

Towards an analytical framework for the study of the Italian social enterprises' digital transition

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Purpose – The paper aims to deepen the analysis of the mechanisms that limit (or foster) the digital transition in Italian social enterprises. The digital transition is a widespread phenomenon in all spheres of life and is challenging labour transformations at the global level. In the welfare state, the issue of digitalization is an emerging theme at two levels. At one level because activation policies demand social interventions to endow clients with digital skills. At the level of welfare governance, it mainly concerns systems for facilitating the matching of demand and supply of social services such as welfare online platforms. From this standpoint, social enterprises have to negotiate their traditional hybrid logics with the new challenges triggered by the demand for digitalization.

Theoretical framework – the European welfare state is increasingly characterized by decentralization and territorialisation of interventions, pluralization and diversification of actors, and network approaches. Networks emerge as more effective organizational configurations than bureaucracies (or with bureaucracies in some cases) for managing complex local social interventions. In this type of network, mechanisms typical of open innovation emerge: changes and work processes overcome organizational boundaries, and people and organizations influence each other through weak and strong ties, formal and informal relationships, authority or authoritativeness, or on the basis of actors' position in the social network, which may be central or peripheral and isolated or densely interconnected.

Design/methodology/approach – The research question that characterizes the paper is the following: what are the factors influencing the digital transition of Italian social enterprises? Empirically, the paper is based on a case study of a network-based intervention involving private and public organizations in regional active labour market policies in Veneto. We conducted an inductive analysis of the qualitative data we collected. Following an iterative process, we travelled back and forth between interview notes, journal articles, direct observation notes and extant theory.

Findings – The paper identifies political, relational, cultural and cognitive mechanisms that limit social enterprises' investment in the digital transition. At the policy level there is a strong pressure for digitalisation but policies do not provide constraints or incentives making these aims more rhetorical than practical, with consequences in terms of the relationships (conflicts) and expectations (stress) of the actors involved in policy processes. At the relational level, organizations in networks do little interaction with each other and predominantly in formal and bureaucratic

settings, while at another level individuals build individual relationship systems to circulate resources. In the absence of structured systems of interaction, private social networks prevail over sharing and cloud systems. At the cultural level, attention to the human dimension, to people, is seen as taking priority over the technological means. On the contrary, technological tools are often described as inclined to bureaucratize the relationship with clients within traceable and accountable systems. At the cognitive level, the centrality of the person is the translation of the demand for personalization of interventions, where interventions should be designed for the individuals (stylist metaphor) and not as an adaptation of existing supply services (metaphor of assembling Lego), as in the case study we analysed. This results in the low use of technology and the prevalence of the 'case management approach'.

Research limitations/implications – Base on a case study, the research lacks generalisability but it paves the way to further investigations.

Practical implications – Discussion on the findings outlined above paves the way for the proposal of a digital transition model that is useful both for explaining why social enterprises adopt few and limited digital strategies and how to intervene to support this process:

- Distance between digital transition goals and the reality of interventions results in frustration in staff (perception of being incapable) and schizophrenia in organizations (which are highly digitalised in other operational areas; which would like to but fail to introduce technological innovations)
- Individual skills have no effect at the organizational level. There seems to be an opposite mechanism of online communities, where success is determined by the ability to engage the periphery. Here it seems that skills are distributed to the peripheries but do not reach the core of the organizations in the absence of appropriate institutional constraints or incentives.
- Public agencies and social enterprises foster mechanisms of organizational isomorphism where for-profit organizations (which in other sectors have already introduced technological innovations) imitate them because they are leaders in this organizational field

In order to manage these challenges, managers cope with strategies based on the level and type of investment in technologies and on the level of hybridity in pursuing their mission. From this, we derive a model of digital transition where stakeholders influence interact with organizational focus producing different models of innovation (i.e. social innovation model, open innovation model, managerial innovation model and traditional social enterprise model)

Originality/value – Combining different literature streams – open innovation, welfare governance, welfare digitalisation – and building on an original case study, the paper

contribute to understanding limits and drives to the digital transition of Italian social enterprises. However, the findings based on the case study are also used to build a theoretical model appropriate for analyzing other cases as well