (Grimm et al., 2013). According to Herrera (2015), a social innovation is a 'measurable, replicable initiative that uses a new concept or a new application of an existing concept to create shareholder and social value'. She stresses the importance of drivers, enablers, and barriers to the generation of ideas. Also Jaeger-Erben, Rückert-John and Schäfer (2015) adopt a process perspective on social innovations, which is inspired by and based on evolutionary theory. This perspective on social innovations therefore concentrates on the process of creating social change. Social innovations are, from this process-oriented view, defined as ''alternative practices or new variations of practices which differ substantially from established or main-stream routines'' (Jaeger-Erben et al., 2015, p. 785). In general, this view is often present in sociological research regarding social innovation (Van der Have & Rubalcaba, 2016).

Many researchers, however, adopt a view that regards social innovations as both a means and an end. From this perspective, social innovations include the use of social means to reach social goals (Caulier-Grice, Kahn, Mulgan, Pulford, & Vasconcelos, 2010), creating both economic and social shared value (Carvalho, 2017). Murray et al. (2010, p. 3) define social innovations as ''new ideas consisting of products, services, and models that simultaneously meet social needs and create new social relationships.'' This perspective hence implies that social innovation has two dimensions: a process dimension and an outcome dimension (Neumeier, 2017). In this research, the combined perspective will be adopted as it provides the most inclusive and comprehensive approach. Consequently, four distinct elements of social innovation can be distinguished: the process of designing the innovation, the product, service or invention itself, the implementation of the innovation, and finally the social value created by the innovation or the outcome (Phills, Deiglmeier & Miller, 2008). The definition of social innovation used for this research is therefore: ''a novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals" (Phills et al., 2008, p. 36). It is important to mention that in this research, the focus is on social innovations implemented by for-profit firms. Even though social innovations do not have fixed boundaries and can be developed either by private or public, as well as for-profit or non-for-profit companies (Murray et al., 2010), this research will focus on private for-profit firms.

2.1.2. Phases of social innovation

Regarding the invention, development, and implementation, social innovations are somewhat dissimilar to technical innovations (Howaldt & Schwarz, 2010). The starting point for a social innovation is a belief that a certain social need is not yet being met, coupled with an idea of how it could be met (Mulgan, 2006). This stage can be characterized as the problematization phase (Neumeier, 2017). It includes the identification of a need which consequently leads to the formation of a group of actors looking for a solution for the identified social need (Neumeier, 2017). According to Herrera (2015), this phase of problematization is called the assessment stage, which involves constantly and actively looking for and collecting information. After the problematization or assessment phase, the identified needs must be tied to new possibilities or solutions. These possibilities or solutions may be technical, may originate from new organizational forms or new knowledge (Howaldt & Schwarz, 2010). This thus refers to the innovative component of the product or service. Herrera (2015) refers to this phase as the design or ideation stage. Next, the idea must be tested in practice. Usually, this is done by converting the idea into a prototype or pilot version which is then being tested (Mulgan, 2006; Herrera, 2015). This is called the exploration or development phase and is characterized by numerous experiments (Westley & Antadze, 2010). Often before the production can be upscaled, other actors need to become part of the group of actors for funding or any other form of support. This is generally done because the actors see an advantage for themselves in participation, whether this is an economic gain or a boost of their reputation (Neumeier, 2011; 2017).

The innovation then moves to the actual production or exploitation phase, where the company starts producing the product at a larger scale (Westley & Antadze, 2010). Frequently, the innovative and creative ''bees'', which refer to social entrepreneurs or inventors, need to find supportive ''trees'', big organizations with the required machinery or adequate production capacity needed to realize production on a big scale (Mulgan, 2006). This phase is frequently characterized by growth (Westley & Antadze, 2010). After introducing the social innovation to the market, it partly depends on the demand whether it is successful. For social innovations, it can be concluded that ''a social idea only becomes a social innovation if it contributes to overcoming concrete problems and satisfying existing needs in a society'' (Howaldt & Schwarz, 2010, p. 30). The social acceptance of an innovation induces its implementation and institutionalization. It is therefore an effective social innovation when it is widely accepted and used and has caused social change. Herrera (2015) refers to this as the institutionalization phase, which involves embedding and scaling up. Oeij et al. (2019) also refer to the implementation of an innovation as an indicator of success in solving social problems. The implementation phase thus refers to the period in which the innovation is adopted and institutionalized. This study focusses on the implementation of social innovations, which therefore includes the phase in which a social innovation is scaled up and aimed to be socially accepted, institutionalized, and embedded. It is important to indicate that the phases

are not completely linear. Innovations often continue to change, with learning and adaptation being important steps in the process (Mulgan, 2006).

The implementation phase of the social innovation can be considered the most important stage, as it largely determines the success of the innovation (Howaldt & Schwarz, 2010). While academic literature provides valuable insights into the design and process of social motivations, it fails to come up with a theoretical perspective to guide further research in this field (Cajaiba-Santana, 2014). Insufficient notice has been taken to understanding the emergence of social innovations and especially its implementation (Cajaiba-Santana, 2014). Researchers furthermore state that the concept of social innovation is still considered fragmented, under-developed and thus requires further extensive research, especially since social innovations are of increasing importance (Manzini, 2014; Rao-Nicholson et al., 2017; Sinkovics et al., 2014). Among the directions for further research proposed by Tracey and Stott (2016), particularly interesting is the one related to geography and the role of place in social innovations. They state that firms implementing social innovations face different challenges depending on the context or environment in which they are operating. Hence, working to implement a social innovation in a developed country, might present different challenges and implications than in a developing country. However, this tends to be an underdeveloped or lacking research topic.

2.2 Institutional environment

Institutional theory is a research field that traces its origin back to articles discussing how organizational establishment and change were driven by external influences (Meyer & Rowan, 1977). The general argument was that an organizational structure reflected institutional forces. These articles initially focused on concepts such as bounded rationality, but subsequent studies increasingly focused on environmental influences.

2.2.1 Definition of institutional environment

One dominant institutional perspective that has gained awareness in international business studies, is the new institutional economics (North, 1990). According to this new or neo-institutional model, organizational survival is partly determined by the alignment with the institutional environment. The institutional environment is the central concept of institutional theory (Khanna & Palepu, 2010; Peng et al., 2008; Scott, 1995), which argues that different institutional environments might shape a firms' strategy and success. This entails that organizations must comply with external institutional pressures (Kostova, Roth & Dacin, 2008). North (1990, p. 97) conceptualized institutions as ''humanly devised

constraints that shape human interactions'' and stated that institutions serve as ''rules of the game.'' These rules consist of formal and informal institutions (Hotho & Pedersen, 2012). Formal institutions impose explicit rules through formal laws, regulations, and policies (North, 1990). They refer to explicit and codified rules and standards that create order and stability through political and regulatory structures (Holmes, Miller, Hitt & Salmador, 2013). Informal institutions, contrarily, consist of norms of behaviour, codes of conduct, customs, values, and traditions (North, 1990). Culture is also part of the informal institutional environment, as it is based on shared norms, values, and standards (Fu et al., 2004). Other institutional theorists distinguish between three main types of institutions, being regulative, normative, and cognitive institutions (Scott, 1995). Regulative institutions consist of political structures and laws, policies, and regulations (Bianchi, Borini & Ogasavara, 2015). These regulatory institutions thus determine the regulatory quality in a country. High regulatory countries usually have strong laws that are obeyed, broad and effective taxation, encouragement of entrepreneurship, and rules of the game stated by governments (North, 1990). Normative institutions consist of norms, values, and beliefs concerning how people should behave in a society (Peng, Sun, Pinkham & Chen, 2009). Cognitive institutions are furthermore related to the way people interpret information within a society (Bianchi et al., 2015). The cognitive dimension of institutions is based on cultural characteristics within a society. Regulative institutions generally refer to what other researchers define as formal institutions, while normative and cognitive institutions are closely related to what other authors refer to as informal institutions (Rivera-Santos, Rufín & Kolk, 2012).

Throughout history, institutions have been created by humans to bring order and decrease uncertainty. These institutions or rules – formal and informal – do not only shape daily lives but also the way firms conduct business (Dhanaraj & Beamish, 2009). They determine or influence transaction and production costs and therefore affect the profitability of organizations (North, 1990). Transaction cost theory suggests that institutions mitigate costs associated with market failures (Williamson, 1985). Efficient functioning of the market is therefore dependent on the strength and quality of the institutional environment. Institutionalization is frequently assumed to be a natural and unavoidable process, and thus institutions are repeatedly taken for granted (Farashahi & Hafsi, 2009). Institutions are often seen as permanent and resistant to change (Farashahi & Hafsi, 2009; Oliver, 1991). However, institutions lose this stability when changes in norms and values of political systems, economical activities, and regulations rapidly occur (Newman, 2000). Aguilera and Grøgaard (2019) suggest to accurately anchor institutions within institutional theory and to carefully establish the boundaries of the concept.

Challenges and opportunities arise from being embedded in the institutional environment of the country where a firm operates (Kostova, 1997). For this study, the institutional environment consisting of the institutional profile, -instability and -voids will be examined. Institutional profile relates to the characteristics and quality of the institutional environment of a certain home or host country (Van Hoorn & Maseland, 2016). Institutional instability or an unstable institutional environment refers to uncertain and insecure institutional environments (Farashahi & Hafsi, 2009). An unstable institutional

environment with shifting political and economic systems often prevents firms from gaining legitimacy in the country (Farashahi & Hafsi, 2009; Greenwood & Hinings, 1993).

The institutional environment differs greatly between developing and developed countries. Developing countries are often characterized by institutional voids and unstable institutional environments. Institutional voids exist when there is an absence or underdevelopment of market-supporting or enabling institutions (Khanna & Palepu, 1997). Rather than considering institutions as constraints (DiMaggio & Powell, 1991), an institutional voids lens enables a more dynamic approach for examining how firms strategize in order to avoid, remedy, substitute, shape or even take advantage of weak institutions (Regnér & Edman, 2014; Boddewyn & Doh, 2011; Khanna & Palepu, 2010). These institutional voids can appear in any type of country but are particularly present in emerging and developing markets (Doh et al., 2017). Institutional voids obstruct the interaction between buyers and sellers, which in turn results in higher costs for gathering information (Doh et al., 2017). Institutional voids can occur in different types of institutions, such as political, legal, and social systems, but also in product, labour and capital markets (Khanna & Palepu, 2010; Chacar, Newburry & Vissa, 2010). As institutional voids occur less often in developed countries, the institutional environments of developing and developed countries differ greatly. Emerging or developing markets are typically characterised by higher transaction costs and underdeveloped labour, capital and product markets, in comparison to developed markets (Khanna & Palepu, 2010). North (1990) states that developed countries tend to have reliable formal institutions which regulate the market. Developing countries, on the other hand, face institutional constraints in the form of political or economic activities that do not encourage entrepreneurship. Developed countries thus have much better developed formal institutions than developing countries (Levchenko, 2007). However, research has shown that firms in developing or emerging economies, often rely on informal institutions to fill this gap exposed by formal institutions (Mair & Martí, 2009; Saka-Helmhout, Chappin & Vermeulen, 2019). Informal institutions are thus much stronger in developing countries than in developed ones.

2.2.2. Institutional strategies

The institutional view has also grown with respect to strategy-based research (Peng et al., 2009). Some authors have taken institutions for granted and treated it as a given in the background. This is mostly due to these authors having a developed country-perspective. When markets are functioning smoothly, such as in developed countries, well-functioning institutions seem invisible (McMillan, 2008). However, when looking at developing or emerging economies, where formal institutions are poorly developed or lacking, the absence of formal institutions is noticed. Therefore, research regarding strategies to employ in order to influence or change institutions, has been growing. Institutional strategy can be defined as ''patterns of organizational action that are concerned with the formation and transformation of

institutions, fields and the rules and standards that control those structures'' (Lawrence, 1999, p. 167). Sometimes this is referred to as institutional work, defined by Lawrence, Suddaby, and Leca (2011, p. 52) as ''the practices of individual and collective actors aimed at creating, maintaining, and disrupting institutions.'' This study adopts an active view of institutions, where institutional strategies are being employed to actively influence or change institutions. In this section, firstly various institutional strategies as described by multiple authors are outlined, after which they are grouped in a table based on their characteristics, and finally merged concepts are formed which are used in this study.

A first institutional strategy concerns a signalling strategy which refers to using corporate social responsibility (CSR) as a tool to accentuate the firm's positive characteristics and generate goodwill (Doh et al., 2017; El-Ghoul, Guedhami & Kim, 2017; Tashman, Marano & Kostova, 2018). While some differences exist in definitions of this strategy, all these definitions include using CSR to enhance legitimacy. Other authors refer to this strategy as CSR strategies or legitimization strategies (Amaeshi, Adegbite & Rajwani, 2016). Another strategy is the collaboration strategy. Farashahi and Hafsi (2009) mention collaboration strategies in the form of business groups, strategic flexibility, and network relationship. They note that establishing close relationships with regulatory authorities and creating networks are political attempts to employ. Also Khanna and Palepu (2010) stressed the importance of collaborating with local actors as an institutional response strategy.

Regnér and Edman (2014) furthermore identified four strategies by which companies respond to, shape, change, or avoid institutions. One of these strategies is the adaptation strategy, which includes conforming to the host country's institutional environment. Also Aaltonen and Sivonen (2009) refer to an adaptation strategy as obeying demands and rules and adjusting to external institutional pressures. This corresponds to the acquiescence strategy of Oliver (1991), which is rather extensive in comparison to the other definitions. This strategy includes tactics of habiting, imitating, and complying. Habiting refers to unconsciously or blindly adhering to rules or institutions. This may occur particularly when institutional norms have the status of a social fact. Imitation, sometimes called mimetic isomorphism, refers to consciously or unconsciously copying institutional models. Lastly, the compliance tactic refers to conscious obedience to values, norms, and institutional requirements. The accommodation response of Lamin and Zaheer (2012) is another classification of this strategy and is defined as abiding by societal norms and taking actions to ensure that the firm's activities conform to these existing norms.

Another type of strategy called compromise consists of balancing the expectations of multiple stakeholders; partial conformity with these expectations; and bargaining (Oliver, 1991). This strategy was also formulated by Aaltonen and Sivonen (2009) as a compromising strategy and was defined as negotiating with stakeholders, offering the possibility for dialogues and being open to compensation. This strategy was however focused specifically on stakeholders, instead of the wider concept of institutional actors.

A fourth strategy that will be studied in this thesis, was described by both Regner and Edman (2014) and Oliver (1991). Regnér and Edman (2014) refer to this strategy as the circumvention strategy,

which includes sidestepping and evading the demands of local host institutions. Oliver conceptualizes this strategy as an avoidance strategy, defined as disguising nonconformity and escaping the domain in which the institutional pressures are being exerted.

A more defensive strategy to respond to institutions is a defiance strategy. Firms adopting this strategy are actively resisting to institutions by deviating from rules or attacking institutionalized values (Oliver, 1991). The tactics of defiance include dismissing or ignoring institutional rules and values; challenging institutional pressures by more actively deviating from rules, and finally by attacking institutionalized values (Clemens & Douglas, 2005; Oliver, 1991). Aaltonen and Sivonen (2009) more recently referred to this as a dismissal strategy, described as ignoring demands, values and institutional pressures.

Besides resisting or ignoring institutional pressures, a firm can also actively try to change or exert power over these pressures. This manipulation strategy includes tactics of influencing, controlling and co-opting the source of the pressure (Clemens & Douglas, 2005; Oliver, 1991). Regnér and Edman's (2014) institutional innovation strategy corresponds to this strategy, as it refers to creating and/or changing the existing institutions in the host country. Aaltonen and Sivonen (2009) classify the response of proactively shaping values and demands of stakeholders as an influence strategy. Lastly, the institutional change strategy which implies reinforcing or creating pressures for change in the institutional context, also belongs to this classification (Edwards, Schnyder & Fortwengel, 2019).

The final strategy used for this research is an arbitrage strategy. This strategy is used by firms to leverage the differences between their home country and the host countries in which they are operating (Regnér & Edman, 2014; Edwards et al., 2019). Regnér and Edman (2014) described this strategy as relying on institutional experience in the home country by leveraging host country institutional ambiguities and exploiting the boundary-spanning multinational position of the firm. Edwards et al (2019) refer to institutional arbitrage as overcoming the weaknesses of home country institutions by drawing on institutions in the host country. This strategy is therefore more focused on firms from developing countries, leveraging the institutions in more developed host countries.

While these are all definitions of institutional strategies, some of these definitions or concepts can be merged or combined, in order for it to become a more comprehensive concept. Therefore, a classification of the various institutional strategies can be found in Table 1.

Table 1: classification of institutional strategies

Institutional strategies (concept used for this study)	Classification by various authors	Definition used for this study
Signalling strategy	Yin & Zhang (2012): **legitimization strategy** (*to win favourable regulatory treatment or minimize governance interference*).	Using corporate social responsibility (CSR) to accentuate the firm's

	Amaeshi, Adegbite & Rajwani (2016): **CSR strategies** (*firms try to create legitimacy and morality by signalling positive externalities and showcasing their social activities to different stakeholder groups*). Doh et al. (2017): **signaling strategy** (*signaling through CSR to enhance legitimacy*). El-Ghoul, Guedhami & Kim (2017): **signalling** (*using CSR to convey credibility and reduce transaction costs*). Tashman, Marano & Kostova (2018): **global legitimation strategy** (*using CSR to enhance legitimacy*).	positive attributes in order to gain legitimacy.
Collaboration strategy	Farashahi & Hafsi (2009): **establishing close relationships** *with regulatory authorities and creating networks.* Khanna & Palepu (2010): **collaborating** *with local actors.*	Collaborating with local actors such as regulatory authorities, government bodies and NGOs in order to create networks and implement the social innovation.
Adaptation strategy	Oliver (1991): **acquiescence strategy** (*habiting, imitating and complying to institutional pressures*). Aaltonen & Sivonen (2009): **adaptation strategy** (*obeying demands and rules, adjust to external institutional pressures*). Lamin & Zaheer (2012): **accommodation response** (*abide by societal norms and willing to take actions that ensure that its activities conform to these norms*). Regnér & Edman (2014): **adaptation strategy** (*conforming to the host country's institutional environment*).	Conforming or complying to institutional pressures in the host country. Following the letter and the rule of local, state and federal requirements and norms.
Compromise strategy	Oliver (1991): **compromise strategy** (*negotiate openly with regulators or partially conform with norms and rules*). Aaltonen & Sivonen (2009): **compromising strategy** (*negotiating with stakeholders, offering possibility for dialogues, and offering compensation*)	Partially complying to existing rules and norms, and negotiating with institutional actors, offering the possibility for a dialogue.
Avoidance strategy	Oliver (1991): **avoidance strategy** (*disguising nonconformity and escaping the domain in which in which the pressure is being exerted*). Regnér & Edman (2014): **circumvention strategy** (*sidestepping and evading the demands of local host institutions*).	Evading the demands of local host institutions or escaping the domain of the institutional pressures.
Defiance strategy	Oliver (1991): **defiance strategy** (*actively resisting to institutions by deviating from rules or attacking*	Actively ignoring and contesting norms, rules, and

	institutionalized values). Aaltonen & Sivonen (2009): **dismissal strategy** (*ignoring demands, values, and institutional pressures*).	values. Also attacking the sources of institutional pressures.
Manipulation strategy	Oliver (1991): **manipulation strategy** (*change institutions or exert power over the institutional pressure*). Aaltonen & Sivonen (2009): **influence strategy** (*proactively shaping values and demands of stakeholders and institutions*). Regnér & Edman (2014): **institutional innovation strategy** (*adopted to create and/or change the institutions*). Edwards, Schnyder & Fortwengel (2019): **institutional change strategy** (*reinforcing or creating pressures for change in the institutional context*).	Trying to change, exert power over or influence institutional pressures by introducing new regulations, norms, and values.
Arbitrage strategy	Regnér & Edman (2014): **arbitrage strategy** (*leveraging differences between host and home or third country institutions*). Edwards et al. (2019): **institutional arbitrage strategy** (*overcoming weakness of home country institutions by drawing on institutions in host countries*)	Leveraging the differences between the home and host institutional environment.

