Societal and political dimensions of organizations and innovations: Exploring the relevance of the ecosystem.
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Abstract
This paper investigates the intricate interplay between societal and political dimensions within organizational ecosystems and their impact on innovation dynamics. Drawing upon interdisciplinary perspectives from organizational theory, innovation studies, and political science, the paper explores how organizations encompass complex societal and political landscapes to foster innovation and sustain competitive advantage. The ecosystem is a multifaceted socio-political space wherein organizations interact with diverse stakeholders, including governments, regulatory bodies, communities, and civil society organizations. By integrating insights from both organizational and political levels of analysis, the mechanisms through which societal and political factors influence organizational innovation strategies, processes, and outcomes are explored.

Keywords: Organizations, innovation, ecosystem, local governance.

Introduction
Organizations play a pivotal role in shaping societal and political landscapes through their innovative endeavours and strategic decisions. The recognition of the interconnectedness of societal and political dimensions allows organizations to enhance their strategic agility, foster sustainable innovation, and contribute positively to societal development. Organisations respond to societal needs and challenges driving innovation to address pressing issues such as sustainability, social inequality, and technological advancements. Organizations as agents of social change, influencing cultural norms, values, and behaviours through their products, services, and corporate practices (Cunningham, n.d.; Lee & Rodriguez-Pose, 2013; Yigitcanlar & Inkinen, 2019).

Political ideologies, regulations and policies organizational strategies and decision-making processes do have an impact on organisations. Lobbying efforts, corporate political activities, and alliances with governmental institutions are visible consequences of the political dimension of organisations and their innovations. The complexities of organizational responses to societal pressures and political dynamics, include strategies for managing stakeholder relationships, mitigating reputational risks, and balancing conflicting interests.

By examining the dynamic relationships between organizations and the broader socio-political context, this essay sheds light on the relevance of territorial ecosystems to tackle challenges for contemporary societies. The importance of adopting a holistic approach to organizational management that considers the societal and political implications of organizational decisions and innovations is crucial to properly engage with key actors conforming the ecosystem. The scale and scope of the ecosystem might vary depending on the nature of actors involved. A vision of an adaptative governance provides a complex but needed understanding of how the ecosystem evolves and adapts to the multiple challenges and impacts organisations, institutions and trajectories have.

The complexities of the various forms of support and promote innovation and creativity in organisations are currently addressed through the ecosystem perspective. An ecosystem is a community of living organisms that live and interact in a specific environment that can be affected by macro shocks. In the case of the innovation and creativity, various stakeholders such as artists, patrons, organizations, institutions, governments, entrepreneurs and sponsors, among others, make up the ecosystem that promotes, supports and develops innovations in the form of different efforts in a given place. Territories, not necessarily defined by their administrative boundaries have become the unit of analysis where the ecosystem perspective takes place.

Thus, economic activity is necessarily associated with the territory, and it is this that becomes a key piece to locate innovation. But territory is more than just the basis for business location, it is a space for interaction, residence, generation of synergies and external effects between agents, emergence and action of institutions and policies. The empowerment of a specific territory with the aim of creating innovation requires the identification of a local context with potential for change and generates a new way of linking it with the rest of the city. The relationship between economy and territory is close in the case of arts, culture and creativity and adopts different expressions depending on the characteristics of both the local environment and the proliferation of certain economic activities.

Innovation support and promotion is no longer just a public issue. The economic and social crisis that developed countries experienced in 2008 and later, during the global COVID-19 pandemics, together with the potential of innovative organisations as a contributor to job generation and sectoral innovation, delineate new boundaries to understand and provide a new range of
tools and mechanisms to facilitate access to the promotion of these sectors. For instance, the innovation associated with the development of new organisations around the world has a parallelism in the financial system that supports them. Conventional forms of investment are no longer able to identify where resources are needed or how grants or subsidies could adequately achieve the desired objective. Thus, simultaneously with the manifestation of innovative approaches in organisations, creative ways of gathering vital funding have materialized in recent years: since some new practices of innovative production are based on a myriad of bottom-up initiatives, community as a source of ideas has also become a source of support and funding.

In a similar vein, the governance and management models of organizations are diverse. The two extremes of the range would be, on the one hand, the governments that own, manage and finance their resources and facilities, a vertically integrated policy model. And, on the other hand, a shared responsibility with other actors, whether it is the outsourced management of facilities and events by non-profit organizations or independent funds funded organizations.

