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DESIGN-LED STRATEGIES IN SOCIAL INNOVATION ASSESSMENT: A PATH FOR SOCIALLY RESPONSIBLE TRANSFORMATION.

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ABSTRACT | The present PhD study explores the role of design in social innovation assessment within Italian small and medium enterprises, delving into its dynamics in the corporate culture. The examination deepens the analysis of existing frameworks and methodologies, aiming to develop design-driven assessment approaches for SMEs, leveraging participatory design principles. The study has the goal of understanding how these approaches actively drive organizational changes, foster social innovation, and enhance business competitiveness, developing alternative futures that advance the understanding of shaping more socially sustainable SMEs in the Italian business landscape.

1. Introduction

Small and medium enterprises play a crucial role in driving economic growth, fostering innovation, and creating employment opportunities in Italy (Cataldo et al., 2021). With the evolving business environment, there is an increasing need for SMEs to participate in social innovation.

Considering the urgent societal challenges identified in the United Nations Sustainable Development Goals, there has been a move towards adopting a more sustainable way of life that includes environmental, economic, and social dimensions (Moursellas et al., 2022). In Italy, social innovation is a key factor in the innovation ecosystem. Based on research and innovation policy, it offers great potential for addressing societal problems and promoting advancements toward achieving the Sustainable Development Goals (Eichler & Schwarz, 2019; Piccarozzi, 2017).

As a result, an increasing requirement is to consistently oversee the advancement and outcomes of activities connected to social innovation (Cunha & Benneworth, 2020). This underscores the significance of examining and evaluating its efficiency in facilitating beneficial changes for enduring sustainable prospects. Nonetheless, there are currently insufficient established measures and standards for gauging innovation within the social sphere in contrast to those applied in economic innovation (Wobbe, 2012). Consequently, additional efforts are essential to advance concepts, techniques, and criteria necessary for fostering effective diffusion of social innovation.

This doctoral research investigates the connection and necessity of adopting a design approach for social innovation in corporate environments. Italian small and medium-sized enterprises currently face the dual challenge of adjusting to market requirements while embracing socially sustainable practices (Longo et al., 2005). Therefore, the primary goal of this PhD study is to comprehend the role of social innovation within Italian SMEs and how incorporating design principles could facilitate responsible transformation within these organizations. Through integrating participatory design principles, the study seeks to develop customized assessment strategies tailored to SMEs that highlight their potential to drive organizational changes. The overarching objective is to enhance scholarly comprehension and provide practical implications for SMEs as they transition towards a more sustainable future, thereby contributing to fostering socially sustainable SMEs and promoting resilience and competitiveness in an evolving business landscape.

2. Literature Review

Examining current social innovation frameworks and methods has revealed a necessity for a more thorough evaluation approach that considers the overall societal impact of innovation. Additionally, ongoing exploration and analysis of case studies have underscored the potential of utilizing a design-centered approach to evaluate the success and results of social innovation initiatives.

In design, there is a growing understanding of the need to precisely assess the effects of interventions and effectively communicate these findings (European Commission, 2013; Westcott et al., 2013; Drew, 2017; Björklund et al., 2018). Evaluation is crucial in the design process, allowing designers to analyze the impact of their work and make informed decisions for future projects. Design-driven methods have played a key role in driving innovation, particularly in tackling complex business and societal challenges (Buchanan & Margolin, 1995). Nevertheless, there is continued research into the innovation assessment, with a specific focus on social innovation. Utilizing a design approach to evaluate social impact is beneficial because it emphasizes comprehension of human behavior and user experience, as well as an understanding of the needs and goals within the study's context while considering contextual factors that may affect innovation processes (Foglieni & Villari, 2015; Liedtka, 2017; Foglieni et al., 2018). As a direct consequence, it is crucial in the design field for social innovation. Integrating design principles into the assessment of social innovation can improve the process to be more focused on users and responsive to specific contexts (Yu &

Sangiorgi, 2018), leading to a deeper understanding of impact and effectiveness, ultimately guiding the development of more impactful strategies. Incorporating design-centric methods into evaluating the effects of social innovation can improve comprehension of how these endeavors tackle societal issues and advance socially responsible behaviors.