While it is widely accepted in academic literature that institutions affect cross-border firm activities, exactly how and why they matter remains rather unknown (Jackson & Deeg, 2008; Van Hoorn & Maseland, 2016). As mentioned above, research has been conducted on which strategies firms employ in response to institutions. However, this perspective is rather limited. Even though existing studies feature the critical role of institutional contexts, these say relatively little about how firms respond strategically to institutions of specific host countries (Regnér & Edman, 2014). Furthermore, non-market strategies aimed to address institutional voids, have received little attention to date (El-Ghoul et al., 2017). Approximately two-thirds of existing empirical studies can be characterized as taking a ''thin approach'' to institutions, which means that they do not consider possible interactions among institutional actors and that firms are seen as fairly rational players (Aguilera & Grøgaard, 2019). Authors thus advocate that we should move beyond the notion that institutions matter and find out why and how (Aguilera & Grøgaard, 2019; Eden, 2010; Jackson & Deeg, 2008).

2.3 International New Ventures

2.3.1 Definition of INVs

International new ventures (INVs) are firms which are international from inception and seek to derive competitive advantage from using resources and selling products in multiple foreign countries (Oviatt & McDougall, 1994). These start-ups or new ventures often attract capital, produce and sell products in several countries, and are often active in industries characterized by advanced technology (Oviatt & McDougall, 1994). INVs grow and internationalize quickly and fast, by focusing on unique resources exploited in foreign markets (Oviatt & McDougall, 1994). The rise of this type of enterprise has been enabled by improvements in global (tele)communications and transport facilities, combined with increasingly liberalized global trading (Fan & Phan, 2007). As a result of these developments, more companies are now born global or international from inception (Karra, Philips & Tracey, 2008).

Defining properties of INVs include the speed and timing of its internationalization. An important identifying characteristic of INVs is the fact that they are internationally oriented from inception. It is however impossible to reliably and accurately measure when the founders of an INV first conceived of internationalization (McDougall, Oviatt & Shrader, 2003). Oviatt and McDougall (1994) also noted the difficulty of defining the exact time of a new venture's existence because some ventures go through a long period of gestation before they are officially launched. Hence, authors argue that current measures of inception possibly overestimate the speed and do not necessarily capture the beginning of the internationalization process (Hewerdine & Welch, 2013). This raises questions and concerns regarding the construct validity of studies about INVs, the common measures used to operationalize 'from inception' and the unit of analysis. Instead, inception should be conceptualized as a process that occurs over time, according to Hewerdine and Welch (2013). They reconceptualized INVs as firms that are ''international during their gestational phase'', so during the organizational emergence (Hewerdine & Welch, 2013, p. 467).

Furthermore, INVs are different from MNEs because of their size and age. However, according to Ferencikova and Ferencikova (2016), the focus of the INV concept lies within the firm's age, not the size. While INVs are often conceptualized as young firms, over time they may gain expertise and experience which is needed to enter foreign markets more successfully and to learn new technological skills (Zahra, Ireland & Hitt, 2000). Different age thresholds are used in studies to operationalize INVs, varying from 6 years (Nowiński & Rialp 2013; McDougall et al., 2003) to 8 years (Coviello & Yli-Renko, 2016), 10 years (McDougall, 1989; Khavul, Pérez-Nordtvedt & Wood, 2010), and even 20 years (Oviatt & McDougall, 1997). Some authors argue that it is not about the age of the firm per se, but state that the age at internationalization is the defining characteristic of an INV (Devinney, Markman, Pedersen & Tihanyi, 2016; Hewerdine & Welch, 2013). The way the INV concept is operationalized is thus still fragmented in existing academic literature.

INVs do not follow the standard internationalization process of a firm (Hymer, 1960; Johanson & Vahlne, 1977; 1990). The original model of internationalization focuses on the gradual acquisition, integration, and use of knowledge about foreign markets, and thereby the incremental increase of commitments and investments to foreign markets (Johanson & Vahlne, 1977). INVs however, internalize much earlier and faster, and international sales or activities form a significant part of their operations (Oviatt & McDougall, 1994). This fast internationalization strategy can enhance the survival chances of the firm or even represent the profit-maximizing path for some firms (Fan & Phan, 2007). Research has shown that international expansion positively affects the chances of survival, profitability, and growth of the new venture (Oviatt & McDougall, 1997).

There is a debate among academics regarding the question of whether it is the firm's entrepreneurial activities that create advantages associated with internationalization or the young age of the firm (Zahra, 2005). Some studies have shown that the experience, capabilities, and networks of the firm's entrepreneur might allow the INV to develop resources which enable it to skip stages of the internationalization process, while still being successful (Karra et al., 2008). International new venture theory furthermore accentuates the importance of unique entrepreneurial characteristics such as being innovative, proactive, and risk-taking, all of which allow INVs to recognize and address foreign opportunities and exploit the network resources needed for rapid growth (McDougall, Shane, & Oviatt, 1994). Other papers further state that the actions which INVs undertake are the main source of competitive advantage (Oviatt & McDougall, 1995). Both prior exposure and experience of the managers of the firm and the learning capacity of these ventures decrease uncertainty and/or costs of expanding abroad (Fan & Phan, 2007). Karra et al. (2008) also argue that entrepreneurial capabilities are crucial to the success of INVs. These entrepreneurial capabilities may consist of international opportunity recognition, institutional bridging, and having a preference and opportunity for cross-cultural collaboration. Other researchers might argue that the firm's young age is important for success, as older firms might be restricted by inertia which limits their ability to learn and advance their operations (Oviatt & McDougall, 1994).

However, conflicting research shows that long-established firms possess the resources and skills which allow them to invest more in learning (Majumdar, 2000). From these studies, it can be concluded that young firms have both advantages and disadvantages (Zahra, 2005). INVs have limited financial resources because they are young firms, which can be a disadvantage (Mudambi & Zahra, 2007). INVs face other disadvantages in the form of liability of foreignness and liability of newness (Mudambi & Zahra, 2007). They do however possess advantages such as owning unique assets (Oviatt & McDougall, 1994), having extensive international experience (McDougall & Oviatt, 1996), making efficient use of their networks (Sanchez & Perez, 1998) and employing innovative governance structures (McDougall et al., 1994). Oviatt and McDougall (1994) classified four necessary and sufficient elements for a venture to qualify as an INVs. The first element holds the internalization of transactions where some market imperfections exist, and transaction costs are high (Oviatt & McDougall, 1994). The second element

concerns an alternative governance structure as INVs generally lack considerable resources to control assets through ownership. Thus, INVs must rely on alternative modes for asset controlling. A foreign location advantage is another element that INVs must contain (Oviatt & McDougall, 1994). As INVs cannot rely on the advantages of economies of scale to overcome the liability of foreignness, they must generally rely on other resources such as knowledge. The final element concerns the notion that INVs must possess some unique resources for a sustainable competitive advantage. It can be concluded that INVs have unique defining characteristics, and this causes both advantages and disadvantages.

2.4 Theoretical Framework

The concept of social innovation is among the most discussed topics in the field of innovation in the past few years (Canestrino, Bonfanti & Oliaee, 2015). It has received increasing academic interest as it seems to be a potential solution to address existing social needs that have not been filled (Canestrino et al., 2015; Van der Have & Rubalcaba, 2016; Păunescu, 2014). There are signs that social innovation is becoming even more important for economic growth, due to existing barriers to growth such as climate change and ageing populations, and rising demands for enhancing human wellbeing (Mulgan et al., 2007). However, insufficient attention has been paid to understanding how social innovations emerge and especially how they are implemented (Cajaiba-Santana, 2014). This is highly relevant as a social idea only becomes a social innovation if it contributes to solving concrete societal problems and it is embedded and institutionalized (Howaldt & Schwarz, 2010). The implementation of the social innovation thus determines the success and impact of the social innovation.

Especially start-ups and new ventures can play a critical role in the development and implementation of innovative products (Piccarozzi, 2017). Researchers suggest that new ventures develop more innovations than larger or longer established firms (Song et al., 2010). Scholars have characterized INVs as entrepreneurial and innovative firms (Knight & Cavusgil, 2004). As INVs increasingly develop social innovations to address a social issue which exists in multiple countries, it is relevant to research this implementation in different contexts. Further research is needed to investigate the role of place and geography in social innovations, as firms face different challenges depending on the context they are operating in (Tracey & Stott, 2016). Chen (2012) has stated that social ventures or companies implementing social innovations are – because of their nature – internationally oriented. INVs start to internationalize quickly to offer their social innovations to multiple countries where the social need is present. Some INVs have been set up with funding from sponsoring in developed countries, in order to benefit people in developing countries (Chen, 2012). Other INVs are simply global ventures aiming to serve a social need that exists in multiple countries (Chen, 2012). Additionally, social innovations are needed in both developed and developing countries. In developed countries, social innovations could entail solutions to mitigate climate change, while in developing countries social

innovations could be focused on reducing poverty. This focus on INVs implementing social innovations in different contexts is currently lacking in academic research and is therefore considered to be a gap in the existing literature.

Literature has shown that the implementation of social innovations requires a change in the institutional environment (Helms et al., 2012). Implementing social innovations in different countries, with varying institutions, therefore might require different strategies. INVs operating in developing host countries, presumably have to deal with weak or poorly developed institutional environments (Rao-Nicholson et al., 2017; Urbano et al., 2010). Contrarily, INVs operating in developed countries face different institutional environments and therefore are likely to employ different strategies to implement a social innovation. As INVs are internationally oriented from inception, they face multiple institutional contexts (Peng et al., 2008). According to the institutional void perspective, the motivation to come up with a social innovation increases in resource-scarce environments in which many social problems exist (Dacin, Dacin & Matear, 2010; Estrin, Mickiewicz & Stephan, 2013). Less active or developed governments may trigger higher social needs and therefore possibly greater demand for social innovations (Dacin et al., 2010; Stephan, Uhlaner & Stride, 2015). Developed countries on the other hand – which are characterized by more effective governments – will encourage and thus enhance social innovation through institutional support (Evans, 1996; Korosec & Berman, 2006; Zahra & Wright, 2011). Research has proven that geography does not explain differences in innovation across countries per se, but geography affects innovation through institutions (Tebaldi & Elmslie, 2011). Companies operating in different institutional environments are therefore assumed to employ different strategies to deal with these institutions, in order to implement their social innovation.

As mentioned before, research exists regarding strategies or responses to deal with or influence institutions. However, implementing a social innovation might differ with regard to these strategies as social innovations have a social goal or cause. Developing and implementing social innovations involves re-negotiation of institutions (Helms et al., 2012), or building new institutions (Westley & Antadze, 2010). Social innovations frequently fail because firms underestimate the implementation challenges associated with shaping host institutions (Prabhu et al., 2017; Viswanathan & Sridharan, 2012). Research has shown that institutions matter for implementing social innovations, however, the specific strategies to influence or change these institutions have not been investigated yet. Within academic literature, it has been noted that there is a need for additional research regarding the effect or influence of the institutional environment on social innovations (Mair & Martí, 2006). In the case of emerging economies or developing countries, social innovations might reduce institutional asymmetries (Williams & Vorley, 2014) or overcome institutional voids (Khanna & Palepu, 1997). Social innovations can either be facilitated or constrained by the institutional context (Urbano et al., 2010), and thus firms may respond differently to this. It is therefore important to research the process of implementation of social innovations and how it is aimed to be institutionalized (Cajaiba-Santana, 2014). Literature on

institutional mechanisms for implementing social innovation in an organization's strategy is sparse and needs to be further developed (Herrera, 2015). According to Rao-Nicholson et al. (2017) especially insight into how social innovations are being implemented in different environments is currently lacking. Even though evidence about the growing institutional diversity and consequently the strategies employed in response to this are increasing, the implications of this are still poorly understood (Rodima-Taylor et al., 2012).

The streams of literature regarding social innovations, INVs, and institutions have not yet been combined in one study. This research combines these three streams to investigate which strategies INVs employ in either developing or developed countries to implement a social innovation. This study is designed to fill the gaps by contributing to the literature in three areas. Firstly, in this study the implementation of social innovations is the focus of the research, which is lacking in current studies (Cajaiba-Santana, 2014). Secondly, differing from prior studies, institutional strategies will be applied specifically to the implementation of social innovations in developing and developed countries. Lastly, INVs are the research object, instead of MNEs, which is often the research object in academic studies. This is relevant as INVs are often innovative firms (Knight & Cavusgil, 2004; Song et al., 2010), and address social issues which exist in multiple countries (Song et al., 2010).

The research question of this research is therefore formulated as follows: ''How do INVs work to implement social innovations in developed or developing host countries?''. The aim of this research is to study the kinds of actions or strategies that INVs are likely to adopt to influence or change the host country's institutional environment, in order to implement the social innovation. Taking into account the theory as set out in the literature review and theoretical framework, eight propositions have been developed.

A signalling strategy includes using CSR as a tool to stress the firm's positive attributes and generate goodwill. CSR calls for compliance with the law, but also for voluntarily going beyond existing rules and regulations. This signalling strategy was classified by Doh et al. (2017) as a response to institutional voids, which generally are present in developing countries. Amaeshi et al. (2016) have found that firms adopt CSR in developing markets because of normative, relational, and instrumental motives. However, using a CSR can be an effective signalling strategy in developed countries as well, as many researchers suggest positive perception of consumers towards CSR (Arli & Lasmono, 2010). The role of social factors in a firm's global operations is increasing (Reimann, Ehrgott, Kaufmann & Carter, 2012). Developed-country firms often have to incorporate CSR in their strategy as their reputation needs to be improved (Tan & Wang, 2010; Reimann et al., 2012). Especially when implementing social innovations, a signalling strategy is likely to be employed, as the social goal allows for CSR activities. Social innovations are in fact often developed because society expects firms to be socially responsible (Snider, Hill & Martin, 2003). Herrera (2015) established a five-stage process of social innovation in which CSR

implementation is combined with business innovation. INVs especially make use of CSR strategies as they need to gain legitimacy in the host country because they are new ventures. Therefore, signalling strategies are likely to be adopted in both developed and developing countries.

Working proposition 1: INVs are likely to adopt a signalling strategy to implement social innovations both in developing and in developed countries.

Collaborating with local actors is another possible strategy to respond to institutions. This strategy is likely to be adopted by INVs because they generally have limited resources. Although this strategy is used in institutional voids literature, it can be used in multiple institutional contexts. Research namely has shown that collaboration is an important part of implementing a social innovation, as the absence of networks and collaborations is the main reason why social innovation projects fail (Mulgan et al., 2007). It has been proposed that an open collaboration among several stakeholders and institutions can improve the impact a social innovation has (Murray et al., 2010). Herrera (2014) argues that active engagement and being open to collaboration with other actors increases the likelihood of corporate social innovations. Rodima-Taylor et al. (2012) argue that institutional partnerships and collaboration is used in both developed and developing country contexts. INVs in general have a preference for cross-cultural collaboration with local actors (Karra et al., 2008). Thus, a collaboration strategy is expected to be adopted in both developing and developed countries.

Working proposition 2: INVs are likely to adopt a collaboration strategy to implement social innovations both in developing and in developed countries.

An adaptation strategy means conforming or complying to existing institutional pressures in the host country (Aaltonen & Sivonen, 2009; Lamin & Zaheer, 2012; Oliver, 1991; & Regnér & Edman, 2014). According to Oliver (1991), this strategy is most likely to be employed when legal enforcement is high. This means that the consequences of nonconformity are highly punitive, and laws are strictly enforced. Aaltonen and Sivonen (2009) argue that when external stakeholders are more powerful in exerting pressures, a firm is likely to respond to this with an adaptation strategy. Developing countries are characterized by corruption, poor governance, and political instability (Olken & Pande, 2012). In several developing country contexts, it was found that regulations were uncoordinated and correct implementation and enforcement was lacking (Jalilian, Kirkpatrick & Parker, 2007). Emerging and developing markets are characterized by less developed governments and regulatory infrastructure, meaning that regulatory enforcement might not be as reliable as in more developed countries (Marquis & Raynard, 2015). Therefore, INVs operating in developed countries are more likely to employ an adaptation strategy, as legal enforcement is higher, and consequences are more likely when the existing rules are not obeyed.

Working proposition 3: INVs are more likely to adopt an adaptation strategy to implement social innovations in developed countries, than in developing countries.

A compromise strategy includes firms negotiating openly with institutional actors, offering the possibility for a dialogue. Developing and emerging economies are typically characterized by inadequate regulatory and enforcement regimes (Boisot & Child, 1996; Peng, 2000). To overcome this lack of properly functioning institutions, firms often rely on relationships-based and network-centred strategies (Peng, 2003). Establishing close and continuous relationships with institutional actors such as regulatory authorities are political attempts made by firms in unstable institutional environments (Peng et al., 2008; Guillen, 2000; Hillman & Hitt, 1999). Local governments are central players in developing countries and have thus more influence over the actions, structure, and strategies of companies (Rottig, 2016). Because these governments are local, this facilitates firms having a dialogue with them. Developing countries are furthermore characterized by corruption (Olken & Pande, 2012). While this is an illegal practice, it might imply that governmental actors are also more open to other practices such as lobbying and negotiating. This in contrast to developed countries, which are often characterized by strong formal institutions (Meyer et al. 2009; North, 1990). Therefore, a compromise strategy is likely to be adopted more likely in developing countries, which are characterized by unstable and weak institutional environments.

Working proposition 4: INVs are more likely to adopt a compromise strategy to implement social innovations in developing countries, than in developed countries.