In the knowledge economy, the leadership of the territory implies that its command keeps together a consortium of potentially independent interests that in turn are those that make up the territory. This is a very different challenge than leading a single organization. The factors to consider when designing a plan with existing actors are, among others, recognizing what type of leadership is sought (top-down/bottom-up) and how local involvement is achieved. All this will depend on the institutional context, the agency of the individual actors, the political environment and their culture in terms of planning. Innovative territories require innovative administrations. Innovation represents breaking with schemes that align with the ‘old’ economy. The new economy, the economy of creativity and innovation requires holistic approaches to the problems and opportunities found in the territory and much more flexibility. The classic separation between departments such as Economic Development and Culture represents a barrier to identifying new ideas that, by definition, are difficult to encapsulate under a single area.

The Societal Dimension of Organizations and Innovations

The twenty-first century is characterized by the generalization of economic, social and cultural globalization, which began in the last century due to the proliferation and diffusion of new technologies. The creative economy (UNCTAD, 2008, 2010) or the so-called “cognitive cultural capitalism” (Scott, 2008) identify knowledge, creativity and innovation as the main resources to improve local competitiveness on the world stage. The flexibility of work, the use of new technologies and the aesthetics of consumption are ingredients that accompany the diffusion of creative and cultural sectors as the epitome of a new revolutionary era in which culture and its values would be the core of this transformation.

The bottom line for the development of actions and programmes to improve, counteract or mitigate the effects of economic growth associated with globalisation has shifted from the international, national or regional sphere to the local urban environment. Supranational organizations such as the United Nations or the European Union effectively articulate a global strategy to promote the benefits of the new economy, but cities, their areas of influence and their interrelationships have become the main units of analysis that must understand, correct or stimulate both the demands and consequences of economic growth and the emerging role of the knowledge economy in this scenario (Pareja-Eastaway, 2018).

The competitive positioning of cities will be determined by the trajectory in their economic development, their resources (both natural and infrastructures), the skills or competencies of their actors and a particular institutional fabric (Musterd & Gritsai, 2013). Faced with the different opportunities offered by local capacities, the objectives and behaviour of economic actors have undergone substantial changes: the economic competitiveness of the past based on price and, therefore, on resources that enable production at a lower cost, has given rise to a “new competitiveness” based on the foundations of creativity, knowledge, quality of life and innovation.

Cultural and creative industries have become increasingly recognized as strategic drivers of competitiveness in the global economy. They leverage intangible assets such as intellectual property, cultural heritage, and artistic talent to generate added value and enhance the competitiveness of nations, cities, and regions. Moreover, these industries often thrive on collaboration, cross-disciplinary exchanges, and the convergence of traditional and digital technologies, leading to innovative products, services, and business models.

The new competitiveness stemming from cultural and creative industries arises from their unique capacity to generate economic value through innovation, creativity, and cultural expression. These industries contribute to economic growth, job creation, and regional development by fostering entrepreneurship, driving technological advancements, and attracting investment. Additionally, they play a crucial role in shaping cultural identity.
promoting diversity, and enhancing the quality of life in societies.

There is no homogeneous approach or a single way to analyse the role of culture, arts and creativity in the territory within the framework of this new competitiveness. The unique trajectory and evolution of the local environment, the governmental distribution of responsibilities, and contextual factors play a key role in defining a national or local government's strategy to promote innovation and creativity as drivers of growth (Jeffcutt, 2004; KEA European Affairs, 2006; KEA European Affairs; PPMI, 2019). In addition, depending on the understanding and definition of what culture it is or how it is represented, the analysis of the mechanisms that promote and stimulate cultural representations expands. In particular, the specific inclusion and conceptualisation of cultural and creative industries or sectors adds a significant degree of complexity (European Commission, 2013).

The shift towards more flexible economic models of productive specialisation has led to the decline of some economic activities and the rise of others, particularly those that incorporate large endowments of human capital (Musterd, S., M. Bontje, C. Chapain, Z. Murie, 2007). The emergence of the "new economy", where the creative and knowledge sectors are fundamental axes, has determined new formulas for cities to compete, giving a specific and differentiating weight to certain productive factors, that is: talent, innovation and creativity, which become fundamental in the development and success of thrilling and cohesive cities.

The city as an innovative territory becomes a pole of attraction for creative activity, talent and added value. Sectors in which innovation plays a key role emerge as determinant elements in urban economic development and the change of focus and promoting creative activities as an economic engine also expands to the rest of the urban dimension (Pareja-Eastaway & Piqué, 2010).

