



# Social innovation in a post-conflict setting: examining external factors affecting social service NGOs

Aleksandar Bozic

To cite this article: Aleksandar Bozic (2021) Social innovation in a post-conflict setting: examining external factors affecting social service NGOs, Development Studies Research, 8:1, 170-180, DOI: [10.1080/21665095.2021.1950020](https://doi.org/10.1080/21665095.2021.1950020)

To link to this article: <https://doi.org/10.1080/21665095.2021.1950020>



© 2021 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group



Published online: 14 Jul 2021.



[Submit your article to this journal](#)



Article views: 110



[View related articles](#)



[View Crossmark data](#)

## Social innovation in a post-conflict setting: examining external factors affecting social service NGOs

Aleksandar Bozic 

Department of Sociology and Social Work, The University of Agder, Kristiansand, Norway

### ABSTRACT

While the study of the influence of external environmental factors on non-governmental organizations (NGOs) is well explored in the international development literature, the importance of these factors on NGOs' transformative roles in a post-conflict development setting remains less understood. Nevertheless, external environmental factors could have a crucial impact on NGOs in such a context, especially when NGOs want to integrate a socially innovative approach into the social services they provide. Using survey data of staff members of social service NGOs from post-conflict Bosnia and Herzegovina ( $N = 120$ ) and applying resource dependence theory, this study identifies three environmental factors of great importance for NGOs when integrating a socially innovative approach: secured financing, the willingness of service users to participate in innovative services, and the sustainability of the implemented services. By contrast, policy and regulatory frameworks and public institutions' openness are of moderate importance. Licensing and accreditation, service quality standards, and tax breaks are of even less importance. The results contribute to the understanding of the importance of external factors in the development of social innovations by the NGO sector from the perspective of the post-conflict context.

### ARTICLE HISTORY

Received 28 April 2021  
Accepted 27 June 2021

### KEYWORDS

NGOs; social innovation;  
environment factors;  
resource dependence theory;  
post-conflict development

### Introduction

A growing number of studies have addressed the role of non-governmental organizations (NGOs) in the development of social innovation for meeting social needs (Anheier, Krlev, and Mildemberger 2019; Oosterlynck, Novy, and Kazepov 2020). Although internal organizational structures demonstrated the impact on social innovation, external contextual factors, including economic, legal, political, or socio-cultural conditions, can significantly influence NGOs in the process of diffusing a particular innovation (Hubert 2011; Mulgan 2019). As NGOs are embedded in their environment and they highly depend on other actors and organizations resources in order to function, social innovation as an approach to address unmet social needs is also contextually impacted. It evolves within specific relationships among various actors, ecosystems, and environments, which can be sources of opportunities but also potential obstacles for its diffusion and development (Domanski and Koletka 2018; Holtgrewe and Millard 2018).

Despite the importance of environmental factors to the development of social innovation, prior studies have examined social innovation predominately from the perspectives of high-income countries. Relatively

little research has focused on the ability of NGOs to innovate in a post-conflict development setting. Such settings often have specific characteristics and challenges, with a serious lack of institutional mechanisms, high dependence on funding from international donors, and lower civic trust and openness (Espiau 2016). However, these challenges can stimulate the development of creative and tangible alternative or novel solutions using existing resources (Haar and Ernst 2016, 15). Some scholars argued that NGOs present the main drivers of social innovation in post-conflict contexts with their transformative roles and cross-sector collaborative efforts aimed at filling the institutional gaps and reshaping the pressing social demands of communities recovering from years of tension and conflict (Kolk and Lenfant 2015; Espiau 2016; Bozic 2020).

In light of recent calls for further research on social innovation in post-conflict and developing countries (Espiau 2016; Haar and Ernst 2016), this study empirically examined the role of external environment factors on NGOs' integration of social innovation into their provision of social services. This research contributes to the body of literature on countries experiencing post-conflict transitions by using Bosnia and Herzegovina (BiH) as a case study. This country located in

**CONTACT** Aleksandar Bozic  [aleksandar.bozic@uia.no](mailto:aleksandar.bozic@uia.no)

© 2021 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group  
This is an Open Access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/4.0/>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Southeastern Europe has a recent history of war and turbulent post-conflict development, as well as a complex, multilayer system of government. Foreign aid and development donors have played a dominant role in the country's reconstruction and the expansion of its civil society (Kartsonaki 2016). In this context, local service provision NGOs have engaged in social innovation by developing cross-sectoral partnerships, applying creative new approaches to address the complex needs of users, and constantly adapting to the changing context, which have primarily been supported by funding from foreign donors (Bozic 2020). Given that social innovation involves the interplay of resources, environmental factors, and interactions between actors (Oosterlynck, Novy, and Kazepov 2020), this study drew on resource dependence theory to understand how environmental factors influence NGOs to develop social innovations in a country in post-conflict transition. Therefore, this study attempts to answer the following research question: What types of external environment factors do NGOs in Bosnia and Herzegovina consider important when it comes to integrating a social innovation approach into the social services they deliver?

This research question is addressed through surveyed NGOs with experience in social innovation in BiH to identify the key environmental factors that support the integration of innovation into social services. The structure of the paper first examines the context of BiH and describes resource-dependency theory, then discusses the environmental factors that influence NGOs' implementation of social innovation. Next, the paper explains the applied research method and sampling framework used in the study and describes the psychometric characteristics of the scale that was applied, then presents the main findings of the analysis. Lastly, the discussion and conclusion section identifies the limitations of the study as well as the implications of the results and opportunities for future research are presented in the discussion and conclusion section.