An avoidance strategy means evading the demands of local host institutions or escaping the domain of the institutional pressures. This is a strategic response where a firm avoids institutional pressures (Regnér & Edman, 2014), or precludes the necessity of conforming to institutional pressures (Aaltonen & Sivonen, 2009; Oliver, 1991). One way to avoid the institutional environment is by leveraging the ambiguities of host country environments as well as the firm's social position as a foreign outsider. This strategy can be employed when for example INVs from developed countries are operating in developing countries and use their role as ''foreigner'' to avoid institutional pressures and implement social innovations. Ambiguity arising from diverse institutional environments in which INVs operate can create an opportunity for strategic responses to institutions (McGaughey, Kumaraswamy & Liesch, 2016; Saka-Helmhout & Geppert, 2011). In this way, the firm attempts to reduce the extent by which it is being inspected (Oliver, 1991). Organizations are likely to attempt avoidance strategies when facing multiple conflicting pressures. This is more often the case in developing countries, where rules and regulations on the one hand, and norms and values, on the other hand, move in inconsistent or incompatible directions (Austin & Kohn, 1990; Farashahi & Hafsi, 2009; Maddy, 2000).

Proposition 5: INVs are more likely to adopt an avoidance strategy to implement social innovations in developing countries, than in developed countries.

A defiance strategy includes actions such as ignoring explicit norms and values and contesting existing rules (Clemens & Douglas, 2005; Oliver, 1991). Firms adopting this strategy are ignoring local norms and values or resisting institutional pressures in the host country (Tan & Wang, 2010). The defiance and adaptation strategies are two ends of a continuum (Tan & Wang, 2010). Defiance strategies are thus likely to be adopted in environments where legal coercion or enforcement is low, which is often the case in developing countries. However, when implementing social innovations the firm is aiming to cause social change and have the social innovation institutionalized (Cajaiba-Santana, 2014; Howaldt & Schwarz, 2010). The aim of social innovations is often to change the institutions that created the social problem it addresses (Purtik & Arenas, 2017). Therefore, it is not effective or applicable to openly ignore or resist institutional pressures when working to implement a social innovation because these firms desire change in the existing institutions.

Proposition 6: INVs are not likely to adopt a defiance strategy to implement social innovations neither in developing countries nor in developed countries.

A manipulation strategy includes co-opting, influencing, shaping values, and dominating institutional processes (Oliver, 1991). This strategy is adopted to change and exert power over the institutional pressures. Institutional antecedents or indicators for this strategic response are low legal coercion and low dependence on institutions or institutional actors (Oliver, 1991). Re-envisioning institutions is an important part of the process of implementing social innovations and involves determining which aspects of local institutions must be changed and how (Venugopal & Viswanathan, 2019). INVs can adopt this strategy by relying on increased reflexivity and resources which arise from their multinational position. This strategy is likely to be adopted in contexts where sanctions for noncompliance with laws or regulations are minimal or where mechanisms for enforcing compliance are weak or infrequently applied (Oliver, 1991). Developing countries are characterized by greater informality and less developed government and regulatory infrastructures (Marquis & Raynard, 2015), which leaves more room for changing existing institutions. Therefore, this strategy is more likely to be employed in developing countries.

Proposition 7: INVs are more likely to adopt a manipulation strategy to implement social innovations in developing countries, than in developed countries.

The last strategy concerns the arbitrage strategy, where differences between home and host institutional environments are being leveraged. This strategy can take two forms. The first is when INVs leverage differences between home and host institutional environments by relying on institutional experience from the home country (Regnér & Edman, 2014). This strategy thus relies on introducing practices in response to ambiguities and institutional voids in local host country conditions. INVs must then be able to recognize institutional ambiguities and institutional voids in the host country (Regnér & Edman, 2014). The second form is when INVs from developing countries overcome the weakness of their home country institutions by drawing on the institutions of the host countries (Edwards et al., 2019). This strategy refers to the process when firms from emerging markets seek to utilize institutions in other countries, thus escaping the weakly developed home country institutions (Edwards et al., 2019). Due to this strategy existing in two variants and INVs are characterized by operating in different institutional environments, this strategy is likely to be adopted both in developing and developed countries, under the condition that significant differences exist between home and host countries.

Proposition 8: INVs are likely to adopt an arbitrage strategy to implement social innovations both in developing and in developed countries.

Chapter 3 – Methodology

In this chapter, the methodology of the study is explained. Firstly, the research design will be clarified. Secondly, an overview and description of the different cases is provided and the reasons for selecting them will be explained. Thereafter, the data collection methods are specified as well as the data analysis techniques used for this thesis. The chapter concludes with remarks about the validity and reliability of the methods used and the research ethics of the study.

3.1 Research design

This thesis adopted a qualitative research method. A qualitative research studies a phenomenon in depth, in a real-life context, which means that the researcher does not manipulate the phenomenon being studied (Golafshani, 2003). Bleijenberg (2015) states that qualitative research includes all types of research that focus on generating and interpreting information to make statements about a real-life phenomenon. The results of a qualitative study will thus be based on words rather than on numbers (Eisenhardt, 1989). The emphasis of qualitative research is therefore not on the quantity of the data but on the quality of the data (Vennix, 2011). According to Yin (2014), a qualitative research design should be considered when the aim of the study is to answer a ''how'' or a ''why'' research question. As this thesis focusses on answering a how question, a qualitative research design is the appropriate design. This study aimed to investigate the strategies that INVs use in order to implement a social innovation. Therefore, a phenomenon in real-life context needed to be studied. The results of this thesis indicate which strategies are used in either developing or developed countries to implement a social innovation, and therefore the results will be based on words instead of numbers.

This thesis adopted a case study design. Yin (1989, p. 23) defines a case study as ''an empirical inquiry that investigates a contemporary phenomenon within its real-life context when the boundaries between the phenomenon and the context are not clear; and in which multiple sources of evidence are used.'' According to Yin (2014), a case study design should be considered when the behaviour of those involved in the study cannot be manipulated. In this thesis, a case study was applicable as the behaviour or strategies employed by INVs could not be manipulated. A distinction can then be made between single and multiple case studies. A multiple case study investigates and uses several cases to study the phenomenon, instead of just one case in single case studies. This multiple case design was applicable for this study because the goal was to evaluate and understand the context of INVs in different institutional environments and to establish causal relationships between these contexts and the strategies employed there (Saunders & Lewis, 2012). Besides this, a multiple case study allows exploring differences within and between cases (Baxter & Jacks, 2006), which was useful to investigate the differences in strategies adopted by INVs in developing and developed countries. A multiple case study is advantageous over a single case study, as it is regarded as being more robust and more compelling

(Yin, 2014). This research studied six INVs and the strategies they adopt in different institutional contexts were compared. Therefore, a multiple case study was the appropriate method for this thesis.

A distinction can be made in the rationales for conducting a multiple case study (Yin, 2014). In a literal replication, similar results are expected from the cases, under similar conditions. Multiple cases are used and compared to confirm the same results. Literal replication enables the researcher to capture similarities within groups of cases (Rialp, Rialp, Urbano & Vaillant, 2005). Theoretical replication, on the other hand, is used to identify and verify contrasting results or differences between the groups of cases. In this study, literal replication was used to test whether INVs operating in developing countries use the same strategies to implement social innovations, and INVs operating in developed countries use the same strategies. It was also used to test the propositions which include the assumption that an institutional strategy is used both in developing and developed countries. Theoretical replication was then used to investigate the differences between INVs operating in developed countries and INVs operating in developing countries. This was to verify the differences in strategies adopted by INVs in different institutional contexts, as set out in multiple propositions.

3.2 Case selection

Firstly, a strategy to select the appropriate cases had to be chosen. According to Nielsen (2016, p. 570), a case can be defined as ''a spatially bounded phenomenon, observed at a single point in time or over a limited period of time.'' The cases for this study were selected by using non-probability sampling or selective sampling. This means that the cases were deliberately chosen (Gerring, 2006). According to Yin (2014), placing boundaries and selection criteria on the cases prevents the study from being too broad. This non-probability sample was applicable for this study as the cases had to meet several specific criteria. Nielsen (2016) presented the ''most similar technique'' which was applicable to select and define cases for this research. This method was used to select cases that are similar on most characteristics but differ on some aspects. The differing aspect is the fact that the INV is operating either mainly in developed or mainly in developing countries. The classification of a country as developing or developed is based on the World Economic Situation and Prospects (United Nations, 2020).

In this research, six INVs have been studied, which were engaged in or are in the process of implementing social innovations. On these aspects, the cases were similar. INVs were identified and selected based on several criteria. An important identifying characteristic of INVs is the fact that they are internationally oriented from inception. It is however almost impossible to reliably and accurately measure when the founders of an INV first conceived of internationalization (McDougall et al., 2003). Nonetheless, it is a dominant conception in literature that INVs are operationalized as firms that internationalize within three years after company foundation or after launching their first product or service (Coviello, 2006; Servais, Zucchella & Palamara, 2006; Zucchella, Palamara & Denicolai, 2007).

Internalization speed is a characteristic of INVs which enables to distinguish INV from other firms. Therefore, secondary data such as websites, press releases, and newspaper articles were used to confirm that the INV internationalized within the first three years of operation.

Besides speed of internationalization, INVs are different from MNEs because of their age. However, Oviatt and McDougall (1994) noted the difficulty of defining the exact time of a new venture's existence because some ventures go through a long period of gestation before they are officially launched (Zahra, 2005). Nonetheless, age is still an important indicator as this enables to distinguish between new ventures and long-established firms or multinational enterprises (MNEs). In academic literature, various age thresholds are used to operationalize INVs (Nowiński & Rialp, 2013; McDougall, 1989; Oviatt & McDougall, 1997). While according to some authors, age is not the identifying characteristic of INVs, it does distinguish INVs from other types of firms such as MNEs. Therefore, in this study, INVs were selected based on the criteria that they are less than ten years of age (McDougall, 1989) and have entered their first foreign market within three years of operation. The threshold of ten years of age enabled finding firms which were able to answer questions about the implementation of their social innovation but were not considered to be an MNE. Firm age was calculated by deducting a firm's foundation year from the current observation year.

Additionally, only INVs working to implement or which already have implemented social innovations were selected. This was based on the characteristics of innovative products or services with a social cause, a social goal orientation and/or a sustainability orientation (Dwivedi & Weerawardena, 2018). According to Cajaiba-Santana (2014), the distinguishing feature of social innovation lies firstly in newness and secondly in the purposeful actions oriented towards a desired result, being social change. Therefore, social innovations are product or services which qualify as being innovative and serve a social need or are aimed to create social value. The innovative part could in this study refer to product innovation or process innovation. Product innovation is the improvement or newness of a good or service with respect to its characteristics or the way it is used (Bacchiega, Lambertini & Mantovaini, 2011). In terms of social innovations this could also mean a new or better way of addressing a certain societal need. Process innovation is the implementation of a new or significantly improved production or delivery method (OECD, 2005). This might include significant changes in techniques, equipment and/or software. Based on these selection criteria, the companies that have been studied for this research were the following:

Case 1: Sweep Smart

Case 2: Wateroam

Case 3: Hello Tractor

Case 4: OrCam

Case 5: Walk with Path

Case 6: Quicargo

Table 2: Case Selection

Name of the company	Age in years	Kind of social innovation being implemented	Home country	Country or countries operating	Main type of country (developing/developed) according to United Nations (2020)
Sweep Smart	4	European zero waste management reinvented for emerging and developing countries.	The Netherlands	India Indonesia	Developing
Wateroam	6	Water filtration systems in the form of portable water filters and water test kits, to ensure clean water access globally.	Singapore	33 developing countries in Asia and Africa	Developing
Hello Tractor	6	Platform for tractors including technology for smarter, better maintained, and more profitable tractors, powered by artificial intelligence.	Nigeria	10 developing countries in Africa and Asia	Developing
OrCam	10[1]	Artificial intelligence devices for blind and visually impaired people. OrCam MyEye is a tiny device with a smart camera that attaches to virtually any eyeglass frame, which can read things out loud and recognize faces.	Israel	Europe The United States China Korea Japan Vietnam	Developed
Walk With Path	6	Products for people with walking problems such as Parkinson. Path Finder are lasers that can be clipped	The United Kingdom	Europe Canada Hong Kong	Developed

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[1] OrCam is considered an INV as in its first five years its only activity was R&D to develop the product. When OrCam launched it product, it immediately was launched in several countries, which classifies OrCam as an INV.

		onto someone's shoes. They are still developing Path Feel which are insoles that provides vibrational feedback.			
Quicargo	4	Digital freight network to make sure that no more trucks are driving on the road empty or partially empty.	The Netherlands	The Netherlands Belgium Germany France Italy Spain The United Kingdom	Developed

3.3 Data collection

As mentioned earlier, this research has a qualitative nature and uses a multiple case study. In this study, primary data was collected by conducting interviews. According to Boeije, 'T Hart and Hox (2016), primary research is research in which the researcher generates direct data by for example asking questions to the respondents. Interviewing can be described as a technique for collecting data to gather information from a small number of respondents to explore their ideas on processes, situations, or programs in the organization (Symon & Cassell, 2012). As this research aimed to gain detailed insights in the strategies employed by INVs to implement social innovations in different institutional contexts, conducting an interview was the appropriate data collection method. The interviews conducted in this research were semi-structured interviews. This means that the questions were carefully designed beforehand but were accompanied by follow-up questions and the sequence could have been changed (Adams, 2015). Furthermore, open-ended questions were asked, to allow the respondents to explain, so rich and complex data was gathered. The main questions that have been asked during the interview are the following:

- What makes your product/service X innovative?
- Does your product/service create social value? How?
- How would you describe the environment or surroundings in the main countries of operation?
- When you tried to offer product/service X, did you face any challenges in countries Y and Z?
- What did you do to make this product/service X accepted in countries Y and Z? How did you deal with these challenges?
- What did you do to make the people in this country embrace or adopt the social innovation?

The complete set of interview questions can be found in Appendix I.

Besides collecting primary data, this study also included gathering secondary data. Secondary data can be defined as data collected by others than the researcher (Cowton, 1998). It includes documentation such as administrative documents and newspaper articles (Yin, 2014). Secondary data was gathered as background information of the INVs, to select the right cases, prepare for the interviews and triangulate the information provided by the interviewees. This secondary data provides background information about the founding date, in which countries the INV is active when it first internationalized and more information regarding the company and the product or service. Data regarding the challenges which were faced by the INV or actions that were taken in response have been used during the interview. This secondary data was also used for data triangulation, which can be defined as ''the convergence of data collected from different sources, to determine the consistency of a finding'' (Yin, 2014, p. 241). Triangulation strengthens the construct validity of the case study, which will be further elaborated on in paragraph 3.5.

3.4 Data analysis

After conducting the interviews, they were transcribed. The actual analysis consisted of three steps. First of all, the interview transcripts were read in order to get a broad idea of the information provided. Second, the interviews were coded based on which challenges the INVs faced and which strategies they used. The goal of coding was to investigate strategies used to implement the social innovations (Vennix, 2011). Third, the coded transcripts were reviewed, and the coding was finalized. These steps were taken to explore and recognize themes, which are the fundamental concepts aimed to describe (Ryan & Bernard, 2003). These themes emerged from the literature, as the possible strategies or strategic responses were classified a priori. Thematic coding was used to find and identify these themes based on the literature, in the real-life context. An overview of the themes for thematic coding is presented in table 1. In order to improve and accelerate this coding process, the computer programme MAXQDA 2020 has been used.

3.5 Data validity and reliability

To ensure high-quality research, this study needs to meet the following criteria: construct validity, internal validity, external validity, and reliability. Construct validity can be defined as the accuracy of the measurement of the concepts (Yin, 2014). This is ensured by providing comprehensive definitions of the key concepts being social innovation, institutional environment, and INVs. These definitions are based on multiple sources in the literature, and thus ensure construct validity. Besides, one of the advantages of a multiple case study method is attaining high levels of construct validity (Bennet, 2004).

Internal validity ensures the strength of the cause-effect link (Yin, 2014). The main issue here is whether the researcher provides plausible causal arguments, and logical and compelling reasoning to defend the conclusion of the research (Gibbert, Ruigrok & Wicki, 2008). Internal validity is ensured by theoretically substantiating the propositions (Bleijenberg, Korzilius & Verschuren, 2010). This has been done by linking the type of institutional strategies to the relevant literature and the type and characteristics of the country before each proposition was formulated. Additionally, the external validity should be guaranteed. External validity consists of the ability to generalize to other situations (Yin, 2014). This is important as one of the goals of this research is to find a general explanation that fits individual cases. The external validity with respect to a case study is often a general concern. However, in a case study, the researcher relies on analytical generalization instead of statistical generalization (Gibbert et al., 2008). It is thus important that a clear rationale for the case selection is provided, which was done in paragraph 3.2 of this research. Yin (2014) argues that when findings are replicated in other studies this provides more generalizable results for a broader theory. Therefore, patterns found in this study can potentially be generalized to the theory by further research. The last criterion that should be met is reliability. This includes that the same results will be gathered when the study is repeated (Yin, 2014). It refers to the consistency of the results. Reliability is ensured by using a case study protocol (Yin, 2014), which enables everyone to replicate the study exactly the way it is done. By extensively elaborating on the methodology used for this research, reliability is assured. This contributes to transparency and allows researchers to test this study's reliability. Multiple cases were selected and studied in order to improve the reliability of the research.

3.6 Research Ethics

The research ethics have been taken into account in a few ways. Following the American Psychological Association (2003) principles for research ethics, all data was collected and treated with care. The interviewees were informed about the topic and purpose of this study and were ensured that the collected data would be used for research purposes only. Before the interview, permission was requested for recording the interview. All interviewees were asked if it was allowed to mention their company's name and interviewees' names in the final thesis. At the end of each interview, respondents were asked if they wanted to add something to the interview that had not been mentioned yet. Thereafter, each interview has been transcribed. These transcripts include every word and expression of the respondents, including hesitations or (re)thinking to ensure the transcripts were literal. Upon request, the final thesis was sent to the interviewees before publication, with the option to object to any content regarding the interviewee or the company. After finalization of the thesis, a summary of the study including the results will be sent to all participants. The research ethics for qualitative studies have thus been ensured.

Chapter 4 – Results

This chapter elaborates on the findings derived from the data. All findings are based on the interviews conducted with influential employees of the companies presented in chapter three. Firstly, a within-case analysis was performed to analyse the individual cases. This within-case analysis shows which institutional strategies are employed by each of the INVs in order to implement their social innovation in the respective host countries. Secondly, the results of each case are compared in the section on the cross-case analysis. The cross-case analysis provides an overview of the strategies used in developing and strategies used in developed countries. This illustrates differences and similarities of the use of institutional strategies in developing and developed countries. These results that derive from the cross-case analysis are then used to draw conclusions on the formulated propositions.

4.1 Within-case analysis

4.1.1 Sweepsmart

Sweepsmart is a company specialised in implementing waste management in developing countries. Sweepsmart set up smart waste centres, is specialized in solid waste management and offers waste consulting. The company was officially founded in the Netherlands in 2016 and adjusted European waste management for developing countries (Sweepsmart, n.d. – a). Sweepsmart started operating in India in 2016 and expanded to Indonesia in 2018.