Similarly, effective promotion of social innovation in Italy and coincidental contexts necessitates a thorough understanding of the dynamics, catalysts, and barriers involved. This entails conducting interdisciplinary research incorporating insights from various fields, such as sociology, psychology, economics, and political science (Foglieni & Villari, 2015). Adopting this interdisciplinary approach facilitates a more holistic comprehension of social innovation and its potential impact on society. Moreover, it allows for examining diverse factors that influence the success and expansion of social innovation endeavors. Consequently, researching evaluation and assessment begins with acquiring profound knowledge about tools and methodologies extending beyond those typically associated with design discipline.

Assessment and evaluation practices within the design industry are still fragmented and contentious despite emerging issues that call for project monitoring related to design. The design field often lacks a formal evaluation component, yet empirical evidence demonstrates its potential to enhance outcomes and overall processes (Björklund et al., 2018). Consequently, there is an increasing need in the design discipline to develop more robust methods for demonstrating its value both before and after implementation. Presently, evaluating the impact of design applications primarily takes a formative approach to reflecting on and enhancing outcomes and the designing process (Drew, 2017). However, incorporating evaluation into the design field largely revolves around rationalizing it as a strategic approach to success and innovation (Foglieni et al., 2018). Despite its growing importance, measuring the effects and impact of design outcomes continues to be an area with implications that have not been thoroughly explored in theory or practice (Foglieni & Villari, 2015).

As design becomes increasingly integrated into strategic organizational processes, new challenges exist in demonstrating its business value. This involves developing and applying suitable metrics, thorough evaluations, and early integration of evaluation practices into the design process.

A robust approach to evaluation in the design field is still lacking. While some efforts have been made to address measurement within the discipline, they have not yet produced well-established and widely recognized results. Moreover, there appears to be a predominant focus on proving that something works (summative evaluation) rather than learning what works and improving what doesn't (formative evaluation), which should take precedence (Drew, 2017). The current shift from using quantitative measures to more qualitative ones for assessing outcomes is worth noting, especially in service design (Foglieni et al., 2018). This undefined nature provides an important opportunity for further exploration of the subject matter, contributing towards establishing and reinforcing an evaluative culture within the design community. This is crucial for pushing the boundaries of the discipline and affirming its role as a driver of innovation.

3. Methodology

To meet the research goals, research through design and a qualitative method incorporating participatory design principles will be utilized. The investigation will involve detailed interviews with important figures in Italian SMEs to gain insight into their views on social innovation and the feasibility of integrating its assessment into organizational operations. Criteria for selection will consider industry sector, location, and company scale to capture a broad spectrum of viewpoints.

The research will employ a case study approach to investigate particular Italian SMEs that have adopted social innovation initiatives. Data collection will include on-site visits, observation of organizational procedures, and interviews with staff members at various hierarchical levels within the companies. The

insights obtained from these interviews and case studies will be thematically analyzed and coded to uncover significant themes and recurring patterns associated with social innovation in Italian SMEs. These outcomes will form the groundwork for creating evaluation techniques and prototypes, building on a design-driven assessment framework as the outcome to foster social innovation and facilitate conscientious evolution.

The current research examines and analyzes established social innovation assessment frameworks, methods, and models to pinpoint areas for a design-driven assessment approach. The aim is to establish a solid theoretical groundwork and backing for the conclusions and suggestions. The literature review covers research on social innovation in small and medium-sized enterprises, the impact of design on organizational change, sustainable practices within SMEs, and existing tools for gauging social innovation effectiveness derived from academic studies, industry reports, and best practices.

Introducing social innovation in small and medium-sized enterprises and implementing participatory design principles as a method to develop a comprehensive assessment framework may result in a more thorough assessment approach. The qualitative approach will enhance the comprehension of social innovation dynamics and its impact on the sustainability of SMEs. Additionally, by analyzing its particular context, this research aims to offer valuable insights into the obstacles and opportunities encountered when developing social innovation projects while proposing recommendations for promoting social innovation understanding within this setting. The anticipated outcomes of the study aim to provide practical implications that could aid in advancing socially sustainable business environments in Italy, promoting resilience and competitiveness amid evolving business conditions while addressing the lack of understanding regarding how design can be systematically incorporated into social innovation assessment processes within businesses.