## 2. Literature review

### 2.1. Contextual overview: Bosnia and Herzegovina

BiH is a young state that previously belonged to the former socialist republic of Yugoslavia. Almost three decades have passed since the disintegration of Yugoslavia in the early 1990s, an event that triggered nearly four years of civil war. This conflict officially ended after international intervention and with declared independence by the signing of the Dayton Peace Agreement in 1995, but the country is still experiencing a

post-conflict transition, with ongoing nation-building and weak socio-economic progress (Kartsonaki 2016). Further fragmentation has been caused by the country's post-war constitution, which established a complex, decentralized system of governance that is partitioned territorially into two ethnic entities, ten cantons, and one district. This has resulted in a large, ethnically divided, and under-resourced public administration system (Keil and Perry 2015), leading to a fragmented and weak social sector that is incapable of tackling BiH's pressing social challenges related to poverty, unemployment, population aging, emigration, social exclusion and inequality (United Nations Population Fund 2020).

During the post-war period, many international aid and development organizations became influential institutional actors in BiH, with their funding being directed to the post-conflict reconstruction, leading to the establishment of local NGOs and creating local structures to support the development of civil society (Spahić Šiljak 2017). NGOs in BiH have significantly shifted their focus over the years, from addressing humanitarian needs and assisting citizens during and after the civil war to leading social services provision. There is little public discourse on the social and economic value of NGOs in BiH, due to a lack of reliable official data on the sector. However, the sector consists of approximately 27,190 registered organizations with various forms and missions (Gijo and Tufo 2020). Most organizations are small and highly reliant on international funding. Urban NGOs generally have better access to funding, stronger human and organizational capacities, and different scopes of work than rural NGOs (Spahić Šiljak 2017). The policy dialogue and cooperation of local NGOs with various levels of government and public sector institutions have strengthened over the years and are supported by various joint implementation agreements (Gijo and Tufo 2020). NGOs often act as strategic partners in the implementation of international donors' policies, enabling them to become more actively involved in the strategies of the local, entity, or central governments and influence social policy (Žeravčić 2016).

A smaller number of NGOs have become more prominent as providers of free services for vulnerable groups, including victims of domestic violence, children and youth from families facing multiple disadvantages (e.g. alcoholism, mental health problems, violence, poverty), persons with physical and mental disabilities, minorities (e.g. Roma), low-income residents of rural areas, single parents, the elderly, and refugees (Papić et al. 2013). The reason for this is that the public social services sector in BiH faces several challenges, including unharmonized legislations across the highly fragmented



system of governance, poor human, technical and financial resources, lack of preventive care services, and political clientelism (Maglajlic and Stubbs 2017; Obradović and Filic 2019). Consequently, non-state provision of preventive social services helps to improve the living conditions of vulnerable groups, given that the public welfare institutions have failed to respond adequately. Non-state social service provision largely began as a result of the program demands and funding of international donors (Papić et al. 2013; Maglajlic and Stubbs 2017).

In BiH, social innovation seems to emerge as a result of international funding interventions in the country and NGOs' operation in the field of social services. NGOs in BiH have pioneered novel preventive services, models, and approaches to address the unmet needs of various vulnerable service users, benefited from the funding from international donors (In Foundation 2019). A recent study by Bozic (2020) found that social innovation in BiH occurs within the triple framework of relationships developed between NGOs, international donors, and public organizations in BiH. It was funded by international donors and initiated primarily by social service NGOs by integrating innovative elements into the social services they provide, developing new models of preventive practice, adopting user-centered approaches, fostering cross-sectoral cooperation, initiating co-financing, and strengthening service standards. However, the interaction of NGOs with multiple institutional actors is not an easy process in such a context and inevitably leads to different isomorphic pressures due to the dependence on resources and requirements of the actors (Papić et al. 2013; Bozic 2020).

However, international donor funding in BiH is declining, with a significant decrease in donations for social services and programs (Puljek-Shank 2019). The European Union is taking a more dominant role in funding the country's development programs, with a new trend of increasing support for multilateral organizations such as the International Organization for Migration and the UN Development Program and reducing it for local NGOs (Puljek-Shank 2019). Based on the experiences of other countries that have experienced a reduction in aid, this is a threat to the sustainability of NGOs' activities (Appel and Pallas 2018). Although NGOs have received increased financial support from local authorities in recent years, this has not always occurred transparently, and such funding is insufficiently allocated for the social service NGOs and enormous needs of vulnerable groups (Omerefendić 2016). This situation is also affected by low levels of public trust and confidence in NGOs and by a

predominant donor-driven approach of NGOs and a lower priority to promote their results in society in a tangible way (Spahić Šiljak 2017; Puljek-Shank 2019).

## **2.2. Theoretical framework: resource dependence theory**

Resource dependence theory, which was first introduced by Pfeffer and Salancik (1978), is a theoretical framework that can be used to understand the relationships between actors in a resource-constrained environment and explain the influence of environmental factors and contextual constraints on organizational behavior. Pfeffer and Salancik (1978, 51) defined dependence as

the product of the importance of a given input or output to the organization and the extent to which it is controlled by relatively few organizations. A resource that is not important to the organization cannot create a situation of dependence.

Given that the environment in which an organization is operating may affect its success, organizations seek to reduce insecurity by procuring resources through interactions with other organizations. However, this can lead to an unequal power distribution, hoarding of resources, and unreasonable demands, and some actors exercising undue influence over others (Hillman, Withers, and Collins 2009; O'Brien and Evans 2017).

According to resource dependence theory, an environment consists of an interconnected system of actors, organizations, and institutions. By transacting with other organizations in the system, organizations can improve their understanding of the contextual factors that influence their environment (Pfeffer and Salancik 1978, 62–63). Three key environmental features drive organizations' dependence: concentration, munificence, and interconnectedness. Concentration refers to the level of power and authority within the environment, munificence refers to the availability of vital resources, and interconnectedness refers to the linkages between organizations in a system (Pfeffer and Salancik 1978, 68).