According to Rohith Kumar, project manager at Sweepsmart, besides making a profit, Sweepsmart needs to engage in CSR activities which is done by connecting with the local waste companies and townships. Through CSR they can implement their waste management system because it gives them the legitimacy they need. As local communities and waste workers were hesitant to work with Sweepsmart at first, Sweepsmart needed to gain legitimacy and credibility to earn their trust. They did this through CSR activities by signalling their intentions, for example by explaining to the waste workers and the local government how they will create positive impact. By enhancing Sweepsmart's social capital with external stakeholders such as waste companies, communities, and local government bodies, CSR helped them to reduce risk and increase trust. Sweepsmart was also working on a CSR initiative from the big Indian IT company ''I Got Garbage''. As mentioned by El-Ghoul et al. (2017) CSR as an institutional strategy can be used to enhance access to either capital or resources. Through the CSR initiative with I Got Garbage, Sweepsmart gained access to resources such as waste-management apps because I Got Garbage is specialized in waste-related technology (I Got Garbage, n.d.). This illustrates that Sweepsmart is adopting a signalling strategy, which refers to working proposition (WP) 1.

Sweepsmart also collaborated with local governments and authorities, NGOs, and other (waste) companies. Through a partnership with the local government of Bangalore, Bruhat Bengaluru MahanagaraPalike (BBMP), Sweepsmart was able to install water connections in the waste facilities and gained access to vehicles to collect segregated waste from the local households, things that were lacking in a developing country such as India. Together with the local government, Sweepsmart signed a contract to upgrade ten of the existing waste facilities, which were owned by the local government. According to Indian law, waste generated in a specific ward – an administrative unit of a city or region – should also be processed within that ward. However, in Bangalore already several waste collection centres existed, and buying property in Bangalore was too expensive for a start-up such as Sweepsmart. Through this partnership, Sweepsmart was able to upgrade and use these existing facilities with its own waste management systems. Sweepsmart also collaborated with Electronics City Industrial Township Authority (ELCITA), which is the official governing body of Electronic city – a tech park with over 200 global offices – to upgrade the existing waste facility there. Besides the local government, Sweepsmart also established valuable partnerships with NGOs. Rohith Kumar explains ''NGOs have a very good connection with the local people. So we used to give a training to the NGO, and the NGOs need to give a training to the households.'' This training was important as the local communities were not familiar with waste segregation yet. They did not have the knowledge to determine what was considered wet, dry or reject waste. Sweepsmart also started working with local vendors who were running dry-waste management centres in India. Sweepsmart wanted the existing waste pickers to work for them in their waste facilities. However, some issues arose, for instance that these waste workers did not have identity cards. Through partnering with NGO Hasiru Dala, Sweepsmart managed to arrange ID cards for the waste workers, which enabled Sweepsmart to officially hire them. Sweepsmart thus collaborated with (local) government authorities, NGOs, and other companies in order to change existing informal institutions or compensate for missing formal institutions. Therefore it can be concluded that Sweepsmart has adopted a collaboration strategy – which refers to WP 2 – in order to implement its social innovation.

The third institutional strategy investigated in this study is the adaptation strategy, which would be manifested when Sweepsmart was conforming or complying to existing institutional pressures such as cultural norms or values or regulations in India or Indonesia. Rohith Kumar stated that there are a lot of regulations and policies implemented regarding waste management in Bangalore, but ''Bangalore people are not ready to follow it properly.'' Regulations regarding waste segregation already existed in Bangalore, however, local communities were not able to segregate waste properly, either because of ignorance or disinterest. These existing norms of the local community were not something that Sweepsmart simply ignored or accepted. In fact, Sweepsmart gave training to educate people and handed out pamphlets to increase awareness and knowledge regarding waste segregation. Also existing norms of the waste pickers regarding the value of waste or the importance of protection materials when working in the waste facility, was something that Sweepsmart tried to influence or change. Of course,

Sweepsmart conformed to Indian or Bangalore and Indonesian laws, but this was not done as a strategy to implement their social innovation. This indicates that the adaptation strategy was not employed by Sweepsmart.

One of the main challenges that Sweepsmart faced when working to implement its social innovation, was the fact that the waste workers were not ready to use personal protective equipment (PPE). Sweepsmart dealt with these challenges by giving training to the waste workers and letting them get used to the materials, and Rohith Kumar explains that ''they gradually started using it.'' By continuously explaining and stressing the importance of the protection, as well as gradually letting the waste workers get used to wearing them, Sweepsmart implemented PPEs into the working process in the waste facilities. By partially complying to the existing norms – gradually introducing the PPEs to the waste pickers – and by negotiating with the workers about the importance of the protection materials, they adopted a compromise strategy. Besides the waste workers not being used to wear any protection, also the households had a lack of awareness on the segregation of waste. They did not know which waste belonged to the categories of dry, wet, and reject waste and did not understand the importance of segregation. But Sweepsmart worked on this challenge by offering a dialogue with the households through explaining which materials were dry waste, which wet waste and which reject waste. Besides negotiating and communicating with the waste workers and the local households, Sweepsmart also negotiated with the local body of Bangalore, BBMP. By explaining how Sweepsmart could improve the existing waste facilities of BBMP, they concluded a contract with the local government to upgrade the government's owned waste centres. Therefore, this case illustrates that Sweepsmart adopted a compromise strategy, which refers to WP 4.

An avoidance strategy would be reflected when Sweepsmart was evading the demands of local institutions in India and Indonesia or was disguising nonconformity to certain regulations or cultural norms. While expected in WP 5 that this strategy would be adopted in developing countries, no evidence was found of this institutional strategy in this case. This makes WP 5 not applicable for this case.

While not explicitly stated that a defiance strategy was not employed by Sweepsmart, the importance of negotiating and collaborating was mentioned repeatedly by the interviewee. Instead of ignoring or actively resisting institutional pressures such as existing norms and regulations, Sweepsmart has worked together with local governmental bodies or has given training to the community to facilitate waste segregation. Consequently, it can be concluded that Sweepsmart did not adopt a defiance strategy as referred to in WP 6.

The waste workers in India considered waste as something without value, thus concluding that their job was not of any worth. Sweepsmart nonetheless tried to change these beliefs by showing the waste workers that waste can be valuable when it is correctly segregated, and therefore so is their job. By providing them with the correct ways of segregating waste, setting up the waste facilities, and giving them awareness training, Sweepsmart worked to change their existing norms on waste. This illustrates

an expression of the manipulation strategy as mentioned in WP 7, because Sweepsmart tried to change the existing informal institutions.

While Sweepsmart was only operating in India and Indonesia, the company was founded in The Netherlands. According to Regnér and Edman (2014), a difference between home and host institutional environment can be leveraged by relying on home country institutions. Sweepsmart leveraged these home country institutions by copying the advanced waste management of The Netherlands so developing countries such as India and Indonesia, where this did not exist. While they slightly adapted these waste systems to the developing markets, they relied on their existing knowledge and technology. This can be classified as a transfer of institutional experiences and knowledge, which makes an arbitrage strategy possible (Regnér & Edman, 2014). India was struggling with waste and had already implemented some laws on segregation; however, the knowledge and technology to successfully implement waste collection and segregation was lacking. Sweepsmart leveraged this by making use of their experience and knowledge on waste management in Europe. Their experience on waste segregation in the Netherlands and the problems they faced there, could be used in their expansion to India and Indonesia. Furthermore, home country institutions were leveraged as Sweepsmart collaborated with the Dutch Ministry of Foreign Affairs who offered funding to Sweepsmart. Thereby Sweepsmart leveraged a difference between host and home country institutions. Consequently, this case demonstrates that an arbitrage strategy as listed in WP 8, was adopted by Sweepsmart.

Table 3: Within-case results Sweepsmart

WP		Strategy adopted	Quote
1	Signalling strategy – using CSR to stress the firm's positive attributes – adopted in both developed and developing countries.	Adopted	''So before making a profit, they need to do some CSR activities. So we used to connect with the main companies and the townships. Trough CSR, we can implement our waste management system. So we are working on it.''
2	Collaboration strategy – collaborating with local actors and institutions – adopted in both developed and developing countries.	Adopted	''And Sweepsmart used to work with local NGOs, non-governmental organizations. So the NGOs have a very good connection with the local people.'' ''So in India, like the wastepickers they don't have the ID cards initially. But there is an NGO called Hasiru Dala, so they recognized the waste pickers. And they provided ID cards.''

3	Adaptation strategy – conforming or complying to existing institutions – adopted in developed countries.	Not adopted	
4	Compromise strategy – openly negotiating with institutions, offering the possibility for a dialogue – adopted in developing countries.	Adopted	''Sweepsmart has a very good connection with the local body, called BBMP. Sweepsmart has a good connection with them, so my directors are used to speak with the higher management people. And I am sure they are also telling okay, if you do it like this, the people can change their tasks, they can start implementing it […]. And so Sweepsmart is very active in the field of giving innovation ideas, and also communicating with the local people.''
5	Avoidance strategy – evading the demands or escaping the domain of local host institutions – adopted in developing countries.	Not applicable	
6	Defiance strategy – ignoring explicit norms and resisting institutional pressures – not adopted.	Not adopted	
7	Manipulation strategy – influencing and shaping institutional values and rules – adopted in developing countries.	Adopted	''So initially Silvia and Niels were trying a lot and finally they succeeded to convert them as a waste manager. Why we need to do it in this way. Why is a different way needed and what is the importance of safety. So if we do it in this way, how many revenue it will generate and how you can make the profit more. […] Like this we are training the wastepickers, so if you do it in this way, you can also get more money.''
8	Arbitrage strategy – leveraging differences between home and	Adopted	''European zero waste management knowledge reinvented for the local context.

| host institutional environment – adopted both in developed and developing countries. | We build realistic solutions that work, based on 45+ years of real 'boots in the waste' experience in Europe.'' (Sweepsmart, n.d. – b) |

4.1.2 Wateroam

Wateroam was founded in 2014 in Singapore (Wateroam, n.d. – a). The three founders designed and developed water filtration systems which can be used especially in disaster relief and rural areas. The product is innovative as it is easy to use and understand, portable and quick to set up. The Singaporean company set up its first water filtration system in Malaysia in 2014, and in the same year also in Cambodia (Wateroam, n.d. – a). Up till now, Wateroam has set up its water filtration systems in 33 developing countries in Asia and Africa. Their first and main countries of operation are Cambodia and Malaysia, which were therefore the focus of the interview.

Wateroam works with NGOs, companies engaging in CSR activities and government bodies to reach its vision of establishing access to clean water for everyone. Wateroam collaborates with companies in the water industry that want to engage in CSR. This gives them access to certain resources such as funding, that they would otherwise not possess. But besides helping other companies reach their CSR goals, Wateroam's social goal of providing clean water access to developing countries allows for CSR activities of its own. CEO David Pong explains that they ''focus on impacting those who are vulnerable, […] and communities that are at risk.'' By signalling their positive intensions and impact, Wateroam gains legitimacy which in turn provides them with either the trust they need from local communities or authorities to install their water filtration systems or with funding. This is necessary as in these developing countries, there generally is a lack of strong capital and loan markets (Amaeshi et al., 2016). Wateroam engages in CSR activities through extensively publishing about their projects and the impact they created, for example on their website and through social media, and by attending a lot of social impact-business events (Wateroam, n.d. – b). Therefore, it can be concluded that Wateroam adopts a signalling strategy as referred to in WP 1.

Wateroam actively engaged in collaborations with local actors such as NGOs and the local government. According to CEO David Pong ''managing the local government relationships is also key.'' When moving into new territory, Wateroam always finds a partner to collaborate with. Usually this is an NGO with a lot of experience with the local communities. This is important as local communities often do not see the importance of clean drinking water and therefore do not trust Wateroam. The local NGOs often already have a strong relationship with the community and have gained trust over time. By explaining and giving training to the local community about the importance of water, these NGOs can thus enable Wateroam to install their water filtration systems which are then

used by the locals. Collaborations with local governments enable Wateroam to gain legitimacy from the public authorities. As explained by Farashahi and Hafsi (2009) establishing close relationships with authorities can be critical for Wateroam's survival and success. As CEO David Pong explains, when they do not collaborate with the local chiefs of a village ''conversely, they will find that we are coming in to expose a gap which they may not have filled as mayors of the land'', which would eventually backfire. Therefore, Wateroam adopted a collaboration strategy in order to implement its social innovation, as mentioned in WP 2.

Wateroam has also adopted an adaptation strategy as applied in WP 3. Wateroam realized that the developing countries where it operates are less economically developed than the high-income economy of Singapore, its home country. This means that purchasing power is lower there. Local norms often meant that the rural communities were not able nor willing to purchase Wateroam's filters. As purchasing power is not something that can be increased easily, Wateroam conformed with these institutional conditions and adapted their business model by offering the possibility of micro-entrepreneurship. Also the taxation of import duties was something that Wateroam had to conform to. As their water filters are produced in Singapore, import duties is something that Wateroam had to deal with. Because Singapore is a hub for water-related technology, Wateroam decided to keep producing there and export their product. Therefore, it can be concluded that Wateroam adopted an adaptation strategy to implement its social innovation.

Rural communities might not (immediately) be convinced by Wateroam's product, as these communities have been used to drinking local water for decades. They also often do not see the importance of filters for clean drinking water. While these communities often face health issues due to a lack of clean water, according to CEO David Pong ''they do not see the correlation between bloody diarrhoea and clean water.'' Wateroam thus engaged in training to NGOs – which are seen as important institutional actors (Doh & Teegen, 2002) – to both understand the importance of clean drinking water and the way the filters must be used and maintained. Wateroam gives its ''general water 101 training'' where it helps NGOs to understand what it takes to filter water and how they can educate the local population about the importance of drinking water. Wateroam negotiated with these NGOs to provide trainings, as NGOs have often gained trust from the local communities. Therefore locals will accept information more easily from NGOs than from Wateroam itself. Also negotiating with the local mayor or chief to get his approval for the installation of water filters in its community, is seen as important by CEO David Pong. As explained before, not negotiating with these village chiefs, could backfire as he could see this as criticism on how he does his job. By openly negotiating with the village chiefs, they obtained a mutually agreeable solution. Wateroam thus negotiated with NGOs and local mayors as institutional actors. Therefore, it can be concluded that a compromise strategy as mentioned in WP 4, was adopted in this case.

An avoidance strategy would be expressed when Wateroam – founded in Singapore, a better-developed country and operating in developing countries and especially rural communities – would use

its role as ''foreigner'' to avoid institutional pressures. An illustration of this strategy would be when Wateroam would appear to comply to regulations and standards – such as the standards of the WHO where their water filtration systems have to comply to – but was actually avoiding certain aspects of the requirements. While expected that this strategy would be adopted in developing countries, this strategy was not employed by Wateroam. No evidence was found of such a strategy as mentioned in WP 5 being adopted by Wateroam.

A defiance strategy was not employed by Wateroam. Wateroam namely involves the local mayor or village chief when it sets up a wider scale project, to avoid making the local chief or mayor look negatively because he has failed in providing access to clean water. While David Pong agreed that clean drinking water is a basic necessity, explicitly resisting the institutions that caused the lack of this – for example by openly stating that the (local) government has failed in providing clean water – is not the appropriate way. According to him, ''usually a stronger approach is to collaborate with these government officials.'' Therefore Wateroam negotiated with the local mayors about implementing their water filtration systems in a certain community. Besides this, Wateroam engaged in awareness training to NGOs and local communities in order to change the informal institutions including the tradition of drinking the local water, as they were used to drinking from a local water source for generations. Thus, in this case, a defiance strategy as referred to in WP 6, was not adopted.

Through its general water 101 training, Wateroam aims to change existing informal institutions which consist of traditions of drinking the local water and not being aware of the importance of clean water. Hereby Wateroam gives training to help the NGOs to use their water filters, and how they can educate the local community about the importance of drinking clean water. By working together with and trying to persuade NGOs to explain the importance of clean drinking water to local communities, Wateroam aims to implement its social innovation. Through these trainings, Wateroam attempted to influence public perceptions of the local community about its water filters. Therefore, this can be seen as an expression of a manipulation strategy. Another application of a manipulation strategy is the fact that the water filters were firstly installed in schools. As the older generations were not likely to see the importance of clean drinking water due to long-existing traditions, a way to get them familiar with clean drinking water was by installing the filters in schools. As the parents of the children at school saw the improvement of the health of their children by drinking the clean water, they accepted the social innovation better and started using the water filters themselves. Therefore, Wateroam employed a manipulation strategy as mentioned in WP 7.

According to CEO David Pong, Wateroam partly relied on its home country institutions as Singapore is considered a hub for water-related technology, and it relied on partnerships with technology providers to design and develop their product. Singapore is a high-income country and therefore is characterized by better-developed institutions (Alonso & Garcimartín, 2013). By relying on these institutions, Wateroam gained access to innovative technologies. Due to being a Singaporean company Wateroam leveraged and build on the transfer of institutional resources. While consumers did not

understand the need for the water filters at first, by giving training to the NGOs who then explained the importance of clean water access to the communities and by introducing the water filters in schools, they started using the water filters more. Wateroam challenged the existing informal institutions – beliefs that there is no problem in drinking local water – by introducing its product and explaining its effectiveness. Therefore, it can be concluded that Wateroam adopted an arbitrage strategy as expressed in WP 8.

