

Awareness of Social Innovation among Corporate Professionals and its Impact on Corporate Governance

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Abstract

Social innovation has become a key approach for organizations to tackle complex social and environmental issues while improving long-term business performance. Nowadays, companies are assessed not just on their financial results but also on their ethical behavior, sustainable practices, and governance standards. Incorporating social innovation into corporate governance enhances trust, transparency, and long-term value creation among stakeholders. This study looks at how aware corporate professionals are of social innovation and explores its connection to their views on governance. The research uses a descriptive design and relies on primary data collected from 50 corporate professionals through a structured Likert-scale questionnaire. Statistical methods like percentage analysis, mean calculations, and ranking techniques were used. The results show a moderate to high level of awareness among respondents and a positive link between awareness and governance perception. The study suggests structured ESG training programs, involvement from leadership, and strategic incorporation of social innovation to strengthen governance mechanisms.

Keywords: Social Innovation, Corporate Governance, ESG, Sustainability, Awareness, Governance Percept

Introduction

In today's business landscape, companies are now judged not just by their profits or market success. They are expected to act responsibly by contributing to society and protecting the

environment. This change has brought social innovation to the forefront as an effective way to combine business success with societal advancement. Unlike traditional CSR, which is often seen as an afterthought,

social innovation weaves social problem-solving directly into business strategy. It aims to tackle critical issues like climate change, inequality, healthcare gaps, and digital exclusion while creating value for organizations. This idea gained traction through the "Creating Shared Value" approach introduced by management thinkers like Michael E. Porter and Mark R. Kramer, which encourages businesses to shift from charity-driven CSR to sustainable value creation for both the company and society.

At the same time, corporate governance has shifted from focusing solely on financial accountability to considering broader stakeholder interests and long-term sustainability. Today's governance frameworks increasingly embrace ESG (Environmental, Social, and Governance) principles, urging organizations to include ethical, social, and environmental considerations in their strategies and decision-making processes. Social innovation significantly enhances governance by encouraging ethical choices, increasing stakeholder engagement, improving transparency, and supporting long-term sustainability goals. Companies that integrate social innovation into their

governance structures can better manage risks, maintain public trust, and develop sustainable competitive advantages.

The success of these governance practices relies on the awareness and understanding of corporate professionals, including managers, executives, and board members. Their knowledge of social innovation, ESG principles, governance standards, and stakeholder expectations determines whether sustainability initiatives are truly impactful or merely superficial. When professionals are informed, they are more likely to support ethical decision-making, drive governance changes, and align business strategies with social and environmental aims. Thus, assessing the level of awareness among corporate professionals is vital for ensuring effective governance and encouraging sustainable growth.

Review of Literature

1. R. Edward Freeman (1984) introduced Stakeholder Theory, which underscores that organizations must create value for all stakeholders, not just shareholders. This work highlighted that effective governance relies on recognizing and balancing stakeholder interests, where awareness among corporate professionals is essential for

ethical and inclusive decision-making.

2. Archie B. Carroll (1991) proposed the Pyramid of Corporate Social Responsibility, which consists of economic, legal, ethical, and philanthropic responsibilities. This framework stressed that responsible governance requires balancing profitability with social duties, emphasizing that managerial awareness is crucial for implementing transparent and accountable governance.

3. C. K. Prahalad (2004) noted that innovation can tackle social challenges while generating economic value. His work suggested that corporate professionals should view social issues as opportunities for innovation, and that awareness plays a significant role in their ability to plan and execute socially responsible business models.

4. Geoff Mulgan (2006) defined social innovation as creating new ideas that address social needs. He emphasized that successful social innovation implementation hinges on leadership support and awareness among professionals, which boosts collaboration, accountability, and sustainability in governance systems.

5. Michael E. Porter and Mark R. Kramer (2011) introduced Creating Shared Value

(CSV), which merges social progress with business competitiveness. They argued that social innovation should be part of business strategy and that managerial awareness supports governance decisions beneficial to both organizations and society.

6. Pushpa Sundar (2013) studied the evolution of CSR in India and emphasized that corporate professionals need awareness for effectively implementing sustainability initiatives. The research showed that governance systems become more accountable when employees grasp the purpose behind social responsibility efforts.

