

Chapter 20

Cooperatives as Responsible and Innovative Entrepreneurial Ecosystems in Smart Territories: The Olive Oil Industry in the South of Spain

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ABSTRACT

Nowadays, and more than never, businesses' stakeholders are demanding Social Responsibility (SR) and innovation. In this situation, any business is concerned about how to implement social and innovative practices in creating economic and social value at the same time. This chapter analyzes the relationship between SR and innovation in cooperatives. On the one hand, even acknowledging that the degree of implementation of SR is still different in companies, cooperatives seem to be responsible by nature. However, on the other hand, traditionally innovation has been not a visible strength in the cooperative enterprises. The focus is centered on a specific place: the olive oil cooperatives in the south of Spain and we will describe the cooperative entrepreneurial ecosystem created around this territory, demonstrating how SR and innovation are important features related to competitiveness and success. Cooperatives are strategic business models able to foster development in traditional rural areas, so we can define them as an entrepreneurial ecosystem in smart territories.

DOI: 10.4018/978-1-5225-1978-2.ch020

INTRODUCTION

This chapter presents a topic oriented to a particular type of companies able to define a sustainable territory from considering two variables of great current interest in organizations. We refer to the study of cooperative societies as elements of sustainability in the territory, based on the implementation of Social Responsibility (SR) and innovation.

Nowadays, and more than never, businesses' stakeholders are demanding SR and innovation. In this situation, any business is concerned about how to implement social and innovative practices in creating economic and social value at the same time. In this sense, the attention to SR has gradually become a concurrent strategy of modern companies' management (Oskarsson & Von Malmberg, 2005; Hahn & Scheermesser, 2006; Gallardo-Vázquez & Sánchez-Hernández, 2012, 2014). Much has been written on:

- SR,
- Stakeholder satisfaction (Andriof et al., 2003; Holtzhausen and Fourie, 2008),
- Business strategy,
- Competitive advantage (Porter and Kramer, 2006; Fernandez-Kranz and Santaló, 2010; Gallardo-Vázquez and Sánchez-Hernández, 2014) and
- Success.

SR has been treated for studying in small and medium enterprises (Gallardo-Vázquez & Sánchez-Hernández, 2012, 2014), in big corporations (Silverhorn & Warren, 2007; Gallardo & Sánchez, 2013), in public administration (López et al., 2000; López & Rodríguez, 2004; Barrutia & Echebarria, 2013; Navarro et al., 2015), but, much more can be studied with the aim to extend the research in another different fields, like cooperative societies.

On the other hand, innovation is the adoption of a new idea that can initiate new products, markets and productive processes. Considering the facets of innovation contained in the Oslo Manual (OCDE, 2005), it emphasizes:

- Innovation in product or service in order to increase the margin of market share (Bajaj et al., 2004);
- Innovation in processes, regarding changes in production form of the final product or service (Utterback, 1994);
- Innovation in marketing, led to the introduction of new brands, markets and marketing methods (Lin & Chen, 2007);
- Organizational innovation or administrative processes that affect policy, allocation of resources and other factors associated with social and organizational structure (Ravichandran, 2000); and
- Innovation in management that deals with the actions in management processes and planning company (Zahra et al., 2000).

In the context of *Sustainability of Territories*, *Smart Places* are spaces with a triple view of the action: they provide citizens with social, economic and environmental oriented services. Business models must be oriented to foster development and get welfare for society. Turning this vision into reality requires promoting equitable social development following a model based on smart, sustainable and inclusive

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