Table 4: Within-case results Wateroam

WP		Strategy adopted	Quote
1	Signalling strategy – using CSR to stress the firm's positive attributes – adopted in both developed and developing countries.	Adopted	''We focus on impacting those who are vulnerable, […] and communities that are at risk. So our filters […] firstly cater disaster relief as well as those in rural communities.''
2	Collaboration strategy – collaborating with local actors and institutions – adopted in both developed and developing countries.	Adopted	''We also learned that when we go into any new territory, we have to find the right partner to work with. The partner could be the NGO that has lot of experience with the local communities and they already have developed those relationships. So, when we go in, it is simply to leverage on those relationships that they have already build and be able to speak to them with the partner being around. Usually when that happens there is lot more trust established.''
3	Adaptation strategy – conforming or complying to existing institutions – adopted in developed countries.	Adopted	'' […] is the purchasing power and that is something that we needed to overcome when we were operating based on cost in Singapore. And having to manage that the purchasing power in such developing countries is smaller. We had to have a business model that could be able to break it down in right size portions and therefore the micro-entrepreneurship model was helpful for that.''
4	Compromise strategy – openly negotiating with institutions,	Adopted	''That is when we do see a need to have the local mayor or the minister to be involved

	offering the possibility for a dialogue – adopted in developing countries.		because it will be a lot easier when he is the one who is convincing the local chiefs of the village, the village chiefs, to adopt the solution. And that he approved of this as way to provide this commodity of clean water. Because if we don't do that, conversely, they will find that we are coming in to expose a gap which they may not have filled as mayors of the land.''
5	Avoidance strategy – evading the demands or escaping the domain of local host institutions – adopted in developing countries.	Not applicable	
6	Defiance strategy – ignoring explicit norms and resisting institutional pressures – not adopted.	Not adopted	''I think usually, a stronger approach would be to collaborate with these government officials. Because ultimately the solution can be funded by the government rural implementation and development projects. And therefore we see it much more stronger to partner with the government rather than state it up publicly.''
7	Manipulation strategy – influencing and shaping institutional values and rules – adopted in developing countries.	Adopted	''It really takes quite a bit of a mindset change and it takes time to show the relationship, the correlation between healthy body and drinking clean water. And usually most of the adults are the ones who have already been accustomed to the quality of the water they drink. [...] So, what we have been doing is to target more in schools. And so that's much more beneficial because we see impact in the society from a bottom-up point of view where you see the children are the ones that try to change the behaviour in families. […] And then they adopt the solutions better.''

| 8 | Arbitrage strategy – leveraging differences between home and host institutional environment – adopted both in developed and developing countries. | Adopted | ''So yes in Singapore it has helped us quite significantly because Singapore is a hub for water related technology, we have been able to gain partnerships with technology providers. They have granted us good access to innovative technologies, new technologies, and ways that we can be able to implement into the system that we built. And also the manufacturing know-hows and these things are very helpful that we are based in Singapore and we have very quick and easy access to.'' |

4.1.3 Hello Tractor

Hello Tractor is an agricultural technology company which connects tractor owners to smallholder farmers that need tractor services. Hello Tractor was founded under the belief that smallholder farmers are key to ensuring global food security and alleviating poverty. It was founded in Nigeria in 2014 and expanded its business to Kenya in 2017. Today, Hello Tractor is also active in – among others – Mozambique, Bangladesh, Senegal and Pakistan.

While expected that a signalling strategy would be adopted by Hello Tractor, this strategy was not mentioned during the interview. Even though Hello Tractor clearly has a social goal – ensuring global food and alleviating poverty among smallholder farmers – no explicit CSR activities used as a signalling strategy to gain legitimacy, emerged from the interview. When asking about CSR activities, Priscilla Asonibare, communications lead, answered that Hello Tractor does not necessarily engage in CSR because they still are a small company and one of their beliefs is that a more effective way to achieve sustainable social impacts is by building a company that increases value and profits for all parties within the ecosystem. However, from secondary data it was found that Hello Tractor does emphasize its social goal frequently on its website and during interviews. For example, in a submission to Solve – an initiative of the Massachusetts Institute of Technology to solve world challenges – in order to gain funding, Priscilla Asonibare emphasized that Hello Tractor tries to improve the livelihood of smallholder farmers and ensuring global food (MIT Solve, n.d.). This can be characterized as accentuating the positive attributes of Hello Tractor in order to gain legitimacy and support. However, as the proposition was not confirmed through primary data, it can be only partly confirmed that this strategy as mentioned in WP 1 was adopted by Hello Tractor.

Collaborating with local actors and institutions was considered an important strategy for Hello Tractor. They collaborated with booking agents – young people in the community – in order to get in touch with and earn trust from the farmers. This was done because adoption of smart phones was still relatively low among farmers in the markets where Hello Tractor operates. Collaborating with booking agents was necessary to implement the social innovation, as the farmers generally felt distrust to pay for tractors in advance. Besides collaborating with booking agents, Priscilla Asonibare explains that Hello Tractor ''values both private sector and public sector partnerships.'' Organisations such as USAID, the World Bank, and CIMMYT (International Maize and Wheat Improvement Center) have been critical for Hello Tractor (Agritecture, 2018). Through these partnerships, Hello Tractor has been able to scale up its social innovation and decrease the risks when moving into new markets. Also working together with the government is seen as important by Hello Tractor. Priscilla Asonibare explains that ''in a country like Nigeria, if you want to really be successful, you just have to work with the government.'' Therefore a collaboration strategy as referred to in WP 2, was employed in this case.

An adaptation strategy was expected to be more likely adopted in developed countries. An example of an adaptation strategy would be when Hello Tractor simply conformed to institutional pressures such as unfavourable laws or undesirable functioning of governmental actors. Even though Hello Tractor found it frustrating that governments sometimes do not keep their agreements, instead of just conforming to this, they kept reminding them about the agreement. While Hello Tractor presumably conforms to existing laws and norms, this is not done to implement its social innovation. Thus, it can be concluded that an adaptation strategy as mentioned in WP 3, was not adopted in the case of Hello Tractor.

In Kenya, Hello Tractor implemented a new model for tractor ownership. As smallholder farmers generally do not have the funds to pay for a tractor, they introduced a pay-as-you-go model. Hello Tractor implemented this pay-as-you-go model in close coordination with stakeholders across the public and private sector, including commercial banks, private tractor service providers, dealers, and smallholder farmers (AgFunder News, 2018). They needed to negotiate with institutional actors such as banks and the government in order to receive capital and resources. In Nigeria, Hello Tractor closed a deal with the federal government and negotiated to get 10.000 tractors into Nigeria to facilitative productivity for smallholder farmers. In this way, Hello Tractor negotiated with the government as an institutional stakeholder to compensate for institutions which are generally less developed in developing countries. Institutional voids often exist in capital markets in developing countries (Khanna & Palepu, 1997), which would make it hard for a company such as Hello Tractor to attract capital or resources such as tractors. Therefore, a compromise strategy as referred to in WP 4 was adopted by Hello Tractor.

As expected, a defiance strategy was not employed by Hello Tractor. Instead of ignoring or resisting institutional pressures, Priscilla Asonibare explains ''we work with government agencies as much as possible. We try to just keep them friendly.'' While the Nigerian government often takes very long to act on their agreements, or sometimes does not even adhere to it, Hello Tractor does not simply

ignore it. They keep reminding the government about their arrangement and try to persuade them into fulfilling the agreement. However, as Priscilla Asonibare explains, they always do this on friendly terms; without explicitly contesting their way of working. This means that a defiance strategy as listed in WP 5 was not adopted by Hello Tractor.

A hard lesson learnt by Hello Tractor was that smallholder farmers did not trust Hello Tractor sufficiently to make an advance payment for tractors. Due to a lack of technology in these countries and communities, these smallholder farmers did not own a smartphone and were not feeling comfortable enough to request a tractor through SMS. The booking agents thus formed an approach to compensate for this lack of technology among smallholder farmers. They served to facilitate the booking process and get the farmers to trust Hello Tractor. Due to a lack of technology in developing countries, mitigation of trust had to go through person to person relationships, which is the role of the booking agents. The farmers also persisted with traditional ways of farming: manual or with the help of animals. Hello Tractor gradually convinced them about the convenience of tractors by doing demonstrations and communicating through the booking agents. Through demonstrations Hello Tractor showed the smallholder farmers how long it took to manage their farm with just manual labour, with the help of an animal, and with a tractor. Through this, the farmers could see that the tractor was legitimately faster, and this might have changed their beliefs about tractors not being of any use. This is how Hello Tractor tried to change the existing informal institutions among the local farmers. Thus, Hello Tractor adopted a manipulation strategy as expressed in WP 7 in order to change existing institutions.

Hello Tractor was founded in Nigeria and currently operates in other developing countries in Africa and Asia. An arbitrage strategy could be adopted by relying on home institutional experience and leveraging this in the host country. However, nothing was mentioned during the interview about an arbitrage strategy. This indicates that WP 8 was not applicable for this case.

Table 5: Within-case results Hello Tractor

WP		Result	Quote
1	Signalling strategy – using CSR to stress the firm's positive attributes – adopted in both developed and developing countries.	Adopted, but only supported through secondary data	''Our platform creates transparency and efficiency in the circular economy market by connecting tractor owners to booking agents and farmers at each stage of the process. This makes service delivery more secure, efficient, and profitable for all stakeholders involved.'' (MIT Solve, n.d.)
2	Collaboration strategy – collaborating with local actors and institutions – adopted in both	Adopted	''We've been able to, you know, establish partnerships along the way that have

	developed and developing countries.		really helped us with scaling our business.''
3	Adaptation strategy – conforming or complying to existing institutions – adopted in developed countries.	Not applicable	
4	Compromise strategy – openly negotiating with institutional actors, offering the possibility for a dialogue – adopted in developing countries.	Adopted	''So it's really a collaborative work, you know. The government can do its job by making sure that […] policies are favourable for companies like us that are trying to solve problems or food security. So once they do that and then if they are able to also contributes by way of funding or, […] bringing in tractors or just doing the little they can to contribute and then leave it to the private sector companies maybe push with us we are deploying the tractors to the farmers. […] So it's really a collaboration between the private and public sector to really tackle food security.''
5	Avoidance strategy – evading the demands or escaping the domain of local host institutions – adopted in developing countries.	Not applicable	
6	Defiance strategy – ignoring explicit norms and resisting institutional pressures – not adopted.	Not adopted	''We work with government agencies as much as possible. We try to just keep them friendly. […] At the end of the day we do all we can to just make sure that we're cool with government, government agencies. So when there are opportunities, we're able to talk into it.''
7	Manipulation strategy – influencing and shaping institutional values and rules – adopted in developing countries.	Adopted	''Tell them, oh this is how you plant this crop, then it's better to do it this way because it would increase your yields by, […] this amount and you just tell them

			gradually. They might not listen to you the first time. But as you just tell gradually, maybe do a demo or something of that nature, then gradually they start to think, oh yes, that makes sense.''
8	Arbitrage strategy – leveraging differences between home and host institutional environment – adopted both in developed and developing countries.	Not applicable	

4.1.4 OrCam

OrCam was founded in 2010 in Israel but only launched its first product in 2015 after years of only research and development. The product was firstly launched in English-speaking countries; being the United States, Canada, and the United Kingdom. After this, OrCam developed the device in German language for the product to be sold in German-speaking countries. Nowadays, OrCam is also active in South America and Asia, but the focus is on developed countries in Europe and North America. Their most known product is the OrCam MyEye, which is a smart camera for blind or visually impaired people, which can be attached to a person's glasses by small magnets. Its core task is to transfer text to speech, but the device can also recognize faces, products, colours, banknotes and read barcodes.

Using CSR to stress the firm's positive attributes is a strategy adopted by OrCam. No specific examples of CSR activities were given by Michel van Vloet, who is responsible for OrCam's business development. But when being asked about CSR activities, he stated that these were of course undertaken by OrCam. The social goal of OrCam is to ''enable visually impaired or blind people to participate in society.'' Making sure that the MyEye devise is being reimbursed by the health insurance also illustrates that OrCam cares about CSR because they want the product to be available for everyone. Through engaging CSR activities, and promoting their social goal, OrCam seeks to gain legitimacy. For example, OrCam devices have been given to several blind or visually impaired people on famous television shows such as Dr Phil and Good Morning America (OrCam, 2018; OrCam 2019). Through this publicity, the positive attributes of OrCam were accentuated as well as the impact that its products had. These CSR activities also offered valuable partnerships for OrCam with different stakeholders such as NGOs and other companies. It can be concluded that OrCam used a signalling strategy as mentioned in WP 1.

In the Netherlands, OrCam collaborated with Visio and Bartimeus; two institutions for the rehabilitation of visually impaired people. In collaboration with Leiden University, a study is currently being conducted. This study can help OrCam implement its social innovation, as medical validation is

needed to both convince customers and get the product reimbursed by health insurance. In Spain, OrCam works with ONCE, the Spanish National Organisation for the Blind. This organisation was set up to raise funds to provide services for the blind and people with visual impairment and its board is made up of representatives from various Spanish ministries. Together with other organizations, ONCE has made several achievements such as the UN Convention on the Rights of Persons with Disabilities and the acceptance of the topic in European Union accessibility regulations or employment for the disabled (ONCE, n.d.). Collaborating with stakeholders such as ONCE, offers great networking possibilities and can be of great importance due to its political power. A collaboration strategy as referred to in WP 2, was therefore employed by OrCam.

While in the Netherlands and Germany OrCam is working to get the MyEye device reimbursed by health insurance, in the United States this is not a possibility. According to Michel van Vloet ''in the US it is quite customed that people buy their own aids if they need any.'' This is something that OrCam accepted and thus they were conforming to local institutions. It can be concluded that OrCam employs – as expressed in WP 3 – an adaptation strategy in the US, which is a developed country (United Nations, 2020).

A compromise strategy was expected to be more likely adopted in developing countries. However, this strategy is also being adopted by OrCam in developed countries. OrCam was working to get the MyEye device listed in the regulations for reimbursement of low vision aids in Europe. They were doing this by negotiating with health insurance institutions. In this way, OrCam could reach more customers as they would get the MyEye device reimbursed by their health insurance. This is very useful for OrCam to get their social innovation implemented, as the price of the MyEye device might be a barrier to some customers. Currently, OrCam does not fit any of the categories of products that can be reimbursed by health insurance. As Michel van Vloet explains ''that is not only for OrCam a problem, but all kinds of new technology cannot find its way to the end-user because the regulations are outdated.'' In the United States, OrCam simply complied to the fact that medical aids were not reimbursed by health insurance, as it is common for people there to pay for these aids themselves. In Europe however, OrCam tried to get their product reimbursed, as it is more common in these countries to get medical aids reimbursed by health insurance. The problem was that OrCam did not fit any of the existing categories in the regulations, due to new technology. OrCam then openly negotiated with regulators in order to try to change these regulations regarding reimbursement of medical aids. This means that OrCam adopted a compromise strategy as mentioned in WP 4.

An avoidance strategy was expected to be adopted more likely in developing countries according to WP 5. While this strategy was expected to be not or less employed in OrCam's case in developed countries, no explicit proof of this was found during the interview. Therefore it can be concluded that WP 5 was not applicable in this case.

Reimbursement of the MyEye device by health insurance was considered important by OrCam, as explained earlier. However, this was not easy or not even possible in all countries where OrCam is

operating. An option would be to ignore or actively resist this by a defiance strategy. But instead, in several countries in Europe OrCam is working to get the devices listed in the regulations for reimbursement by both negotiating with regulators and trying to change the existing institutions through formal complaints. In other countries such as the United States, OrCam simply complied to the existing institutions. Therefore, it can be confirmed that OrCam did not use a defiance strategy as expressed in WP 6.

While OrCam was also negotiating with health insurance institutes in the Netherlands to get the MyEye device on the list for reimbursement, they also adopted a more active strategy of trying to change existing institutions. OrCam was addressing politics to change the regulations, by making customers file a formal complaint whose request for reimbursement of a MyEye device had been denied. Through this, OrCam was creating pressure on regulators to change the institutions. OrCam was not openly resisting the existing institutions, but through their customers they tried to change the institutions. OrCam has thus adopted a manipulation strategy as mentioned in WP 7.

As OrCam was founded in Israel, a developing country (United Nations, 2020), an arbitrage strategy could be adopted in order to overcome weaknesses of home country institutions. However, Michel van Vloet stated that OrCam launched its product firstly in the United States, Canada, and the United Kingdom simply because this was the biggest market they could reach at once, due to the English language. He also stated that in Israel ''they have a lot of smart people [...] they are really top of the bill when it comes to technology like this.'' However, no evidence was found that OrCam successfully launched the product in these developed countries because of uncertainties there and their own institutional experience. Therefore, WP 8 regarding the arbitrage strategy could not be confirmed in this case.

Table 6: Within-Case results OrCam

WP		Strategy adopted	Quote
1	Signalling strategy – using CSR to stress the firm's positive attributes – adopted in both developed and developing countries.	Adopted	''Yeah, of course [we make use of corporate social responsibility]. […] The whole idea of the product is to enable visually impaired or blind people to participate in society. […] There was a trade mission from the UK to Israel, and then they invited Prince William to the OrCam office and showed him the device. And they made it big thing about it.''
2	Collaboration strategy – collaborating with local actors and institutions – adopted in both	Adopted	''There's a study going on with Visio and Bartimeus, those are two institutions for the rehabilitation of visually impaired people.

	developed and developing countries.		They're doing a study in cooperation in collaboration with the Leiden university.''
3	Adaptation strategy – conforming or complying to existing institutions – adopted in developed countries.	Adopted	''So bringing OrCam to the market, needs some kind of funding, especially in Europe. In the US it's quite customed that people buy their own aids if they need any.''
4	Compromise strategy – openly negotiating with institutions, offering the possibility for a dialogue – adopted in developing countries.	Adopted	''On the other hand, we are working on having the OrCam devices listed in the regulations for reimbursement of low vision aids. And that is also quite a challenge because in the Netherlands we work with regulations that are made by the health institute, ZIN: Zorg Instituut Nederland, and they work with categories of low vision aids.''
5	Avoidance strategy – evading the demands or escaping the domain of local host institutions – adopted in developing countries.	Not applicable	
6	Defiance strategy – ignoring explicit norms and resisting institutional pressures – not adopted.	Not adopted	''We are in the middle of the process now to create, to address politics about this problem so they can change the regulations.''
7	Manipulation strategy – influencing and shaping institutional values and rules – adopted in developing countries.	Adopted	''We are in the middle of the process now to create, to address politics about this problem so they can change the regulations. […] What the health care institute needs to change the regulations is a formal complaint from a customer whose application for an OrCam MyEye be denied, have been being rejected, she has to file a formal complaint, to the SKGZ: Stichting Klachten Geschillencommissie Zorgverzekeringen. They will look at it and they can go both; it can go two ways: either they reject it. And then we can go back to the politics. […] Or they can approve it.''

| 8 | Arbitrage strategy – leveraging differences between home and host institutional environment – adopted both in developed and developing countries. | Not applicable |

4.1.5 Walk With Path

Walk With Path was founded in 2014 in the United Kingdom (Phys.org, 2019). Its first product, called Path Finder, was launched in 2017. Walk With Path took its product to the market as a medical device, selling it to both individuals and health care systems firstly in Norway, Denmark, and the UK (Phys.org, 2019). In 2019, Path Finder was officially launched in Canada as well. Path Finder is a small laser that needs to be clipped onto someone's shoes and projects a green line in front of his or her foot. This device helps people who suffer from freezing of gait, which is common among people with Parkinson's disease. Their other product, Path Feel, is still in the development phase and is an insole that provides vibrational feedback to the soles of the feet with the aim to improve balance.

Walk With Path considers itself a small company. Nonetheless, they engaged in CSR activities to signal their company, product, and positive attributes. One of their main missions was to make their product accessible for everyone, as mentioned by Nuala Burke, clinical lead at Walk With Path. Therefore, they tried to arrange reimbursement with the health insurances, to make sure their product Path Finder was accessible to everyone who needed it. Through videos of customers using Path Finder, Walk With Path showed the impact that its products can achieve. These videos were then shared on their social media platform. Through this, Walk With Path aimed to gain legitimacy and valuable partnerships. Therefore it can be concluded that Walk With Path adopted a signalling strategy as expressed in WP 1.