NGOs do not operate in isolation, and they must understand and engage with the systems that impact service users and control access to valuable resources. Thus, interdependencies between NGOs and other organizations are unavoidable (AbouAssi 2015). NGOs in developing countries rely predominantly on foreign aid in the forms of grants and donations (Islam 2016). However, such NGOs often seek to diversify their funding sources, including by accessing government resources, to improve their sustainability. This is particularly important if international donors begin to withdraw from a country and reduce their funding (Khieng and

Dahles 2015; Appe and Pallas 2018). NGO service providers that seek funding from state or local governments or other donors due to resource dependence may engage in new forms of partnership, resulting in the co-creation and integration of resources, development of innovative solutions, and achievement of transformative change (Domanski and Koletka 2018, 208). Such partnerships can also influence organizations' behavior (Bloom and Dees 2007; Haar and Ernst 2016).

To manage these dependencies, organizations can either adapt to the relevant environmental factors or attempt to transform their environment (Archibald 2012). Strategies adopted by organizations in such circumstances include creating alternative resources, reducing uncertainty, mitigating the dominance of controlling parties, and managing the demands of the environment (Nienhüser 2008). Since the availability of resources and operating environment can influence organizational actions and behavior, this study relied on this theoretical framework to investigate the impact of contextual factors on Bosnian NGOs' integration and diffusion of social innovation in light of their strong reliance on international donors and complex institutional context.

### **2.3. The role of environmental factors on NGOs social innovation**

Despite the fact that social innovation can be broadly defined, it is possible to identify several common characteristics in the literature. Social innovation is perceived as the forms in which new ideas/solutions (e.g. products, services, models, markets, and processes) that meet a social need more effectively than existing solutions are put forward (Caulier-Grice et al. 2010, 18). Social innovation has been developed in response to the challenging social problems that emerged as a result of the failures of the modern welfare state, conventional solutions established within different institutional settings, conventional market capitalism, and resource scarcity (Nicholls and Murdock 2012; The Young Foundation 2012). Social innovation usually involves a higher degree of grassroots and bottom-up activities, and such initiatives are frequently locally embedded and geographically scattered (Caulier-Grice et al. 2010; Krlev et al. 2019a). Also, NGOs and other civic organizations enter into collaboration with the public administration on the co-production and co-creation of public services by altering their practices, norms, values, and relations (Evers, Ewert, and Brandsen 2014). However, collaboration between public and non-public actors is often impacted by institutional cultures, norms, and logic, which can increase certain challenges in local

social innovation (Oosterlynck, Novy, and Kazepov 2020).

NGOs working within the social sector as service providers are highly resource dependent, and accordingly, they may be vulnerable to a broad range of external factors that can affect their operation and the implementation of social innovation (Hubert 2011; Oosterlynck, Novy, and Kazepov 2020). In fact, according to Baron et al. (2018), the dimensions of the contextual factors are often potential drivers, but also possible limitations of innovation. The innovation should be seen in a broader sense by reflecting aspects of 'governance models, potentially supportive infrastructures and even legal and cultural norms which take effect in a specific ecosystem and which make a difference' (Domanski and Koletka 2018, 209). Therefore, environmental factors grouped in form of finance, policy, legislation, and administration are presented in the literature of social innovation as important external factors for NGOs and their innovative efforts, which are further explored below.

#### **2.3.1. Financial factors**

Existing external and independent funding is crucial for the development of social innovation (Hubert 2011; Mulgan 2019). In order to address social issues and improve the lives of service users, NGOs rely on various funding opportunities that come from public, private, and third sector organizations or individual and group donors. Over the years, funding schemes have been increasing internationally to provide financing and support to NGOs to test, implement, and scale their promising social innovations and increase their influence on society (Zandniapour and Deterding 2017). However, the reality is that NGOs are often dependent on temporary, single, or multiple limited funding sources, which can negatively affect the sustainability of innovation and the delivery of services on a larger scale. An absence of the perception among funders that a specific type of innovation can make positive changes for a particular social group may leave NGOs without proper support for the development of new services and social programs (Carnesi et al. 2014).

#### **2.3.2. Policy factors**

Over the last decade, many governments around the world have implemented policies that promote social innovation and support the development of new solutions to social issues (Mulgan 2019; Krlev et al. 2019a). However, the implementation of such ideas across borders can be challenging due to differences in welfare systems, cultures, and levels of economic development (Krlev et al. 2019b). Many low-income



countries lack the appropriate government policies and institutional structures to support innovation. In such settings, international and bilateral development agencies intervene to promote innovation by providing funding, facilitating knowledge exchange, conducting policy analysis, and building institutional capacity (Dahlman, Lasagabster, and Larsen 2016).

### **2.3.3. Administrative factors**

Social policy administrations differ across different countries and regions, which affects the development of social innovation (Baglioni and Sinclair 2018, 45). Some administrations may be more open and convenient for social innovation than others, and these structures in particular may support innovation development (Mulgan 2019). In the case of countries with emerging and transitional economies characterized by insufficient institutional resources and a public sector that does not operate in accordance with good governance principles, social innovation is usually not recognized within public administration discourses. Consequently, this leads to the absence of institutionalized mechanisms, regulations, structural funds, and research to support innovation (Živojinović, Ludvig, and Hogl 2019).

## **3. Methodology**

### **3.1. Sampling framework**

This study focused on NGOs that deliver social services to vulnerable groups in BiH and have experience in applying a socially innovative approach to their work. The data collection used purposive snowball sampling, for two reasons. First, due to unorganized and uncategorized data of NGOs in Bosnia and Herzegovina and the lack of information on the NGOs that are active in the provision of social services and integrate social innovation into their work, it was difficult to identify the targeted organizations. This has been exacerbated by the country itself lacking official data and statistics in general. Secondly, NGOs frequently adapt their target clients and fields of work based on donors' expectations and the available funding (Spahić Šiljak 2017). Since it was impractical to apply a probability sampling method, the purposive snowball sampling – in this case using other organizations to identify potential participants/organizations – seemed a useful and relevant approach for this study.