The Political Dimension of Organizations and Innovations

The emergence of new productive resources in the territory such as creativity determine the emergence of new relationships, complicities and synergies in the territory. The so-called 'ecosystems' appear. The process of forming sustainable creative ecosystems in the local scenario capable of successfully adapting to new circumstances must consider the overall influence of culture and the cultural and creative sectors and their particularities (de Bernard et al., 2022; OECD, 2018). The provision of these ecosystems with adequate resources will require the participation of key actors in the territory, as well as a series of essential tools and instruments to guarantee the future functioning of these unique ecosystems. This requires a deep understanding of how they work, what resources are needed, and what kind of alliances and partnerships take place.

Creativity creates innovation. Innovation represents greater competitiveness. In recent years, there has been a growing interest in knowing what the mechanisms are to create innovation in the territory. The approaches are varied and range from academia to local agents who wish to improve their capacity to generate high added value. Both the concentration of the population in urban areas and the structural change produced in the economic activities found there, make cities the geographical space par excellence, where some of the most important innovative dynamics that affect economic progress, and the well-being of citizens occur. Resilience and/or urban adaptation to this new context will determine the competitive position of the city, as well as the actors that compose it.

For decades, companies and organizations have perceived the need to adapt to this dynamic and changing environment represented by globalization, creating the mechanisms and structures necessary to be competitive in this context. The parameters that fundamentally determine this transformation are based on the need for organizational flexibility, a high dependence on production ecosystems and permanent innovation as a key piece in any survival process. It is precisely in those areas where innovation occurs and uses that production systems have articulated the greatest change: although creativity is understood as a fundamental ingredient of any innovation, the consequences of its application go much further.

Local governments and metropolitan regions seek competitiveness, understood as the capacity to generate economic growth, being creativity and knowledge central to this competitiveness, either as economic sectors in themselves, or as activities that affect and transform other economic sectors. In addition to capital accumulation, society's creative capacity for innovation is increasingly important in achieving the goal of wealth creation and a fairer and more cohesive society. Creativity and innovation have the potential to address social challenges, promote inclusivity, and reduce inequality. By harnessing creativity in areas such as social entrepreneurship, community development, and policy innovation, societies can devise innovative solutions to pressing social issues, improve access to opportunities, and foster greater social cohesion. Moreover, creative expression, cultural diversity, and the arts play a vital role in shaping social identity, fostering empathy, and promoting understanding across
diverse communities, contributing to a more cohesive and inclusive society (Kern, 2014; Moulaert et al., n.d.; Moulaert & Sekia, 2003).

**Strategies for managing societal and political pressures: approaching the ecosystem.**

The literature of the urban economy as well as the various interventions in the territories study formulas to attract economic activity and dynamism to cities. The different productive specializations have placed different emphasis on what could be used to attract economic activity through organisations or people. While in the nineteenth century the factory location near the rivers was essential for the easy and efficient supply of energy and the industrial expansion of the mid-twentieth century required the accompaniment of large infrastructures to facilitate mobility and connectivity, the knowledge economy and the creative economy will need other attractions. Economic transformation will also translate into social and urban transformation.

Territories, like countries, adapt to the dominant economic pattern. Following (Musterd & Kovács, 2013), two major approaches can be distinguished that contribute to the adaptation of the territory: firstly, the historical trajectory or path dependency, which cannot be modified or intervened and, secondly, theories that involve alterations in the characteristics and resources of the territory: hard factors, soft factors and networks as an object of intervention to improve urban competitiveness.

The historical trajectory refers to the historical development of the economic organization of the territory but also to the impact of organizational structures and social and political institutions. Public policies and their institutions in the past have contributed to shape the current articulation of governance and the trajectory organisations have followed. For instance, extremely subsidised sectors in history such as cultural one have developed a dependency on institutional support which is currently challenging their financial sustainability. The formal and informal institutions of each city are key to understanding business and corporate practices in the field of production, communications and training. The study of the historical urban trajectory in the economic and geographical field shows the importance of events, institutional links and interrelations and the framework of opportunities existing in the territory, but also explains the importance of the presence of talent in the development of companies and clusters.

On the other hand, new forms of cultural production and distribution are emerging, given the democratization of technology and the increase in new social challenges, such as the achievement of an integrating and diverse society (KEA European Affairs, 2006). Technology is making art and culture more accessible simultaneously by changing the conditions in which it is created, promoted, produced and distributed. New forms of connectivity across a diverse range of platforms have globalized the consumption (and production) of innovation and creativity. The digitization of human life has changed the old paradigm of local cultural consumption, also transforming the territory. The creative territory will have a strong technological component.