In order to get the product reimbursed, Walk With Path collaborated with several institutions and other local actors. Building their network is considered very important by Walk With Path. They collaborate with academic partners to prove the clinical effectiveness of their product, partner with local distributors and work together with physiotherapists and doctors. This is done in order to get their social innovation implemented. When academic institutions prove the clinical effectiveness of Walk With Path's product this can make it easier for them to get the products reimbursed and to convince potential customers. Also collaborations with health insurances are considered valuable, as Walk With Path aims to get its product reimbursed by health insurance. This means that Walk With Path adopted a collaboration strategy as mentioned in WP 2.

An adaptation strategy was expected to be adopted more often in developed countries. While Walk With Path operates in developed countries, no signs of this strategy were found during the interview. Therefore, WP 3 was not applicable in the case of Walk With Path.

Openly negotiating with institutions as expressed in WP 4, was a strategy adopted by Walk With Path. They were trying to get their devices reimbursed by health insurances. In Germany for example, they were working with HMV to get Path Finder into the database, in order for it to get reimbursed by health insurance. Walk With Path was also negotiating with education institutes to medically validate their products. Nuala Burke explains that they were ''looking at having this product reimbursed by the NHS.'' Through this they were offering a dialogue with these institutions to get their products reimbursed by health insurance or find a compromise.

Avoiding the demands of local host institutions or escaping the domain of institutional pressures, is not a strategy employed by Walk With Path. While admitting that institutions – mainly the public health systems and regulations – were less favourable to them in countries such as the United States, France and the UK, Walk With Path did not evade these pressures. They were still trying to get their product reimbursed in France and the UK and adopted other strategies such as working together with NGOs or associations. Therefore, it can be concluded that an avoidance strategy as mentioned in WP 5, was not adopted in this case.

WP 6 implies that the defiance strategy is not being adopted in either developed or developing countries. As expected, actions such as ignoring existing norms and values and publicly contesting them, was not performed by Walk With Path. According to Nuala Burke, ''the best way of approach these challenges is getting as much expert opinion and building your network.'' This is the opposite of a defiance strategy, and other signs of this strategy were lacking. This means that a defiance strategy was not adopted by Walk With Path.

While Walk With Path negotiated with and offered a dialogue to health insurances, the more active manipulation strategy was adopted as well. Walk With Path actively tried to persuade health institutions to get their product reimbursed, by explaining why a device might improve quality of life and how they could help speed up or make that process more available. While this strategy was expected to be adopted more in developing countries according to WP 7, Walk With Path also employed this strategy in developed countries.

Walk With Path is a Danish company who firstly introduced the product in the UK, Denmark and Norway and then expanded to other countries. While they have or are currently experiencing some difficulties to get the product reimbursed in the UK, France and the US, nothing was mentioned about an arbitrage strategy where they built on their institutional experience from their home country or otherwise leveraging the differences between home and host countries. Therefore, WP 8 was not applicable in the case of Walk With Path.

Table 7: Within-case results Walk With Path

WP		Strategy adopted	Quote
1	Signalling strategy – using CSR to stress the firm's positive attributes – adopted in both developed and developing countries.	Adopted	'' Well, we like to try and do as much as possible, but again, we're small, one of our main missions is making our products accessible. So what we do in that is try and work with these reimbursements that we're talking about. So making sure that we have the right clinical studies and cost-effectiveness models and studies to prove that it can be reimbursed by health care systems.''
2	Collaboration strategy – collaborating with local actors and institutions – adopted in both developed and developing countries.	Adopted	''The best way of approaching these challenges is getting as much expert opinion and building your network I think is really helpful. […] Yeah, definitely with academic partners and collaborating with distributors. That's main part of our business model is having distributors throughout different countries to bring a product to the market.''
3	Adaptation strategy – conforming or complying to existing institutions – adopted in developed countries.	Not applicable	
4	Compromise strategy – openly negotiating with institutions, offering the possibility for a dialogue – adopted in developing countries.	Adopted	''And that's again bringing that education to customers. So we think that's what is most useful, is having key opinion leaders so someone like Dr. Bas Bloem promoting it, or not even, not necessarily promoting it, but just validating it. And then also, most importantly, is patient testimonials. So having people that have a similar diagnosis or a problem to a customer

			stating that they find it helpful and that they use it.''
5	Avoidance strategy – evading the demands or escaping the domain of local host institutions – adopted in developing countries.	Not adopted	''The UK is really difficult. We're working in Germany at the moment with HMV so getting put onto this database. I know very France complex as well, now that's the place we're looking at. And we are attempting to enter into the US market. And that's just crazy.''
6	Defiance strategy – ignoring explicit norms and resisting institutional pressures – not adopted.	Not adopted	''Just continuing working at a problem. No matter how big or small a problem is, when, I guess when you're in a smaller start-up, you just have to start tackling it yourself and just chipping away at it. The best way of approaching these challenges is getting as much expert opinion and building your network I think is really helpful.''
7	Manipulation strategy – influencing and shaping institutional values and rules – adopted in developing countries.	Adopted	''And then in terms of what I talk about for reimbursements wouldn't necessarily be regulatory, but that would be more looking at health system policies. I think we definitely have had conversations in Denmark and the UK with the [...] where you talk to them about, yes, why a device might improve quality of life and how you can help that sort of speed up or make that process more available. So we would do that every now and again.''
8	Arbitrage strategy – leveraging differences between home and host institutional environment – adopted both in developed and developing countries.	Not applicable	

4.1.6 Case 6: Quicargo

Quicargo is a digital freight network set up in the Netherlands in 2016, by two Israelian founders (Quicargo, n.d.). Their platform combines the shipments of multiple customers, ensuring that trucks do not drive through Europe with empty space. This form of transport is thus more efficient and better for the environment. The Netherlands was chosen as home country as it serves as an excellent base to go to other European countries such as Germany, Belgium, and Luxembourg. Nowadays, Quicargo is active in several countries throughout Europe.

Quicargo has a social goal, which is to make the polluting transport industry more environmentally sustainable. According to Mariëlle van Deelen, responsible for HR and investors relations within Quicargo, they are a green and sustainable firm in general. Quicargo for example tries not to use plastic and avoids printing a lot of unnecessary things. Quicargo always emphasizes the environmental goal of the company for example during interviews and on their website, in order to signal their positive impact (Schut, 2017). Therefore, Quicargo has adopted a signalling strategy to implement its social innovation, as expected in WP 1.

Collaborating with local actors and institutions was also seen as an important strategy within Quicargo. Mariëlle van Deelen explained ''you have this Dutch Organization called Techleap, which is related to the Dutch government, who then approach us with: is this a nice opportunity for you to expand abroad? Do you want to come with us on a trade mission?''. Due to collaborating with these institutional actors, Quicargo was able to reach more customers, negotiate with other institutional actors and thus implement its social innovation. Quicargo also tried to collaborate with existing transport companies in order to set up a large freight network, which helps to implement its social innovation. Thus, it can be concluded that Quicargo adopted a collaboration strategy as expressed in WP 2.

In some situations, Quicargo decided to adopt an adaptation strategy as mentioned in WP 3, in order to comply with existing institutions or norms. For example in Germany – where people are more risk averse – Quicargo adapted its terms and conditions according to the local norms. In Germany they are stricter with legal terms and conditions, and this is something that Quicargo conforms to. They were even considering opening an office in Germany and hiring local people, to adapt more to their local norms and values. This is needed to attract and convince German customers to make use of Quicargo's network. Quicargo thus followed the local rules and norms to work to implement its social innovation in Germany.

As mentioned before, Quicargo faced some challenging informal institutions in Germany. German customers are very fond of German businesses, so Quicargo considered it important to profile itself as a German business. However, Quicargo did not adopt an avoidance strategy to evade these demands of local host institutions. Instead, they were planning to open an office in Germany so they could profile themselves as a German business. From this, it can be concluded that Quicargo did not adopt an avoidance strategy as expressed in WP 5.

Quicargo did not adopt a defiance strategy of ignoring explicit norms or publicly contesting existing institutions. In fact, they adopted adaptation strategies to conform to the existing informal institutions in Germany. While Quicargo did not hide their opinion about the polluting transport sector, actively resisting institutions or institutional actors that may have caused this, is not something done by Quicargo. Therefore, WP 6 can be supported.

Nothing was mentioned during the interview regarding a manipulation or an arbitrage strategy, nor was it found in secondary data. Therefore, WP 7 and 8 were not applicable for this case.

Table 8: Within-case results Quicargo

WP		Strategy adopted	Quote
1	Signalling strategy – using CSR to stress the firm's positive attributes – adopted in both developed and developing countries.	Adopted	''So we are a green and sustainable business ourselves. And you can see it in a lot of things. So, for instance, we try not to use plastic. We try not to print a lot of unnecessary things. But other companies can use us for their corporate social responsibility goals.''
2	Collaboration strategy – collaborating with local actors and institutions – adopted in both developed and developing countries.	Adopted	''What we did, because industry is very traditional, it's very close knit, so people know each other. And one thing we definitely do not want to do is to be like the rebel. So we hired a carrier account manager. She is very experienced in logistics and she is community manager is what you could call it as well. So we really try to go on the collaborative path. And if anyone has any issues with us, we try to talk about it.''
3	Adaptation strategy – conforming or complying to existing institutions – adopted in developed countries.	Adopted	''The biggest part of the regulations is from the European Union. So if we comply with it here in the Netherlands, it won't be an issue in Germany or in Belgium. But in Germany, they're a bit stricter. What I just mentioned, so more, they're stricter with insurances, they are stricter with legal terms and conditions.

			So if we would launch in Germany, if we would do a big launch, that's something we definitely need to look to.''
4	Compromise strategy – openly negotiating with institutions, offering the possibility for a dialogue – adopted in developing countries.	Not applicable	
5	Avoidance strategy – evading the demands or escaping the domain of local host institutions – adopted in developing countries.	Not adopted	''Mainly due to the competition, so and in Germany, they are very fond of German businesses, so that it's very important that you profile yourself as a German business. So we try to open up an office in Germany. That's also what we want to do in the upcoming years that we do not just expand, but we launch our entire business in that country because that's easier.''
6	Defiance strategy – ignoring explicit norms and resisting institutional pressures – not adopted.	Not adopted	''One thing we definitely do not want to do is to be like the rebel. So we hired a carrier account manager. She's very experienced in logistics and she is community manager is what you could call it as well. So we really try to go on the collaborative path. And if anyone has any issues with us, we try to talk about it.''
7	Manipulation strategy – influencing and shaping institutional values and rules – adopted in developing countries.	Not applicable	
8	Arbitrage strategy – leveraging differences between home and host institutional environment – adopted both in developed and developing countries.	Not applicable	

4.2 Cross-case analysis

After the within-case analyses, a cross-case analysis follows in order to compare the cases and decide which strategies are adopted in which institutional environments. The combined data is used in order to verify the theoretically developed propositions. Table 9 gives an overview of the results across all cases. For each of the six cases the table illustrates whether a specific institutional strategy was adopted by an INV or not. The formed working propositions included whether a strategy was expected to be adopted more often in developing countries, in developed countries, in both or not at all. The last column of table 9 shows whether the propositions are supported, partially supported, or not supported.

Table 9: Cross-case results

WP	Institutional strategy used	Developing countries			Developed countries			Type of country expected to be adopted in more likely	Overall result
		Case 1	Case 2	Case 3	Case 4	Case 5	Case 6		
1	**Signalling**	+	+	+/-	+	+	+	Both	**Supported**
2	**Collaboration**	+	+	+	+	+	+	Both	**Supported**
3	**Adaptation**	-	+	-	+	-	+	Developed	**Partially supported[2]**
4	**Compromise**	+	+	+	+	+	-	Developing	**Partially supported[2]**
5	**Avoidance**	-	-	-	-	-	-	Developing	**Not supported**
6	**Defiance**	-	-	-	-	-	-	Neither	**Supported**
7	**Manipulation**	+	+	+	+	+	-	Developing	**Partially supported[2]**
8	**Arbitrage**	+	+	-	-	-	-	Both	**Not supported**

+   strategy was adopted.
-    strategy was not adopted.
+/-   strategy was adopted but this was only confirmed through secondary data.

WP1: INVs are likely to adopt a signalling strategy to implement social innovations both in developing and in developed countries.

A signalling strategy, which includes using CSR to highlight the positive attributes of the firm in order to gain legitimacy, was adopted by five out of six cases. Some INVs specifically mentioned using CSR activities to gain legitimacy, others implicitly showed examples of CSR activities during the interview. Sweepsmart, Wateroam and Walk With Path explicitly stated that they engage in CSR activities to gain legitimacy. For example Sweepsmart connected with NGOs and townships as CSR activities, to show their positive social impact. Other cases showed more implicitly that a signalling strategy was adopted

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[2] A working proposition is partially confirmed when the strategy was expected to be more likely adopted in either developing or developed countries, and the strategy was adopted in more cases operating in that type of country. For example in three cases in developing countries compared to two cases in developed. Or in two cases in developed countries compared to one case in developing.

in order to implement a social innovation. For example Quicargo continuously emphasized its environmental goal – in articles and on their website – by reducing the amount of trucks on the roads. OrCam's device MyEye appeared on several famous television shows where the product was used by a visually impaired or blind person, and the positive impact that OrCam had on their lives was shown. Thus all cases except for Hello Tractor confirmed that they used a signalling strategy by engaging in CSR activities to gain legitimacy and implement their social innovation. However, secondary data showed that also Hello Tractor engaged in CSR activities to gain legitimacy. As expected, a signalling strategy is almost inherent to a company implementing a social innovation. Due to their social goal, these INVs generally engage in CSR activities. As a signalling strategy was adopted in all cases, either obtained through primary or secondary data, WP 1 is supported by the findings.

WP 2: INVs are likely to adopt a collaboration strategy to implement social innovations both in developing and in developed countries.

All six INVs mentioned that collaborating with local institutional actors was very important for them to change formal or informal institutions, either to sell their product, receive funding or get support, which in turn helped implement their social innovation. Collaborations included working with NGOs, for example in the case of Sweepsmart where the NGO helped them to convince the waste workers to work for them. These existing informal institutions implied that waste workers believed that waste did not have any value and thus were not convinced to work for Sweepsmart. Wateroam collaborated with NGOs to train the local communities and teach them about the importance of clean drinking water. Also here informal institutions included beliefs that drinking the local water was harmless, and the local communities did not see the importance of Wateroam's water filters. Besides working with NGOs, collaborating with other institutional actors like local governments or health institutes was mentioned during the interviews. Walk With Path for example, used to collaborate with academic institutes in order to prove the medical efficiency of its product. As this strategy is mentioned in all six cases, WP 2 can be confirmed.

WP 3: INVs are more likely to adopt an adaptation strategy to implement social innovations in developed countries, than in developing countries.

An adaptation strategy, which means conforming or complying to existing institutional pressures in the host country, was expected to be adopted more likely by INVS operating in developed countries. An adaptation strategy was mentioned by two out of three INVs operating in developed countries. OrCam for instance conformed to the institutions in the United States, where health insurances do not reimburse a product like MyEye. Quicargo adapted to the informal institutions of Germany, where people are more

risk averse and desire more insurance. Among the INVs operating in developing countries, only one out of three INVs adopted this strategy. Taking into consideration that this strategy was adopted by two INVs operating in developed countries, while only one in developing countries, this working proposition is partially supported.

WP 4: INVs are more likely to adopt a compromise strategy to implement social innovations in developing countries, than in developed countries.

A compromise strategy where firms openly negotiate with institutions, was expected to be adopted more frequently in developing countries. As expected, this strategy was indeed adopted by all three INVs operating in developing countries. Hello Tractor negotiated a deal with the Nigerian federal government – an institutional actor – to receive tractors in order to alleviate poverty and facilitate productivity for smallholder farmers. This was important as Hello Tractor operates in developing countries which are generally characterized by institutional voids in capital markets. This would make it hard for Hello Tractor to attract funding or resources, which would be tractors in this case. Wateroam negotiated with the local mayor of rural communities about installing their water filtration systems, as not negotiating this might expose a gap which they have not filled. Negotiating with government officials is considered important as the solution can be funded by the government's rural implementation and development projects. However, this strategy was also adopted by two out of three INVs operating in developed countries. For example, Walk With Path negotiated with health insurance institutes to get their product reimbursed. As this strategy is adopted by three developing-country INVs in comparison to two developed-country INVs, this proposition is partially supported.

WP 5: INVs are more likely to adopt an avoidance strategy to implement social innovations in developing countries, than in developed countries.

An avoidance strategy includes evading demands local host institutions or escaping the domains of institutional pressures. This strategy was expected to be adopted more likely in developing countries. However, this strategy was adopted by neither of the six INVs. Some cases explicitly showed that an avoidance strategy was definitely not adopted. Walk With Path for example, experienced that reimbursement of their product was very difficult or even impossible in some countries such as the UK, Germany and the US. However, this did not withhold them from entering these markets. In Germany and the UK they kept negotiating with health insurances and collaborated with academic institutions to get their product reimbursed. As this strategy was not adopted by any of the INVs operating in developing countries, this proposition cannot be confirmed.

WP 6: INVs are not likely to adopt a defiance strategy to implement social innovations neither in developing countries nor in developed countries.

Ignoring explicit norms and values and resisting existing rules, was a strategy expected not to be adopted in general. All six cases showed that a defiance strategy was not adopted, whether explicitly mentioned or implicitly shown. Wateroam for example explained that ignoring or resisting pressures from local mayors, usually works in their disadvantage or even backfires. Also Quicargo preferred going on the collaborative path, instead of acting like a rebel. As this strategy was not adopted in any of the cases, WP 6 is supported.

WP 7: INVs are more likely to adopt a manipulation strategy to implement social innovations in developing countries, than in developed countries.

A manipulation strategy, including influencing and shaping values and institutions, was expected to be employed more often by INVs operating in developing countries. This strategy was indeed adopted by all three INVs operating in developing countries. Sweepsmart tried to influence or change informal institutions such as the norms of waste workers about waste not having any value. Wateroam gave training to help rural communities understand the importance of clean drinking water. By installing the water filtration systems in schools, causing children's health to improve, they manipulated the thoughts of their parents. However, this strategy was also employed by two INVs active in developed countries. For example, OrCam tried to get its product reimbursed by the health insurance, through customers filing a formal complaint, to get the regulations to change. As this strategy was adopted by three INVs operating in developing countries, compared to two INVs operating in developed countries, this proposition is partially supported.

WP 8: INVs are likely to adopt an arbitrage strategy to implement social innovations both in developing and in developed countries.

An arbitrage strategy, where differences between home and host institutional environments are being leveraged, was expected to be adopted both in developing and developed countries. However, this only holds under the condition that institutional differences exist between home and host country institutions. This could be a developing-country INV overcoming the weakness of their home country institutions, or a developed-country INV relying on their strong home country institutions. However, this strategy was only adopted by two INVs operating in developing countries. Wateroam leveraged and build on the transfer of institutional resources from their home country Singapore. Wateroam challenged the existing informal institutions – beliefs and traditions of drinking local water – by introducing its product and explaining its effectiveness. Sweepsmart leveraged their home country institutions by making use of

their experience and knowledge on waste management in Europe. Their experience on waste segregation in the Netherlands and the problems they faced there, could be used in their expansion to India and Indonesia. As this strategy was only adopted by two developing-country INVs, this proposition is not supported.