Preselection interviews were conducted with field experts, who were representatives of the two prominent international aid donor organizations active in BiH, an UN-related agency and a foundation from the

Netherlands. These experts possessed knowledge regarding the social services sector and the country's institutional context, and the operations of the donor organizations are focused on funding local NGOs to develop socially innovative services, interventions, and models aimed at addressing the unmet needs of vulnerable social groups. The representatives not only identified some NGOs that were active in the field but also shared their database of local NGOs to which they had provided funding for their socially innovative services and interventions, including contact information for over 130 NGOs across BiH.

As NGOs hire different types of staff members to solve complex problems and lead organizations effectively, it was important to include the voice of multiple respondents from the same organization in the survey in order to increase the representativeness of the sample. Requests to participate in this study were sent to 293 staff working in the list of over 130 NGOs registered under the relevant law concerning associations and foundations, that are active in social services provision and have received earlier the funding from donor organizations to develop socially innovative services, interventions, and models. The responses from different types of informants in each NGO were then grouped.

### **3.2. Instrument design**

As the literature in this study relying to a certain extent on the scholars' work, presented the influence of the environmental factors on social innovation from the developed context (Hubert 2011; Baglioni and Sinclair 2018; Mulgan 2019) and due to the dearth of literature on this topic in general from the post-conflict environment, it was somehow important to confirm those factors within the context of BiH. In that sense, for such purpose, a source of information of environmental factors is drawn from the broader mixed-method research project to which this study is connected, including a recently published paper (Bozic 2020). The published paper explores the nature of collaboration between public and nonpublic actors in delivering social services and achieving social innovation in BiH and it gives a chance to understand 'expert' perspectives regarding contextual factors. Therefore, to ensure the content validity of the scale used in the current study, the list of environmental factors was confirmed and amended to incorporate insights from the previously published article (Bozic 2020). The final scale included nine environmental factors: (1) secured funding, (2) tax relief, (3) legislation adjustment, (4) public strategies, (5) licensing and accreditation, (6) quality standards, (7) openness of public institutions, (8) service user

participation, and (9) sustainability of implemented innovative services. Respondents were asked to assess the importance of each factor to NGOs' social innovation in service provision on a 5-point Likert-type scale, ranging from 'not important' to 'very important.' The scale used in this study is shown in Table 1.

To verify whether the data set was suitable for the item-level analysis, the psychometric properties of the applied scale items were assessed with the study sample. Two statistical measures were used for this step: a Kaiser-Meyer-Olkin (KMO) test and Bartlett's test of sphericity. Both techniques are commonly applied to determine the sampling adequacy of data and the level of correlation among variables for factor analysis. The KMO measure of sampling adequacy recorded a value of .850, while the value of Bartlett's test was significant ( $\chi^2 = 400.163$ ,  $df = 36$ ;  $p < .001$ ). High values (close to 1.0) of the KMO test and small values (less than 0.05) of Bartlett's test generally indicate that correlations between items are sufficiently large for factor analysis (Kaiser and Rice 1974).

In order to explore the data related to the contextual factors, a principal component analysis was conducted on the nine items, resulting in two factors based on the Keiser-Guttman criterion (characteristic root greater than 1) or three factors based on a scree plot. These solutions did not meet the criteria of interpretability and the principle of simple structure, so through the

principal component analysis, a one-factor solution was tested (the characteristic root of the first components was 4.496, followed by a sharp drop). Table 2 shows the results of the analyses performed in the study (factor loadings, communality, characteristic roots, and percentage of explained common variance).

The nine items explained a total of 49.958% of the variance. All factor loadings were higher than .40; however, one item (Secured funding) had a lower communality (.23). In order to further examine the content validity of the scale, descriptive statistics at the level of individual items (arithmetic mean (M) and standard deviation (SD)) and the correlations of individual items with the total score on the scale ( $r_{it}$ ) were calculated and are presented in Table 3. All correlations of the items with the total score on the scale were high enough ( $\geq .40$ ). Further, the reliability of the scale was assessed by calculating the internal consistency of the nine items. Cronbach's alpha coefficient for the items measuring the external factors was .870, and this indicated very good internal consistency reliability for the scale with the sample. If the item 'Secured funding' was deleted throughout the scale, Cronbach's alpha reliability coefficient did not increase significantly (.872). Therefore, the number of items retained in the final analysis was nine.

### 3.3. Survey administration and data analysis

Before the survey was conducted, the privacy, data protection, and ethical principles of the study were reviewed and approved by the Norwegian Centre for Research Data. Next, the survey was conducted online between May and July 2019 using SurveyMonkey, with 293 staff working at over 130 NGOs in the database being emailed an invitation to participate in the

**Table 1.** Scale designed to measure the level of importance of external environmental factors on NGOs' social innovation.

On a scale of 1–5, where 1 is 'not important' and 5 is 'very important,' how important do you find the following external environmental factors to be for the development of socially innovative services?

Environmental factors	Degree of importance				
	Not important 1	2	3	4	Very important 5
<b>Financial factors</b>					
1. Secured funding	1	2	3	4	5
2. Tax relief	1	2	3	4	5
<b>Policy and legal factors</b>					
3. Legislation adjustment to NGO service provision and innovation	1	2	3	4	5
4. Incorporating social innovations into public strategies and policies	1	2	3	4	5
5. Licensing and accreditation of innovative services/projects	1	2	3	4	5
6. Quality standards in service delivery	1	2	3	4	5
<b>Administrative factors</b>					
7. Openness of public institutions to cooperate in innovative services/projects	1	2	3	4	5
8. Willingness of service users to participate in innovative services/projects	1	2	3	4	5
9. Sustainability of implemented innovative services/projects	1	2	3	4	5