4. Discussion

The anticipated outcomes and planned progression of the PhD research are segmented into three stages: initial exploration, in-depth analysis, and practical application. The first stage entails addressing the initial research sub-question (What are the key components and the current comprehensive frameworks that can capture the nature and understanding of social innovation within companies?) through an extensive review of literature and examination of existing social innovation models to acquire a comprehensive grasp of the

research subject. This phase also involves investigating essential elements and current frameworks for social innovation assessment within organizational contexts. Ultimately, this stage is designed to formulate a matrix for social innovation that delineates crucial components within corporate settings, offering a systematic method for understanding and articulating strategies applicable to business environments.

The in-depth analysis phase explores the second research sub-question (How can the insights, current applications, and best practices from existing frameworks in other domains be leveraged to enhance the design and effectiveness of a design-driven social innovation assessment within corporate contexts?) regarding the perspectives, current implementations, and effective strategies from established models in different disciplines that can enrich a design-driven social innovation evaluation framework within business environments. This phase would entail semi-structured interviews with small and medium-sized enterprises in Italy to delve into their experiences, obstacles, and accomplishments in adopting social innovation practices. It will also involve a comprehensive review of existing assessment frameworks to emphasize their main characteristics, methodologies, and constraints for initial indicators when applying design-oriented approaches to evaluating social innovation.

The last stage, application, will involve prototyping the design-driven assessment framework for social innovation in Italy's SMEs. Building on previous phases, this stage aims to answer the last sub-research question: how design perspectives, tools, methods, and strategies can aid companies in assessing social innovation initiatives within corporate settings. The goal is to evaluate the practicality, effectiveness, and

feasibility of implementing the framework in real-world scenarios while offering practical guidance and resources for companies navigating the complexities of evaluating social innovation. Additionally, this process aims to enhance understanding of the role of design within this context.

From a design viewpoint, these stages will facilitate examining different perspectives on evaluating social innovation in corporate settings and craft a new perspective on the topic, particularly within an Italian context. The sub-inquiries focus on creating a matrix for social innovation, incorporating ideas from current frameworks, and evaluating a design-oriented approach to social innovation assessment. These aspects contribute to the broader research objective of addressing how the assessment of design-driven social innovation can encourage transformations in small and medium enterprises and guide companies toward adopting proactive and responsible changes in their practices.

The outcomes of this study will contribute to a more holistic comprehension of social innovation dynamics in Italian small and medium-sized enterprises, as well as its influence on sustainability. Although the research is still underway, it is crucial to note that initial observations have provided key insights into the significance of social innovation within business environments. The ongoing assessment and scrutiny of established social innovation frameworks, methods, and instances have unveiled significant prospects for an evaluation approach guided by design principles.

Companies have often relied on key performance indicators to evaluate the efficiency and innovativeness of their initiatives (Cisero et al., 2017). However, a crucial consideration is the ongoing shift towards appraising performance and innovation from a design standpoint by moving beyond traditional strategic KPIs. This involves quantifying and assessing the "softer" aspects and results of project processes using concrete metrics and qualitative measures (Drew, 2017). As the PhD progresses, research into evaluation and assessment will support this paradigm. Instead of suggesting a one-time assessment at the end of each project, as seen in other approaches (Foglieni et al., 2018), it will be viewed as an iterative process integrated into continuous improvement. This iterative approach to evaluation and assessment will ensure that social innovation strategies are consistently evolving and adjusting to changing conditions.

5. Conclusion

This research explores the interconnectedness of design, social innovation, and Italian SMEs. It highlights the necessity for SMEs to adopt social innovation to stay competitive in changing market environments. By incorporating design principles into assessment strategies, customized approaches can be formulated to facilitate organizational change effectively. Despite facing challenges in establishing thorough evaluation methods, the study highlights the pertinence of a design evaluation approach to promote socially sustainable business development at a local level. As an outcome, this investigation seeks to contribute to a holistic comprehension of social innovation dynamics within Italian SMEs by underscoring the transformative role of design in driving sustainable organizational practices and enhancing resilience in the business ecosystem.

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