Chapter 5 – Discussion

This study aimed to find which strategies are employed by INVs working to implement social innovations in developing countries and which strategies in developed countries. Eight working propositions were developed addressing different institutional strategies. Based on the literature, expectations were formed about whether these strategies would be more likely adopted in developed countries, in developing countries, in both or not at all. Some propositions were supported by the findings, others were partially supported, whereas some were not supported. In this chapter, firstly the findings will be discussed by connecting them to relevant academic literature. Thereafter, it will be discussed how this study contributes to the existing literature and which managerial or practical implications it has. Finally, some limitations of the research are examined and suggestions for further research are considered.

5.1 Discussion of the findings

WP 1 expressed the expectation that signalling strategies would be used both by INVs operating in developing and in developed countries, when implementing their social innovation. The results show that WP 1 is confirmed as a signalling strategy was used by all six INVs, whether this was implicitly mentioned during the interview or derived from secondary data. This means that INVs implementing a social innovation are likely to use a signalling strategy, whether they are operating in developing or in developed countries. Contradictory evidence and assumptions were found in existing literature on whether a signalling strategy would be adopted more likely in developed or in developing countries. For example Doh et al. (2017) classified the signalling strategy as a response to institutional voids, which are generally present in developing countries. They argue that firms use a signalling strategy to convey credibility and reduce transaction costs, as a remedy for institutional voids. In this study for example Sweepsmart adopted a signalling strategy in developing countries by engaging in CSR activities with NGOs and townships to gain credibility. Amaeshi et al. (2016) studied why and how firms enact CSR practices in challenging and weak institutional contexts and found that firms in developing countries act responsibly despite operating in a weak institutional context. This academic literature is confirmed as all three INVs operating in developing countries in this study – Sweepsmart, Wateroam and Hello Tractor – adopted a signalling strategy despite operating in weak institutional contexts. While Hello Tractor was the only company that did not explicitly state or confirm during the interview that they used a signalling strategy, through secondary data proof of CSR-activities was still found.

However, also many studies existed regarding CSR strategies being employed in developed countries. For instance, according to Tan and Wang (2010) most CSR initiatives were launched in

developed countries. Academic literature has shown that CSR has become a global phenomenon and has thus important implications for firms in both developed and developing countries (Jamali, 2010). Also this stream of literature was confirmed as all three INVs operating in developed countries that were studied in this thesis – OrCam, Walk With Path and Quicargo – adopted a signalling strategy.

As CSR refers to responsible acting of firms to operate with concern for society instead of merely for their own good (Reimann et al., 2012), this is inherent to the definition of social innovations. Because this thesis studied the concept of social innovations, it was expected and confirmed that INVs operating in both types of institutional contexts employed a signalling strategy. Social innovations are also often developed because society expects firms to be socially responsible (Snider et al., 2003). Thus, when an INV is implementing a social innovation and thereby accentuates its positive attributes or the social impact that the firm creates – for example in the media – this can be classified as a signalling strategy. For instance Wateroam engaged in CSR activities through publishing their projects and the impact they created on their website and through social media, and by attending a lot of social impact-business events (Wateroam, n.d. – b). OrCam engaged in CSR by having someone on the television show Dr Phil who used their MyEye device and explained the enormous impact that it had on his life. Through these signalling strategies, the INVs tried to gain legitimacy which is needed for the implementation of their social innovation. Especially since INVs are new entrants, they face enormous pressures to quickly establish legitimacy (Fan & Phan, 2007). According to Cajaiba-Santana (2014) legitimacy is needed to give validity to actions that change social systems and create new social practices, which is the ultimate goal of social innovations. Sweepsmart for example engaged in CSR activities by connecting with existing waste companies, townships, and local government bodies, to gain trust from the communities who were hesitant to work for Sweepsmart at first and to gain the needed support from the government. Because five INVs explicitly mentioned having used a signalling strategy and the remaining case was supported through secondary data, WP 1 can be confirmed. This means that a signalling strategy is used by INVs to implement social innovations in both developing and developed countries.

The results show that WP 2 is confirmed as well. WP 2 held the expectation that a collaboration strategy is used by INVs implementing a social innovation both in developing and in developed countries. All six cases indeed showed that a collaboration strategy was adopted to implement the social innovations. This strategy included collaborating with local institutional actors such as regulatory authorities, government bodies, and NGOs in order to create networks. For example Sweepsmart collaborated with the local government body of Bangalore as this was needed to implement its waste management system. The local government namely owned the existing waste facilities and buying property was too expensive for a start-up such as Sweepsmart. Due to the lack of formal institutions, it was difficult to gain funding in another way. This collaboration helped Sweepsmart implement its social innovation.

Besides collaborating with government bodies, also collaborating with NGOs was considered important as they generally have good connections with the communities and informal institutions are often a burden for INVs to implement the social innovation. For example Wateroam collaborated with NGOs so they could explain the importance of clean drinking water to the local communities who often did not see the need for Wateroam's water filters. These findings are in line with literature stating that relationships with NGOs may serve to reduce the effects of institutional voids (Doh et al., 2017; Dahan, Doh, Oetzel & Yaziji, 2010). However, collaborations with NGOs were also employed by INVs operating in developed countries. Academic literature has proposed that an open collaboration among several stakeholders and institutional actors can improve the impact a social innovation has, whether this is in a developed or a developing country (Murray et al., 2010). Boddewyn and Doh (2011) found that firms in developed countries typically form contracts or collaborate with NGOs in order to obtain the needed collective resources. The findings of this study confirm that collaborations with NGOs are also common among INVs operating in developed countries. Walk With Path for instance improved the impact that its products have by collaborating with academic partners who can prove the clinical effectiveness of the product, with medical partners who provide a valuable network and with health insurances to get its products reimbursed and thus accessible to anyone who needs it.

Hence, as expected and proven by the findings, partnerships, and collaborations with other institutional actors are used by INVs in both developed and developing country contexts (Rodima-Taylor et al., 2012). The findings are in line with academic literature which states that collaborations among firms and NGOs have emerged as new organizational forms to deliver services or products with a social goal such as alleviating poverty or protecting the environment (Teegen & Doh, 2004). The results namely have shown that collaborations with NGOs help the INVs to implement their social innovation, such as Wateroam who collaborated with NGOs to educate the local community about the importance of clean drinking water. The findings are also consistent with the fact that academic literature has shown that INVs in general, have a preference for cross-cultural collaboration with local actors (Karra et al., 2008).

However, a difference that can be observed between the INVs operating in developed countries and the INVs operating in developing countries is that informal institutions are often an obstacle to implementing social innovations in developing countries. Sweepsmart, Wateroam, and Hello Tractor all collaborated with several institutional actors in order to influence or change informal institutions, because they needed to gain trust or convince local customers or communities. Informal institutions in these countries include for instance traditions and norms of communities drinking the local water and not trusting water filters, or traditions of rural farmers using animal or manual labour and being distrustful towards tractor services. These findings can be explained as academic research has shown that firms in developing or emerging economies often rely on informal institutions to fill the gap exposed by formal institutions (Mair & Martí, 2009; Saka-Helmhout et al., 2019). As informal

institutions play a more relevant role and are stronger than formal institutions in developing countries (North, 1990), INVs therefore have to consider these informal institutions when implementing a social innovation. Therefore it is consistent that the cases operating in developing countries, used the collaboration strategy to influence or change informal institutions.

WP 3 concerned the expectation that INVs in developed countries are more likely to adopt an adaptation strategy to implement their social innovations than INVs in developing countries. An adaptation strategy means that a firm is conforming or complying to institutional pressures in the host country (Oliver, 1991; Regnér & Edman, 2014). It includes following the rules of local state and federal requirements and obeying cultural norms and values (Clemens & Douglas, 2005; Oliver 1991). The findings showed that only one INV operating in developing countries employed an adaptation strategy, in comparison to two INVs operating in developed countries. This strategy was expected to be more likely employed in developed countries. Academic literature has namely shown that an adaptation strategy is most likely to be adopted when legal enforcement is high, the consequences of nonconformity are highly punitive and laws are strictly enforced, which is often the case in developing countries (Aaltonen & Sivonen, 2009; Oliver, 1991). OrCam for example employed an adaptation strategy in the United States by accepting that their MyEye device would not get reimbursed by health insurance there. They thus conformed to existing institutional pressures in the host country. Quicargo also adopted an adaptation strategy in Germany by adapting its terms and conditions, as in Germany the people are more risk-averse and their terms and conditions are more extensive there. However, the third INV operating in developed countries, being Walk With Path, did not mention adopting an adaptation strategy. According to Clemens and Douglas (2005), an adaptation strategy – or acquiescence strategy as they refer to – is the most passive institutional strategy. This might be an explanation as to why Walk With Path did not explicitly mention that it is adopting an adaptation strategy, as it is not an active approach and thus might have been forgotten to mention.

Among the INVs operating in developing countries, only Wateroam employed an adaptation strategy. They conformed to institutional conditions such as less-developed economies and, consequently, decreased purchasing power in the countries where they operate by adapting their business model to this. This can be seen as an adaptation to informal institutions, as local communities were not able or willing to purchase Wateroam's filters. As mentioned before, in developing countries informal institutions play a more relevant role as formal institutions are lacking or poorly developed (Mair & Martí, 2009; North, 1990; Saka-Helmhout et al., 2019). So while an adaptation strategy in academic literature is generally more focused on complying to formal institutions, a firm can also comply and adapt to informal institutions. This is in line with the findings of this study, as Wateroam adopted an adaptation strategy to conform to informal institutions. This is in contrast to the developed country cases, where the adaptation strategy was mainly employed to conform to formal institutions. An adaptation strategy was thus also employed in developing countries, which is contrary to the main

stream of literature on institutional strategies which proposed that this strategy would be used when legal enforcement was high (Clemens & Douglas, 2005; Oliver, 1991). However, this stream of literature focuses mainly on institutional strategies in response to formal institutions. In the case of Wateroam, it concerned informal institutions that Wateroam conformed to. This could explain why this adaptation strategy was also adopted by one INV in a developing country-context. As the adaptation strategy was found to be adopted by two INVs operating in developed country contexts, in comparison to only one INV operating in developing country contexts, WP 3 is partially confirmed.

WP 4 concerns the compromise strategy, which includes partially complying to existing rules and norms and negotiating with institutional actors, offering the possibility for a dialogue (Aaltonen & Sivonen, 2009; Oliver, 1991). This strategy was expected to be more likely adopted in developing countries as a response to inadequate regulatory and enforcement regimes. This strategy was indeed adopted by all three INVs operating in developing countries. Due to institutional voids existing there, firms in developing countries often rely on relationship-based and network strategies (Peng, 2003). This strategy can be expressed by establishing close and continuous relationships with institutional actors such as regulatory authorities and openly negotiating with them (Peng et al., 2008; Guillen, 2000; Hillman & Hitt, 1999). For instance Hello Tractor negotiated a deal with the Nigerian federal government to receive tractors in order to alleviate poverty and facilitate productivity for smallholder farmers. This is important as the developing countries where Hello Tractor operates are generally characterized by institutional voids in capital markets. This would make it hard for Hello Tractor to attract funding or resources. Sweepsmart negotiated with the local governmental body, BBMP, to make use of their existing waste facilities. These findings are in line with academic literature stating that a compromise strategy is likely to be employed in environments characterized by unstable institutional environments and institutional voids (Peng, 2003; Peng et al., 2008). Also Oliver (1991) stated that compromise strategies are more likely adopted when the degree of institutional enforcement and sanctions for noncompliance are more moderate, which is the case in developing countries and is consistent with the findings of this study. According to Pache and Santos (2010) firms are more likely to resort to compromise strategies when they are facing conflicting demands. This is the case when institutional demands agree on certain goals that an organization should pursue yet disagree on which means should be used to achieve these goals. In the case of Hello Tractor, the government agreed on the goal of Hello Tractor of alleviating poverty and ensuring global food security, however, they had to negotiate on the means that they would give to Hello Tractor.

While the compromise strategy was indeed adopted by all three INVs operating in developing country contexts, also two out of three INVs operating in developed countries employed this strategy. Walk With Path negotiated with health insurance institutes to get their product reimbursed, just like OrCam who tried to get their MyEye on the reimbursement list. In the case of OrCam the existing regulations were outdated and therefore the MyEye device did not fit any of the existing categories.

Instead of accepting this, OrCam negotiated with regulatory authorities and health insurances to change the regulations. This can be explained as academic literature indicates that a compromise strategy is likely to be adopted when firms experience a high level of multiplicity, meaning that there are multiple conflicting constituent expectations being exerted on the firm (Oliver, 1991; Pache & Santos, 2010). This is often the case for INVs in general, as they are young firms with limited financial resources operating in multiple countries and thus institutional environments. Although these two INVs were operating in developed countries, the fact that they had to deal with a high level of multiplicity, implies that a compromise strategy can be employed to deal with these multiple conflicting expectations. In the cases of OrCam and Walk With Path, potential customers expected the products to be affordable, while health insurance demanded proven medical efficiency and conformance to the regulations in order for the product to be reimbursed. A compromise strategy is also a common response when dependence on institutions or institutional actors is high (Oliver, 1991), which was true for the two developed country cases. Both for OrCam and Walk With Path, reimbursement by health insurance was very important as both firms developed fairly expensive products that customers often cannot afford themselves. This could clarify why a compromise strategy was also adopted by two INVs operating in developed countries. As the strategy was adopted by three INVs operating in developing countries in comparison to two INVs operating in developed countries, WP 4 is partially confirmed.

WP 5 proposed that an avoidance strategy would be more likely adopted by INVs in developing countries than in developed countries. This strategy includes evading the demands of local host institutions and escaping the domain of the institutional pressures. An avoidance strategy was expected to be more likely adopted in developing country contexts, as this strategy is employed when a firm is facing multiple conflicting pressures (Oliver, 1991). In developing countries rules and regulations on the one hand, and norms and values, on the other hand, move in inconsistent directions and are sometimes incompatible (Austin & Kohn, 1990; Farashahi & Hafsi, 2009; Maddy, 2000). However, the results show that none of the six INVs adopted an avoidance strategy. During some cases, it was explicitly mentioned that the INV in question did not use an avoidance strategy, while in some cases the strategy simply was not brought up. For instance Walk With Path experienced that reimbursement of their product was very difficult or even impossible in some countries. But instead of evading the demands of local host institutions or escaping the institutional pressures, they tried to actively change the institutions.

There are several possible explanations as to why this strategy was not adopted by the INVs in developing countries. One way to avoid the institutional environment is namely by leveraging the ambiguities of host country environments as well as the firm's social position as a foreign outsider (Regnér & Edman, 2014). This strategy can be employed when for example INVs from developed countries are operating in developing countries and use their role as 'foreigner' to avoid institutional

pressures and implement social innovations. Among the interviewed INVs, only Sweepsmart would classify as a firm from a developed home country which is operating in developing host countries. While it certainly meant that Sweepsmart had access to waste management technologies, it did not entail that Sweepsmart did not have to conform to existing local norms and rules or aimed not to be inspected. The other INVs operating in developing countries might thus be regarded less as a foreign firm because they were from other developing home countries. This could be an explanation as to why none of the INVs in developing countries employed an avoidance strategy.

Another possible expression of an avoidance strategy is buffering, which refers to a firm reducing the extent to which it is externally expected or evaluated. This would not be a logical tactic to employ for INVs implementing social innovations, as they often wish to be noticed and to stand out, as they are still new ventures and are aiming to achieve a social goal. This would be in line with the findings as all INVs are working to implement social innovations and thus desire to be noticed by potential customers and are usually trying to collaborate with other institutional actors.

According to Oliver (1991), avoidance is also more likely adopted when dependence on the sources of institutional pressure decreases and the firm's performance and survival are only moderately dependent upon the good opinion of the public. The firm then might have symbolic compliance or fake conformity while maintaining discretion over actual practices. However, for the six INVs that were interviewed, dependence on the sources of institutional pressures was great as they were new ventures and were trying to implement a social innovation, for which institutional change is needed. Therefore, it can be justified that an avoidance strategy was not adopted in any of the cases.

WP 6 proposed that a defiance strategy would neither be adopted by INVs in developing countries, nor in developed countries and this was confirmed by the findings. This strategy includes actively resisting institutions by deviating from rules or attacking institutionalized values (Oliver, 1991). The defiance strategy can be concerned as the opposite to an adaptation strategy. According to this academic literature, a defiance strategy is often employed when the possibility of external enforcement of institutional rules is perceived to be low, which is often the case in developing countries (Oliver, 1991). This was confirmed by the findings as all INVs operating in developing countries did not employ a defiance strategy. Some interviewees explicitly mentioned that such a strategy was not adopted, other cases revealed certain actions that were the opposite of a defiance strategy, and during other interviews a defiance strategy simply was not mentioned. Wateroam's CEO confirmed that he considered clean drinking water is a basic necessity, but he stated that explicitly resisting the institutions that caused the lack of this – for example by openly stating that the (local) government has failed in providing clean water – is not the appropriate way. Also Hello Tractor tried to stay on a friendly note with government bodies and collaborate with them, instead of ignoring or resisting rules and values.

While the predominant stream of literature implies that a defiance strategy is more likely to be

employed in developing countries, this strategy was also not expected to be pursued by INVs implementing social innovations in developed countries. These firms are namely trying to cause social change and get the social innovation institutionalized by changing institutions (Cajaiba-Santana, 2014; Howaldt & Schwarz, 2010). Therefore, it is not sufficient or applicable to simply ignore or resist institutional pressures when implementing a social innovation. This expectation was confirmed by the findings as also the three INVs operating in developed countries did not adopt a defiance strategy. OrCam struggled with outdated regulations to get its product reimbursed but did not simply ignore this or actively deviated from these rules. Instead, they tried to change the existing rules through manipulating. Especially since all INVs are still relatively small firms – and therefore heavily rely on other actors for funding and support – and because they are implementing a social innovation trying to create an impact, a defiance strategy is not the appropriate strategy to get the social innovation institutionalized. This holds for both developing and developed countries and was supported by the findings of this study.

WP 7 proposed that the manipulation strategy would be more likely adopted by INVs in developing countries than in developed countries. This manipulation strategy includes tactics of influencing, controlling, and co-opting the source of the institutional pressure (Clemens & Douglas, 2005; Oliver, 1991). Manipulation refers to proactively creating, influencing, or changing the existing institutions in the host country (Aaltonen & Sivonen, 2009; Regnér & Edman, 2014). Low legal coercion or enforcement is an institutional antecedent for this strategic response (Oliver, 1991), therefore this strategy is likely to be adopted in contexts where sanctions for noncompliance with laws or regulations are minimal or where mechanisms for enforcing compliance are weak or infrequently applied. Hence it was expected that the INVs operating in developing countries would employ this strategy more likely than INVs in developed countries. The results show that indeed all three INVs operating in developing countries adopted a manipulation strategy. For instance Sweepsmart tried to influence or change informal institutions such as the existing norms of the waste workers about waste not having any value.