**Table 2.** Summary of the principal component analysis: external factors.

Items	Factor loadings	
	F1	Communality
Legislation adjustment to NGO service provision and innovation	<b>.80</b>	.64
Incorporating social innovations into public strategies and policies	<b>.79</b>	.63
Licensing and accreditation of innovative services/projects	<b>.78</b>	.61
Quality standards in service delivery	<b>.74</b>	.55
Tax relief	<b>.73</b>	.54
Sustainability of implemented innovative services/projects	<b>.68</b>	.47
Willingness of service users to participate in innovative services/projects	<b>.66</b>	.43
Openness of public institutions to cooperate in innovative services/projects	<b>.64</b>	.40
Secured funding	<b>.48</b>	.23
Characteristic roots	4.50	
Explained common variance (%)	49.96	



survey. This invitation included the electronic link to the survey, as well as a consent form. During the 3-month data collection period, two reminder emails were sent to the participants who had not yet completed the survey. Ultimately, 120 participants submitted responses, with 89% of responses being fully completed (CR = 106/120). Accordingly, the survey return rate was 41% and the dropout rate was 59%. Following the survey data collection, the responses were analyzed using SPSS 25. The descriptive statistics for this data are presented in the results section, including measures of frequency for demographic data and measures of central tendency for the assessment of environmental factors.

#### 4. Results

The participants of the survey performed a range of roles within the involved NGOs, including directors (48.3%); program officers (10.8%); project officers (10.0%); professionals, such as social workers and psychologists (18.3%); program and project assistants (5.0%); administrative-financial officers (3.33%); volunteers (1.67%); and others (2.5%). In terms of the age of the participating organizations, the most significant number of organizations had been running for between 10 and 20 years (35.30%), while 33.61% had been running for more than 20 years. The respondents represented NGOs across the entire country that provided a range of social services. They targeted different service user groups, including children and youth at risk of abuse and neglect, women victims of domestic violence, children and youth with intellectual and physical disabilities, adults with intellectual and physical disabilities, individuals and families at risk (e.g. poverty or homelessness), the elderly population, and people with severe illness (mental health).

The descriptive statistics at the level of individual items (M and SD) for each external environment factor are presented in Table 3. It provides the detailed results for the assessment of the importance of external factors for the development of socially innovative services by the NGOs. The score on the scale was calculated as the average response on the items (the sum of the responses on all items divided by the number of items). The distribution of the results on the scale ranged from 1 (lowest score) to 5 (highest score). A higher score on the scale indicated a higher level of assessment of the importance of external factors for the development of socially innovative services.

Table 3 shows the participants' mean ratings of the importance of the nine assessed external factors for

NGO employees with respect to the implementation of innovative approaches in the services and projects they delivered. As can be observed, on a scale of 1–5, the mean ranged from 3.74 (for item 9, 'Licensing and accreditation of innovative projects and services') to 4.59 (item 1, 'Secured funding'), suggesting that there was substantial variability in NGO employees' perceptions of the importance of different institutional contextual factors on the decision to integrate an innovative approach in their work.

The external factors with the highest overall mean ratings were secured funding (M = 4.59, SD = 0.72), followed closely by the sustainability of the implemented innovative services (M = 4.54, SD = 0.71) and the willingness of service users to participate in innovative services (M = 4.52, SD = 0.65). In contrast, the mean score of the other three factors, including incorporating social innovation into public policy and strategies (M = 4.40, SD = 0.69), the openness of public institutions to cooperate on developing innovative solutions (M = 4.37, SD = 0.85), and legislation adjustment (M = 4.35, SD = 0.83), were perceived as having a comparatively moderate level of importance for the NGO employees.

Other external factors, including tax relief (M = 4.23, SD = 0.98), quality standards in service delivery (M = 4.21, SD = 0.92), and licensing and accreditation of innovative services (M = 3.74, SD = 1.00), were found to have a relatively lower level of importance regarding the integration of a socially innovative approach. It is important to note that Table 3 also shows that although the mean ratings of six external factors were comparatively lower than the ratings of the first three factors with the highest overall mean, they were not low in absolute terms. Rated at well over 3.00 on a scale of 1–5, these external factors were also observed by the participants as having meaningful importance.

**Table 3.** Descriptive statistics for the items and correlations with the total score on the scale.

Items	M	SD	$r_{it}$
Secured funding	4.59	0.72	.40
Sustainability of implemented innovative services/projects	4.54	0.71	.59
Willingness of service users to participate in innovative services/projects	4.52	0.65	.56
Incorporating social innovations into public strategies and policies	4.40	0.69	.71
Openness of public institutions to cooperate in innovative services/projects	4.37	0.85	.53
Legislation adjustment to NGO service provision and innovation	4.35	0.83	.71
Tax relief	4.23	0.98	.64
Quality standards in service delivery	4.21	0.92	.65
Licensing and accreditation of innovative services/projects	3.74	1.00	.71



## 5. Discussion and conclusion

This study investigated the environmental factors that NGOs consider important in providing social services to vulnerable people in a post-conflict setting and, in particular, the extent to which such factors contribute to NGOs' ability to integrate social innovation into their services. This section presents the results of the analyses of survey data to show the importance of various environmental factors in such a complex setting.

The findings suggest that no single environmental factor is solely responsible for the development and integration of social innovation by NGOs. Multiple contextual factors coexist within the financial, policy-legal, and administrative dimensions of organizations' resource environments, and the combined effect of these factors influences organizations' integration of socially innovative approaches to service provision. The nine factors studied all have a certain level of importance for NGOs in BiH, but some factors are more dominant than others.

Access to secured funding, the willingness of service users to participate in innovation, and the sustainability of the implemented services received the highest scores in the analysis, indicating that these factors are perceived by NGOs as very important to social innovation. These findings broadly align with previous studies, which identified that the availability of financial resources in the form of grants, donations, crowdfunding, and risk capital is a key enabler of social innovation (Haar and Ernst 2016; Zandniapour and Deterding 2017; Mulgan 2019).