Tangible assets drove the expansion of the eminently industrial economy; Currently, tangible investment opportunities will promote growth and prosperity. In the creative and knowledge economy, intangible assets are the main objects of investment and the main sources of value generation and drivers of growth. Organisations, together with the strategic development of tangible and intangible assets, can be the main contributors to a country's economic development (Pratt & Hutton, 2013). In fact, creative and innovative organisations play a key role in the post-pandemic «recovery agenda» (Betzler et al., 2020; OECD, 2020; UNESCO and The World Bank, 2021).

Innovative organisations will be the centrepiece of the creative and knowledge economy (Flew, 2011; Foord, 2009; Jeffcutt & Pratt, 2002; Pratt, 2004). Their ability to create jobs and boost economic growth has received greater emphasis in both academia and policymaking. This is the main reason why attention has been drawn to its capacity to innovate and generate economic development while underlining the complexities related to its operating mechanisms, its capacity for financing and provision of resources, and the transformation of leadership within business organizations.

Business ecosystems in the territory are vitally important to innovative endeavours and creative entrepreneurship. Understood as the set of factors and interdependent actors that together contribute to the emergence of productive entrepreneurship in a particular territory (Audretsch & Belitski, 2021; Stam, 2013), business ecosystems rely heavily on economic, social, and institutional contexts that aim to attract talent and creativity by facilitating interactions and spells between them, opportunities for growth, and creative environments. The word ecosystem has a wide spectrum of interpretations that vary from a fundamentally technical and functional approach to social visions more oriented to the human being and the benefits of a certain quality of urban life. Actors, priorities, resources, and policies become the key components of these ecosystems developing functioning synergies that lead to common goals (Taratori et al., 2021).
Innovation and creativity arise from certain structures of space and time. They are essential components of knowledge in the creative economy, are located in communities and spaces, both local and global, that are connected and linked to a set of dependencies and formal and informal relationships (Jeffcutt, 2004)). Context is key to facilitating or hindering the development of SCCs. The creative ecosystem allows ideas to become innovative goods or services. These ideas should be fostered, developed and also receive some form of financial support.

Innovative ecosystems can be state-driven, market-driven, or any other combination resulting from both, not to mention possible community or audience participation (Anders-Morawska, 2017). In this way, multiple combinations appear at the local level with different leaderships and participations of the key actors in the territory. The strong local roots of innovative ecosystems are challenged by global relations of production. Global-local tension is also reflected at the local level. The diverse actors involved, such as small businesses, large companies, associations, the community and civic groups, are key to building and promoting different forms of innovation in creative ecosystems (Jung et al., 2017). Nourishing the ecosystem becomes essential to enable different creative expressions to occur and thus transforms into creative and cultural industries or sectors. Each sector is different and, despite sharing some basic characteristics, each has its own ecology of labour markets and recruitment networks (Jeffcutt & Pratt, 2002). The configuration of structures useful to promote the creative atmosphere and ensure its survival will be understood as the ecosystem where the efforts of both culture and innovative organisations emerge. Often these structures materialize in a partnership between actors of different natures. Funding proposals, projects and ideas that fuel the innovative ecosystem is very often one of the reasons why these shared commitments are achieved.

Business ecosystems based on knowledge and creation are very sensitive to the capacity of the territory to participate in the needs and singularities of organisations. These create a favourable environment for open interaction between them and with other industries that produce the synergies necessary to improve innovation. The spatial concentration of innovative organisations is attractive to business efforts, as spillover effects of intra-and inter-industry knowledge accelerate the commercialization of new ideas. However, business ecosystems are diverse by nature, encompassing different types of entrepreneurs and business results and their performance with respect to GDP growth or value-added production depends largely on the combination of existing resources and attracts inputs. Local development contributes directly to national and regional indicators. Endogenous resources are the basis on which local development is based. However, globalization and increasing internationalization of resources has forced local agendas to consider their own capacities to attract and retain other key means of development. This is the case, for example, of talent or creativity.