However, this strategy was also employed by two INVs operating in developed countries. For example OrCam tried to get its product reimbursed by the health insurance, through patients filing a complaint that did not get the MyEye device reimbursed, to try and change the outdated regulations. This is in contrast to what was expected and stated in academic literature, namely that a manipulation strategy would be adopted when legal coercion was low and sanctions for noncompliance with laws or regulations are minimal. After all, these INVs were not manipulating in a way that could get them sanctioned. For instance OrCam was complying to existing regulations, however, they were also trying to get the regulations changed. Oliver (1991) classified a manipulation strategy as the most active strategy. But another subsequent study showed that the manipulation strategy was instead more close to an adaptation and a compromise strategy (Clemens & Douglas, 2005). Considering that according

to this study, the manipulation strategy is regarded as a less active strategy from the perspective of the firm, this could explain why also two INVs in developed countries adopted this strategy. When classifying a manipulation strategy as a less active strategy which is closer to adaptation and compromise than to defiance, this suggests that low legal enforcement is a less important indicator for this strategy. As Clemens and Douglas (2005) explain in their article, firms may consider manipulation to be little different from finding the best compromise. Whether a country is then characterized by high or low legal coercion, is thus less relevant as this strategy does not involve actively ignoring or resisting existing rules or norms. An explanation for this change in definition of a manipulation strategy is the increased regulatory intensity in general, regardless of the type of country (Clemens & Douglas, 2005).

Also a critical note can be made regarding Oliver's (1991) definition of a manipulation strategy, as she mainly takes formal institutions into account and neglects informal institutions. When a manipulation strategy is adopted in order to change informal institutions, legal coercion and sanctions for non-compliance are less or not relevant. Changing informal institutions such as cultural norms might cause resistance from local communities but does not lead to legal sanctions. This could partly explain why low legal enforcement as an indicator for this strategy is less relevant in these cases, and thus also two INVs operating in developed countries employed a manipulation strategy. While lacking cogent proof, WP 7 can still be partially confirmed as the manipulation strategy was adopted by three INVs operating in developing countries, in comparison to two INVs in developed countries.

WP 8 concerned the expectation that an arbitrage strategy was adopted both by INVs operating in developing and INVs operating in developed countries. According to Regnér and Edman (2014), an arbitrage strategy is about leveraging differences between host and home or third country institutions by relying on institutional experience from the home country. However, Edwards et al. (2019) defined an institutional arbitrage strategy as overcoming the weakness of home country institutions by drawing on institutions in host countries. This definition is thus only applicable to INVs from home countries with weak institutions and are currently operating in countries with strong institutional environments. The findings showed that this strategy was only adopted by two INVs operating in developing countries. Sweepsmart for instance leveraged their home country institutions by making use of their experience and knowledge on waste management implementation in Europe. The experience of the entrepreneurs on waste segregation in the Netherlands and the problems they faced there, could be used in their operations in India and Indonesia. These cases are not covered by the definition as expressed by Edwards et al. (2019). While the INVs adopting this strategy are from a developing home country, they do not operate in developed countries and do not draw on institutions in the host countries. The definition by Regnér and Edman (2014) is more suitable in these cases as it refers to the transfer of institutional experience and knowledge, instead of institutional weaknesses in the home

country. Wateroam was namely founded in Singapore, a developing country and was operating in other developing countries and Sweepsmart was from a developed home country and was operating in developing countries. Therefore, these INVs did not have to overcome institutional weaknesses from their home countries and thus are not covered by the definition of Edwards et al. (2019).

In contrast to what was expected, the strategy was not adopted by any of the INVs operating in developed countries. A possible explanation for this might be that according to Regnér and Edman (2014), for a firm to adopt an arbitrage strategy, the ability to see institutional differences and contradictions is needed. As these INVs are from developed home-countries and are also active in developed countries, there might be less institutional differences they can respond to. Institutional experience is what makes an arbitrage strategy possible. However, as these INVs are still new ventures, extensive institutional experience might be lacking. Because this strategy was only adopted by two developing-country INVs, this proposition is not supported.

5.2 Theoretical contributions and managerial implications

This study contributes to theory by combining the research streams on social innovations, institutions and INVs and filling existing gaps in academic literature. Firstly, this thesis contributes to the literature on social innovations. Academic research has shown that the concept of social innovation is still considered underdeveloped and requires further research (Rao-Nicholson et al., 2017; Sinkovics et al., 2014). Especially regarding the implementation of social innovations, extensive research is lacking. The implementation phase of the social innovation can be considered the most important stage, as it largely determines the success of the innovation (Howaldt & Schwarz, 2010). A social innovation only becomes successful when it contributes to overcoming social problems and satisfying existing needs in a society (Howaldt & Schwarz, 2010). While research has shown that institutions matter for social innovations, further research needed to be conducted. This study thus contributes to the stream of literature on social innovations, by investigating which strategies are used by INVs to implement social innovations in different institutional contexts. Further insight is gained on the implementation of social innovations. The findings have shown that avoidance and defiance strategies were not used in any of the cases in this study and are thus not likely to be employed by INVs implementing social innovations in general. Signalling and collaboration strategies, on the other hand, were adopted by both INVs in developing countries and INVs in developed countries. In developing countries, compromise and manipulation strategies were adopted more frequently by the INVs in this study, in comparison to developed countries where the adaptation strategy was adopted more often. These findings thus indicate that certain institutional strategies are more likely to be adopted in developing countries, whereas others more likely in developed countries. Some strategies are likely to be employed in both types of countries by INVs implementing social innovations, and others not at all.

These findings thus contribute to the literature on social innovations by uncovering how these are implemented in different settings.

Secondly, this research contributes to the literature on institutions because it investigated which institutional strategies are used in different institutional contexts. While many academic studies exist regarding institutional strategies, none of them have analysed them in the context of INVs implementing social innovations. Through combining several definitions and concepts of various authors, eight institutional strategies with corresponding definitions were formulated to be used in this study. Therefore, this study extends the literature regarding institutional strategies as existing concepts and definitions were combined to form new and more comprehensive strategies. Academic literature has furthermore shown that the implementation of social innovations requires a change in the institutional environment (Helms et al., 2012). However, no research has been conducted on how exactly this change in institutions is made by INVs. This thesis investigated which institutional strategies were used in different institutional environments, to implement social innovations. While it has been accepted in academic research that geography affects innovation through institutions (Tebaldi & Elmslie, 2011), in this study different institutional environments have been studied to find out how exactly the type of country where a firm is operating – developing or developed – affects social innovations. The findings show that there is indeed a difference among the institutional strategies adopted by the INVs in developing countries and by the INVs in developed countries. However, the results also indicate that some institutional strategies are used in both types of countries and others in neither type of country. This study thus reveals for which institutional strategies adopted by INVs implementing social innovations, geography or the type of country matters.

Thirdly and finally, this study contributes to international business research on INVs. As INVs are firms which are international from inception and operate in different countries, institutional theory is strongly intertwined with the INV concept. INVs have to deal with different institutional environments where they operate and the ambiguity that arises from this. This study contributes to the stream of literature on INVs as it investigates which strategies they employ to implement social innovations in different contexts, namely in developing and developed countries. INVs are also connected to social innovations as they are often innovative firms (Knight & Cavusgil, 2004; Song et al., 2010) and address social problems that exist in multiple countries (Song et al., 2010). This study examined six INVs operating in different countries and were working to implement various social innovations. While some academic researches study the concept of INVs in combination with innovation (Knight & Cavusgil, 2004) or start-ups and social innovation (Piccarozzi, 2017), research regarding INVs implementing social innovations was underdeveloped. This study fills this gap by examining INVs as research subjects and investigating the institutional strategies they use to implement social innovations. The findings of this study deliver more insight into the concept of INVs and what kind

social innovations they developed, which challenges they had to deal with in different countries and how they worked to implement their social innovation.

This thesis also has some practical or managerial implications. This paper studies the institutional strategies that are being employed by INVs to implement social innovations in different institutional contexts. The findings provide some guidance to managers from INVs which are working to implement social innovations in either developing or developed countries. This is relevant as social innovations are often developed by start-ups or new ventures, which then internationalize quickly in order to bring the innovation wherever it is needed (Chen, 2012; Piccarozzi, 2017; Song et al., 2010). However, the implementation of the social innovation comes with many challenges associated with shaping local institutions (Venugopal & Viswanathan, 2019). Different countries are characterized by different institutional contexts. Especially between developing and developed countries, institutional environments differ greatly (Meyer et al., 2009). This study shows which institutional challenges are faced in different institutional environments – developing and developed country contexts – and which strategies can then be adopted to implement social innovations. This study demonstrates managers that they need to be aware of the country where they are implementing the social innovation, as different strategies might be suitable in different institutional contexts. As the implementation is the most important phase (Howaldt & Schwarz, 2010) and this frequently fails because the firm underestimates the challenges that come along with it (Venugopal & Viswanathan, 2019), this study can be used as a guideline for managers.

Besides a managerial relevance, this study is also relevant for policymakers and other institutional actors. As this study provides insight in the actions of INVs in terms of strategies in response to formal and informal institutions, institutional actors can interpret and understand these actions. The findings for example showed that in the case of OrCam outdated regulations caused the firm to adopt compromise and manipulation strategies. This study also demonstrated that avoidance and defiance strategies were not likely to be adopted by INVs implementing social innovations. Institutional actors can thus gain insight and perchance anticipate on these actions. This study is also relevant for NGOs as the findings showed that nearly all INVs collaborated with NGOs to implement their social innovation. NGOs could thus anticipate on this by actively looking for INVs implementing social innovations with the same or a similar social goal as the NGO itself, to engage in a collaboration or enter into a partnership that benefits both parties.

5.3 Limitations and future research

Besides the contributions and implications, this paper also has some limitations which need to be addressed. A first limitation concerns the generalizability of the results, as this study was a qualitative case study. Only six cases were studied, of which three INVs were operating in developed countries,

and three in developing. This small sample means that it may be hard to generalize the findings of this study. Subsequent studies need to include more cases to see if the supported propositions are still maintained or if the partially supported propositions can be proven with more certainty. Also future research with quantitative data is needed to confirm the results. This case study provided an in-depth analysis of the institutional strategies used, but quantitative studies are needed to validate the findings. As this research adopted a multiple case study method and interviews were conducted, answers from the interviewees might be somewhat unreliable or incomplete because the answers were not provided anonymously. Institutional strategies namely might be a sensitive subject as it includes political and cultural issues. For instance a defiance strategy – actively resisting rules or norms – might be left out by the INVs during the interview because they do not want to show that they adopt this strategy. This also supports the need for subsequent quantitative research with surveys that can be responded to anonymously. A quantitative survey research investigating the same research problem, would contribute to improved reliability and generalizability and could validate the findings of this study.

Another limitation of the study is the fact that the use of institutional strategies had to be extracted from what the interviewees mentioned during the interviews. In order to prevent socially desirable responding, general or neutral questions were asked as to how the INV dealt with the faced challenges. This however induced that some institutional strategies were not mentioned during the interview and thus were not applicable. Future research should include more interviews with INVs in order to get more elaborate results on all the institutional strategies used in this study.

Additionally, this study was conducted among INVs within different industries which might affect the generalizability of the findings as the situational context might differ. For example a firm such as OrCam or Walk With Path specialized in medical devices might have totally different institutional contexts – besides the developing or developed country contexts – than a company specialized in waste management such as Sweepsmart. For Walk With Path and OrCam formal institutions including regulations regarding reimbursement were important, while for Sweepsmart informal institutions such as the norms of the waste pickers and households were considered very relevant. Besides the type of country of operation of these INVs, also the different industries they were active in, might thus have influenced the adoption of institutional strategies. However, due to the specificity of the study, INVs implementing social innovations in developing or developed countries, it was hard to gain data on multiple firms in the same industries. Therefore, an additional research subject is to focus on one specific industry and see if the propositions still hold. Furthermore, the research subject of this study included INVs with an age of a maximum of ten years. It might be interesting to see which institutional strategies the firms might adopt when they are no longer new ventures and see if the supported propositions remain.

Chapter 6 – Conclusion

In order to solve global societal challenges such as climate change, inequality and unemployment, social innovations are increasingly developed by firms. These social innovations are often developed by new ventures, which then internationalize quickly in order to introduce the innovation wherever it is needed (Chen, 2012; Piccarozzi, 2017; Song et al., 2010). These types of firms are called international new ventures, which are firms that are international from inception (Oviatt & McDougall, 1994). However, along with the implementation of these social innovations in different countries, firms face challenges associated with shaping the local institutions (Venugopal & Viswanathan, 2019). Especially between developing and developed countries, institutional environments differ greatly (Meyer et al., 2009). While research has shown that institutions matter for implementing social innovations (Venugopal & Viswanathan, 2019), academic research has not yet studied which institutional strategies are adopted to implement social innovations in developing and developed countries.

To fill this research gap, this study has focused on the question: ''How do INVs work to implement social innovations in developing and developed host countries?''. A qualitative multiple case study research was conducted in which six firms were interviewed regarding the institutional strategies they employed to adopt their social innovation. These six firms consisted of three INVs operating mainly in developed countries, and three INVs operating mainly in developing countries. All six INVs offered a product or service that could be qualified as a social innovation, meaning that it is an innovative product or service aiming to serve a social need or create social value. Key employees of the INVs were asked about the use of institutional strategies when implementing their social innovations, by means of semi-structured interviews. These interviews were used to examine eight working propositions concerning the use of an institutional strategy to be more likely adopted in developed or developing countries, in both or in neither of the two types of countries.

Among the working propositions, the majority was supported or partially supported. The findings indicated that three propositions – WP1, WP2, and WP6 – were confirmed. This means that signalling and collaboration strategies where used by the INVs in both types of countries, and a defiance strategy was not adopted by the INVs at all. Three other propositions – WP3, WP4, and WP7 – were partially supported. The findings did not provide cogent proof for these propositions as the proportions between the developing and developed countries were not overwhelming. Compromise and manipulation strategies were used more often in developing countries, whereas an adaptation strategy was employed more frequently in developed countries. This confirms that there actually is a difference in the use of institutional strategies by INVs working to implement social innovations in developing countries and in developed countries. Two of the working propositions – WP5 and WP 8 – were not supported by the data. These findings implied that an avoidance strategy was not adopted by

any of the INVs, even though expected to be adopted more likely in developing countries. Finally, an arbitrage strategy was expected to be adopted in both types of countries, however, the results showed that this was only adopted by two developing-country INVs. Consequently, this study demonstrates that some institutional strategies are adopted more likely in either developing countries or in developed countries, others are employed in both types of countries, and some strategies are not employed at all by INVs implementing social innovations.

These findings can benefit both academic literature and practitioners. This study extends the literature on social innovations by examining strategies used by INVs to implement these social innovations. The implementation is the most important phase, as a social idea only becomes a social innovation when it contributes to solving actual problems and the innovation is institutionalized (Howaldt & Schwarz, 2010). This thesis indicates which strategies can be used in different institutional contexts to facilitate this implementation. Research has shown that institutions matter for social innovations and this study contributes to the literature by examining how firms deal with institutions when implementing social innovations. Moreover, this thesis contributes to the academic literature on institutions, as institutional strategies are being examined in different institutional environments, namely of developing and developed countries. Finally, this research extends the literature on INVs as they are used as a research subject in this study. Because INVs are international from inception, they presumably have to deal with varying institutional environments. This thesis examines which institutional strategies INVs use in these different institutional settings and thus contribute to the literature stream on INVs. Besides these theoretical contributions, this research is also valuable for managers. This study offers an approach for managers of INVs on how to implement their social innovation by using certain institutional strategies in the different institutional environments of developing and developed countries. This research might also be relevant for policymakers in order to interpret and understand the actions of firms in response to institutions and for NGOs to actively look for INVs implementing social innovations to collaborate with.

The research has some limitations concerning the data collection method, sample size and generalizability. Future research needs to expand this qualitative research with quantitative data in order to improve generalizability and confirm the results. As some working propositions were partially supported, quantitative data could confirm that the use of institutional strategies to implement social innovations differs among INVs in developing and developed countries. Moreover, a survey as data collection method would improve reliability as the use of institutional strategies can be a sensitive topic to discuss during interviews and thus might have generated some socially desirable answers. As some institutional strategies were not discussed during the interviews and the number of cases was limited, future research should include a bigger sample size with more interviews to confirm the findings. Finally, future studies can include a different research subject than INVs to examine whether the same institutional strategies used among new ventures and established firms or MNEs.

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Appendix I – Interview Questions

1. Could you briefly tell me more about your job or role within your company?

2. I contacted you because your company is specialized in …/has product/service …, could you briefly tell me more about this product/service?

3. What makes this product/service innovative?

4. Does your product/service create social value? How?
   Do you want to achieve a social goal with your product/service? How? What is this social goal that you want to achieve with this product/service?

5. In which countries is your company offering product/service X?
   Which countries would you consider the main countries for offering this product/service?
   In which countries and when did you first offer this product/service?

→ Let us focus on the following countries for the upcoming questions: …, which are your main markets/the first countries you entered.

6. How would you describe the environment or the surroundings of where you are operating? Think about employees (if you have them there), customers, governments, and other stakeholders?

7. When you tried to offer product/service X, did you face any challenges in countries Y and Z? What kind of challenges did you face there?

Did you face any challenges in terms of regulations?

Did you face any challenges in terms of convincing potential customers or beneficiaries to understand, use, buy or accept the product/service? Why?

Did you receive some governmental support or support from NGOs?

Where there some cultural issues which had to be dealt with?

8. What did you do to make this product/service accepted in countries Y and Z? How did you deal with these challenges?

What did you do to make the people in this country embrace or adopt the social innovation? Think about customers, government (policies) but also other stakeholders.

If no relevant/specific answers (use secondary data to get more information ''I have read that…''):

9. Have you used corporate social responsibility to emphasize the positive attributes of the company? How?

10. Have you collaborated with local actors (regulatory authorities or NGOs for example) to get your product/service diffused or accepted? With whom and how?

11. How have you dealt with pressures such as existing regulations, but also cultural norms and values to get your product/service accepted?
    - Conformed or complied with the rules and norms? Why?
    - Negotiated or offered a dialogue with these regulatory authorities or the community? Why and how? Can you give an example?
    - Tried to change or exert power over these pressures? How? Can you give an example?
    - Avoided or ignored the pressures? How and why?
    - Actively resisted or attacked the rules and norms? How and why?
    - Made use of the differences of your home country A and the country where you are operating countries Y and Z? How? Can you give an example?