Funding from international donors has enabled NGOs in BiH to create and deliver innovative services to vulnerable groups, notwithstanding the country's complex institutional context (Bozic 2020). However, a high degree of dependence on international funding means that the future of NGOs' innovative services is uncertain (Islam 2016). The existing reduction in social innovation funding from international donors is likely to increase the pressure on NGOs in BiH to ensure that existing services are financially sustainable. Such a situation typically requires NGOs in the post-conflict context to explore alternative funding sources, such as government grants and funding from stakeholders outside of the NGO sector, to maintain their existing services (Khieng and Dahles 2015). This does not translate easily to a country like BiH, which has highly fragmented stakeholders and limited and nontransparent government funding. These conditions may explain why financial and sustainability factors were scored as highly important by NGOs in this study.

Furthermore, the literature on social innovation in service delivery forms part of the broader field of inclusive innovation, which emphasizes the participation of service users in service design (Rønning and Knutagård 2015). Service users participate very little in the social services provided by public institutions in BiH, but international donors have required that NGOs strengthen service user participation as part of their work to integrate social innovation, resulting in a strongly user-centered approach to service provision (In Foundation 2019; Bozic 2020). However, service users may be reluctant to participate in service design and delivery for personal, psychological, or social reasons or institutional resistance (Smith 2020). This reluctance can inhibit the success of socially innovative services, which may explain why this factor was assigned a high level of importance by NGOs in BiH.

Environmental factors related to the policy and legal aspects of the social services system were assigned only moderate importance by NGOs. These factors included the incorporation of social innovation into public policies and strategies, legislative changes affecting social innovation, and the openness of public institutions to cooperating with non-state actors to implement innovative solutions. This finding is somewhat inconsistent with previous studies conducted in high-income countries on social innovation, which found that such factors are of considerable importance (Anheier et al. 2014; Krlev et al. 2019b). However, this finding aligns with the results of the studies by Bežovan, Matančević, and Baturina (2016) and Bozic (2020). These studies found that Southeastern European countries with experience of post-communist and post-conflict development lack structural mechanisms such as public policies, strategies, and legislation to support such approaches, but this does not prevent local NGOs from trying to innovate in the field, which is typically initiated by international donors support and implemented in collaboration with non-state actors such as NGOs.

Similarly, NGOs also placed less importance on environmental factors related to compliance and regulation, including licensing and accreditation requirements for innovative projects and services, quality standards in service delivery, and tax relief. There are several possible explanations for this. A previous study conducted in BiH emphasized that the country still lacks adequate systems to monitor compliance with quality standards in service delivery and manage the licensing and accreditation of NGO-led innovations in the social services sector (Akesson 2016). Further, exemptions to VAT and other taxes for charitable donations, crowdfunding, and philanthropic funding are relatively undeveloped and require reform. Although

the BiH systems that are related to compliance and regulation have serious shortcomings, the results of this study indicate that these weaknesses do not tend to affect the ability of NGOs to innovate.

This study helps researchers and practitioners towards a greater comprehension of environmental factors that are important for NGOs in their development and implementation of socially innovative solutions, particularly in a fragmented post-conflict context with a strong interplay between multiple foreign and domestic actors. The findings of this study may also assist donors' funding decisions in post-conflict environments to better understand the domination of environmental factors on NGOs in their transformative roles and processes.

This study also had a few critical limitations. This scale applied a limited number of items that reflect some of the key environmental factors related to the foreign donors and public sector actors that fund NGOs in BiH but do not represent all relevant contextual factors in transitional, post-conflict settings. Listing all such factors is beyond the scope of this study. Additionally, the sample size of 120 was acceptable, but future studies could apply the scale to a larger sample to increase the validity and generalizability of the results. Although the evaluated scale was reliable and the constructs valid, it is difficult to validate the findings based solely on the factor analysis; further psychometric validation is required.

Additionally, the concept of social innovation can bring specific challenges when it comes to its operationalization, recognition, and measurement in practice. As this concept is relatively new and has only been presented in the country on a limited scale, and mainly within the setting of social entrepreneurship or start-ups, it was necessary to provide definitions and explanations in the invitation letter to overcome potential misunderstandings by respondents. However, there are always potential concerns about how the survey respondents will understand social innovation.

Furthermore, as the number and characteristics of the researched population are not entirely known, the sampling method applied for the analysis of the scale and the survey data did not employ a probability sampling design. Also, the way how the sampling framework is achieved increases the potential for selection bias and limits the generalization of the findings, even though the goal of this study was not to make a generalization of the findings, but more to explore the group and phenomena that have not been analyzed in a specific context. The non-probability sample in this study also impacted the statistical analysis that was applied, as inferential statistics were not seen as

applicable. Taking all these elements into account, the findings are restricted to the sample collected and analyzed in the study.

## Acknowledgement

The author would like to thank Tale Steen-Johnsen and Anne Marie Støkken, both from The University of Agder, for their valuable feedback and the anonymous reviewers for their insightful suggestions and careful reading of the manuscript.

## Ethics declarations

This study received the privacy data protection and ethical approval from the Norwegian Centre for Research Data (Ref. No. 379517).

## Disclosure statement

No potential conflict of interest was reported by the author.