The creation of new creative urban districts is much more complex and linked to the characteristics of the territory as opposed to the development of flagship projects such as a new museum or a new technology laboratory, much more limited in their ambitions. More diverse ambitions for new urban districts and greater attention to more sustainable approaches determine the need for strong leadership. The physical, economic and social characteristics inherent in areas of renewal pose sets of particularly complex leadership challenges for planners and policy makers. For these reasons, planning these creative territories or districts in a way that combines the economic vitality of social and environmental sustainability requires sophisticated and proactive leadership. This has been the case, for example, of the 22@ project in Barcelona, where, after an intervention very directed from above in urban and economic terms, it has proceeded to a reconfiguration of leaderships and a change in governance strategy, involving more actors in the territory such as the association of companies or neighbours (Pareja-Eastaway & Piqué, 2022).

**22@Barcelona, district of innovation.**

The 22@Barcelona district, situated in the heart of Barcelona, has emerged as a vibrant hub of innovation, creativity, and technological advancement. Originally an industrial area characterized by abandoned factories and warehouses, the district underwent a remarkable transformation led by the local government in the early 2000s into a dynamic knowledge-based ecosystem. The 22@Barcelona project sought to revitalize the area by leveraging its industrial heritage and strategic location to create a thriving innovation district. Through strategic urban planning and investment in infrastructures the district was reimagined as a mixed-use zone, a compact city, that combines cutting-edge research facilities, modern office spaces, residential developments, and cultural amenities. Start-ups, multinational corporations, research institutions, institutional agencies, and creative industries coexist and collaborate, fostering a culture of innovation and entrepreneurship.

At the heart of the 22@Barcelona district’s success lies its ability to foster collaboration and knowledge exchange across diverse sectors and disciplines, particularly after 2015. The district has become a magnet for talent,
attracting skilled professionals, researchers, and entrepreneurs from around the world who are drawn to its vibrant ecosystem and opportunities for collaboration. With its concentration of technology parks, business incubators, co-working spaces, and networking events, the district provides fertile ground for innovation-driven enterprises to thrive. Moreover, the presence of leading research institutions, universities, and R&D centers contributes to a rich ecosystem of knowledge creation and transfer. This collaborative environment is further enhanced by the district's commitment to sustainability, with green spaces, pedestrian-friendly streets, and eco-friendly infrastructure initiatives that promote a healthy and vibrant urban lifestyle. As a result, the 22@Barcelona district has emerged as a global model for urban innovation, demonstrating how strategic planning, public-private partnerships, and a culture of collaboration can drive economic growth, foster social inclusion, and enhance the quality of life in cities.

Critical voices during the first period of development forced the change in pathways with respect to the articulation of governance in the district. Since 2018, an agreement between institutions, resident’s associations, networks of organisations, activists, and research centres envisaged a renewed commitment to take into account all actors’ interests in the district.

For the ecosystem to be successful, the combination of actors’ goals must be sustainable over time and resilient to possible changes in external and internal conditions. Given the enormous diversity that exists in innovative endeavours in terms of size, leadership in the sector and market position, the functioning of their ecosystems must respond to their differences. The new alliances between public and private actors have emerged as determinants of the success of the realization of projects. However, these partnerships might not necessarily work well. There is a process of developing knowledge and trust that cannot be avoided. "If arts organizations are careful to select appropriate partners, if contributors have similar or complementary goals, and if the relationship is successfully managed, strategic collaborations can help participants achieve their organizational goals and better manage their financial, human and physical resources" (Scheff & Kotler, 1996, p. 62).

Enhancing institutional actions and organisations activities.

The local administration’s direct connection to the territory enables them to grasp the needs of the community and provide opportunities for residents, fostering inclusive innovation that isn’t solely reliant on economic success or participation rates.

Innovation within local government involves taking risks, akin to those encountered by businesses, underscoring the significance of embracing experimentation and learning from failure to drive progress. Contrary to common belief, innovative administrations aren’t exclusive to areas grappling with employment issues or stagnation; in fact, they can play a pivotal role in rejuvenating regions and fostering growth through creativity and innovation. Agility in administration extends beyond infrastructure development, encompassing the identification and support of knowledge communities even in the absence of formal associations, highlighting the need for flexibility and adaptability in addressing community needs.

The ability of local administrations to efficiently attract resources and ideas enhances their role in positioning the city as a hub for innovation and creativity, ultimately contributing to its economic and social development. Establishing early alliances and partnerships in project development streamlines the process and increases the likelihood of project success, emphasizing the importance of collaboration in driving innovation. In addition, administering support for idea prototyping, particularly in collaboration with cooperatives or the social economy, can lead to the development of impactful projects that address community needs and promote local development.

Adequate resource allocation is essential for implementing innovative projects, especially when they have a broader impact beyond the scope of a single local administration, underscoring the importance of securing necessary resources to support innovation-driven initiatives.

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