## ORCID

Aleksandar Bozic  <http://orcid.org/0000-0002-7774-9074>

## References

- AbouAssi, K. 2015. "Testing Resource Dependency as a Motivator for NGO Self-Regulation: Suggestive Evidence from the Global South." *Nonprofit and Voluntary Sector Quarterly* 44 (6): 1255–1273. <https://doi.org/10.1177/0899764014556774>.
- Akesson, B. 2016. *The Social Service Workforce as Related to Child Protection in Southeast Europe: A Regional Overview*.
- Anheier, H., G. Krlev, and G. Mildenberger. 2019. *Social Innovation: Comparative perspectives*. New York: Routledge.
- Anheier, H. K., G. Krlev, S. Preuss, G. Mildenberger, R. Bekkers, W. Mensink, A. Bauer, et al. 2014. *Social Innovation as Impact of the Third Sector. A Deliverable of the Project: "Impact of the Third Sector as Social Innovation" (ITSSOIN)*. Brussels: European Commission – 7th Framework Programme.
- Appel, S., and C. L. Pallas. 2018. "Aid Reduction and Local Civil Society: Causes, Comparisons, and Consequences." *Voluntas* 29 (2): 245–255. <https://doi.org/10.1007/s11266-017-9846-0>.
- Archibald, M. E. 2012. "Resource Dependency Theory." In *Encyclopedia of Governance*. SAGE Publications, Inc. <https://doi.org/10.4135/9781412952613.n469>.
- Baglioni, S., and S. Sinclair. 2018. *Social Innovation and Social Policy: Theory, Policy and Practice*. Bristol: Policy Press, University of Bristol.
- Baron, S., A. Patterson, R. Maull, and G. Warnaby. 2018. "Feed People First: A Service Ecosystem Perspective on Innovative Food Waste Reduction." *Journal of Service Research* 21 (1): 135–150. <https://doi.org/10.1177/1094670517738372>.
- Bežovan, G., J. Matančević, and D. Baturina. 2016. "Social Innovations as a Contribution to Strengthening Social



- Cohesion and Mitigating Social Crisis in European Urban Social Programs." *Revija Za Socijalnu Politiku* 23 (1): 61–80. <https://doi.org/10.3935/rsp.v23i1.1279>.
- Bloom, N. P., and J. G. Dees. 2007. "Cultivate Your Ecosystem." *Stanford Social Innovation Review*, 47–53. Accessed March 3, 2021 from [https://ssir.org/images/articles/2008WI\\_feature\\_bloom\\_dees.pdf](https://ssir.org/images/articles/2008WI_feature_bloom_dees.pdf).
- Bozic, A. 2020. "Global Trends in a Fragile Context: Public–Nonpublic Collaboration, Service Delivery and Social Innovation." *Social Enterprise Journal*. <https://doi.org/10.1108/SEJ-12-2019-0100>.
- Carnesi, M., D. Castro, T.-H. Tuton, E. N. Hillman, J. Klein, and R. A. Swinney. 2014. "Generational Leadership in Leading Social Innovations and Impact." In *Social Innovation and Impact in Nonprofit Leadership*, edited by N. D. Torres. New York, NY: Springer Publishing Company.
- Caulier-Grice, J., L. Kahn, G. Mulgan, L. Pulford, and D. Vasconcelos. 2010. *Study on Social Innovation*. London: The Young Foundation.
- Dahlman, C., E. Lasagabster, and K. Larsen. 2016. "Inclusive Innovation: Harnessing Creativity to Enhance the Economic Opportunities and Welfare of the Poor." In *Innovation in Emerging Markets*, edited by J. Haar, and R. Ernst, 271–298. Basingstoke, Hampshire, New York: Palgrave Macmillan.
- Domanski, D., and C. Koletka. 2018. "Social Innovation Ecosystems." In *Atlas of Social Innovation. New Practices for a Better Future*, edited by J. Howaldt, C. Kaletka, A. Schröder, and M. Zirngiebl. Dortmund: Sozialforschungsstelle, TU Dortmund University. <https://www.socialinnovationatlas.net/articles/>.
- Espiau, G. 2016. "SIX Series: Building Social Innovation in Post-conflict Places – The Young Foundation." Accessed March 27, 2021. <https://www.youngfoundation.org/places/six-series-building-social-innovation-post-conflict-places-interview-gorka-espiau/>.
- Evers, A., B. Ewert, and T. Brandsen. 2014. *Social Innovations for Social Cohesion. Transnational Patterns and Approaches from 20 European Cities*. WILCO Consortium.
- Gijo, B., and O. Tufo. 2020. *Monitoring Matrix on Enabling Environment for Civil Society Development. Country Report: Bosnia and Herzegovina 2019*. Sarajevo: Center for Civil Society Promotion.
- Haar, J., and R. Ernst. 2016. *Innovation in Emerging Markets*. Basingstoke, Hampshire, New York: Springer.
- Hillman, A. J., M. C. Withers, and B. J. Collins. 2009. "Resource Dependence Theory: A Review." *Journal of Management* 35 (6): 1404–1427. <https://doi.org/10.1177/0149206309343469>.
- Holtgrewe, U., and J. Millard. 2018. "Social Innovation Addressing Societal Needs and Challenges – Social Innovation Tackles Social Needs as They Arise; Should it Also Aim to Change the System?" In *Atlas of Social Innovation. New Practices for a Better Future*, edited by J. Howaldt, K. Christoph, A. Schröder, and M. Zirngiebl, 70. Dortmund: Sozialforschungsstelle, TU Dortmund University.
- Hubert, A. 2011. "Empowering People, Driving Change: Social Innovation in the European Union." In *Bureau of European Policy Advisers (BEPA) (Issue May)*. <https://doi.org/10.2796/13155>.
- In Foundation. 2019. "Partnership and Cooperation in the Field of Social Innovations, Strengthening Social Protection and Building Civil Society for Socially Vulnerable Social Groups in BiH." <https://infondacija.org/wp-content/uploads/2019/07/Social-innovations-in-BiH-13-years.pdf>.
- Islam, C. A. 2016. *Non-Governmental Organization Vulnerabilities: Donors and Resource Dependence*. Claremont: Claremont McKenna College. [http://scholarship.claremont.edu/cmck\\_theses/1429](http://scholarship.claremont.edu/cmck_theses/1429).
- Kaiser, H. F., and J. Rice. 1974. "Little Jiffy, Mark Iv." *Educational and Psychological Measurement* 34 (1): 111–117. <https://doi.org/10.1177/001316447403400115>.
- Kartsonaki, A. 2016. "Twenty Years After Dayton: Bosnia-Herzegovina (Still) Stable and Explosive\*." *Civil Wars* 18 (4): 488–516. <https://doi.org/10.1080/13698249.2017.1297052>.
- Keil, S., and V. Perry. 2015. "Introduction: Bosnia and Herzegovina 20 Years After Dayton." *International Peacekeeping* 22 (5): 463–470. <https://doi.org/10.1080/13533312.2015.1100614>.
- Khieng, S., and H. Dahles. 2015. "Resource Dependence and Effects of Funding Diversification Strategies Among NGOs in Cambodia." *Voluntas* 26 (4): 1412–1437. <https://doi.org/10.1007/s11266-014-9485-7>.
- Kolk, A., and F. Lenfant. 2015. "Cross-Sector Collaboration, Institutional Gaps, and Fragility: The Role of Social Innovation Partnerships in a Conflict-Affected Region." *Journal of Public Policy & Marketing* 34 (2): 287–303.
- Krlev, G., H. K. Anheier, and G. Mildenerger. 2019a. "Social Innovation-What Is It and Who Makes It?" In *Social Innovation Comparative Perspectives*, edited by H. K. Anheier, G. Krlev, and G. Mildenerger, 3–35. New York, NY: Routledge, Taylor and Francis Group.
- Krlev, G., T. Einarsson, F. Wijkström, L. Heyer, and G. Mildenerger. 2019b. "The Policies of Social Innovation: A Cross-National Analysis." *Nonprofit and Voluntary Sector Quarterly* 49 (3): 457–478. <https://doi.org/10.1177/0899764019866505>.
- Maglajlic, R. A., and P. Stubbs. 2017. "Occupying Liminal Spaces in Post-Conflict Social Welfare Reform? Local Professionals and International Organisations in Bosnia and Herzegovina." *The British Journal of Social Work* 48 (1): 37–53. <https://doi.org/10.1093/bjsw/bcx031>.
- Mulgan, G. 2019. *Social Innovation: How Societies Find the Power to Change*. Bristol: Policy Press, University of Bristol.
- Nicholls, A., and A. Murdock. 2012. "The Nature of Social Innovation." In *Social Innovation-Blurring Boundaries to Reconfigure Markets*, edited by A. Nicholls, and A. Murdock, 1–31. Basingstoke, Hampshire, New York: Palgrave Macmillan.
- Nienhüser, W. 2008. "Resource Dependence Theory – How Well Does It Explain Behavior of Organizations?" *management Revu* 19 (1–2): 9–32. <https://doi.org/10.5771/0935-9915-2008-1-2-9>.
- Obradović, N., and G. P. Filic. 2019. "Inequality and Welfare State Clientelism in Bosnia and Herzegovina." *Economic Annals* 64 (223): 83–104. <https://ideas.repec.org/a/beo/journal/v64y2019i223p83-104.html>.
- O'Brien, N. F., and S. K. Evans. 2017. "Civil Society Partnerships: Power Imbalance and Mutual Dependence in NGO Partnerships." *Voluntas* 28 (4): 1399–1421. <https://doi.org/10.1007/s11266-016-9721-4>.
- Omerefendić, S. 2016. *LOD Methodology for Allocation of Funds to Civil Society Organizations – Practical Manual*. Sarajevo: UNDP BiH.



- Oosterlynck, S., A. Novy, and Y. Kazepov. 2020. *Local Social Innovation to Combat Poverty and Exclusion*. Bristol: Policy Press, University of Bristol.
- Papić, Ž, T. Dmitrović, R. Ninković-Papić, and T. Slijepčević. 2013. "Social Policy Reform and the NGO Sector in Bosnia and Herzegovina-From Protection to Social Inclusion." <http://www.sif.ba/dok/1392297402.pdf>.
- Pfeffer, J., and R. G. Salancik. 1978. *The External Control of Organizations: A Resource Dependence Perspective*. New York, NY: Harper & Row.
- Puljek-Shank, R. 2019. *Beyond Project: Local Legitimacy and Civil Society Advocacy in Bosnia and Herzegovina*. Sarajevo: Friedrich Ebert Stiftung.
- Rønning, R., and M. Knutagård. 2015. *Innovation in Social Welfare and Human Services*. London and New York: Routledge, Taylor and Francis Group.
- Smith, M. 2020. "Recognising Strategy and Tactics in Constructing and Working with Involuntary Social Work Clients." *Australian Social Work* 73 (3): 321–333.
- Spahić Šiljak, Z. 2017. "Country Report: Bosnia and Herzegovina." In *Civil Society in Central and Eastern Europe: Challenges and Opportunities*, edited by P. Vador, N. Traxler, R. Millner, and M. Meyer, 188–2013. Vienna: ERSTE Foundation.
- United Nations Population Fund. 2020. *Population Situation Analysis in Bosnia and Herzegovina*. Sarajevo. Accessed January 7, 2021. [https://ba.unfpa.org/sites/default/files/pub-pdf/psa\\_bih\\_final\\_november\\_2020\\_eng\\_0.pdf](https://ba.unfpa.org/sites/default/files/pub-pdf/psa_bih_final_november_2020_eng_0.pdf).
- The Young Foundation. 2012. *Social Innovation Overview: Part I-Defining Social Innovation*. A Deliverable to the Project "The Theoretical, Empirical and Policy Foundations for Building Social Innovation in Europe (DG Research).
- Zandniapour, L., and N. M. Deterding. 2017. "Lessons from the Social Innovation Fund: Supporting Evaluation to Assess Program Effectiveness and Build a Body of Research Evidence." *American Journal of Evaluation* 39 (1): 27–41. <https://doi.org/10.1177/1098214017734305>.
- Žeravčić, G. 2016. *Mapping Study of Civil Society Organisations in Bosnia and Herzegovina*. Sarajevo: EPRD Office for Economic Policy and Regional Development Ltd.
- Živojinović, I., A. Ludvig, and K. Hognl. 2019. "Social Innovation to Sustain Rural Communities: Overcoming Institutional Challenges in Serbia." *Sustainability* 11 (24). <https://doi.org/10.3390/su11247248>.