7. Robert G. Eccles et al. (2014) found that organizations incorporating sustainability into their operations generally enjoy stronger governance structures and better stakeholder relationships. The study highlighted how awareness among managers influences the successful implementation of sustainability policies.

8. Frances Westley et al. (2014) looked at how social innovation can be expanded within governance systems. Their research concluded that employee awareness and organizational culture are critical in promoting governance reforms and stakeholder engagement.

Research Gap

While previous studies have explored social innovation, sustainability, and governance separately, there is a lack of research focusing on the awareness of social innovation among corporate professionals and its direct effect on the effectiveness of corporate governance, especially in emerging economies.

Need for the Study

1. To assess how aware corporate professionals are of social innovation.
2. To explore how this awareness affects corporate governance practices.
3. To identify gaps between sustainability commitments and professional understanding.
4. To help develop more effective and responsible governance systems.

Statement of the Problem

Even though companies are increasingly adopting sustainability and ESG frameworks, the level of awareness among corporate professionals remains unclear. Limited awareness can lead to shallow implementation, symbolic compliance, or ineffective governance. Thus, it is crucial to investigate the level of awareness regarding social innovation and its connection to

governance perception.

Objectives of the Study

1. To measure how aware corporate professionals are of social innovation.
2. To explore governance perception among corporate professionals.
3. To analyze the relationship between awareness and governance perception.

Hypotheses

H0: There is no significant relationship between awareness of social innovation and governance perception.

H1: There is a significant relationship between awareness of social innovation and governance perception.

Research Methodology

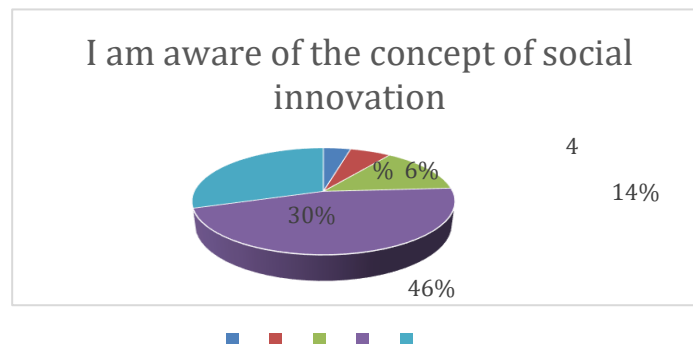
This study uses a descriptive research design. Primary data were gathered from 50 corporate professionals through a structured questionnaire based on a five-point Likert scale. Convenience sampling was used. Data were analyzed through percentage analysis, mean scores, and ranking techniques to interpret responses.

Data Analysis and Interpretation

I am aware of the concept of social innovation

Percentage Analysis

Response	Frequency	Percentage
SD (1)	2	4%
D (2)	3	6%
N (3)	7	14%
A (4)	23	46%
SA (5)	15	30%
Total	50	100%



Interpretation

The results show a high level of awareness of social innovation among respondents. A majority (76%) either agreed (46%) or strongly agreed (30%) that they are aware of the concept. Only 10% disagreed, while 14%

were neutral, suggesting a partial or limited understanding.

Overall, the findings suggest that most respondents are familiar with social innovation, indicating generally strong awareness among participants.

Ranking Method

Sl. No	Statement	Mean	Rank
7	Training on sustainability is necessary	4.06	1
10	Awareness influences decision-making	3.94	2
8	Board-level oversight strengthens efforts	3.9	3

1	Awareness of social innovation	3.92	4
4	Sustainability improves stakeholder trust	3.8	5
2	Organization integrates innovation into strategy	3.76	6
6	Improves corporate reputation	3.76	6
5	ESG enhances transparency	3.7	7
9	Long-term profitability	3.7	7
3	Strengthens corporate governance	3.6	8

Interpretation

The ranking results indicate that respondents see sustainability training as the most important factor (Mean = 4.06).

This shows a strong belief that training is essential for effectively executing sustainability initiatives. Awareness influencing decision-making and board-level oversight also received high rankings, which highlights the importance of knowledge and leadership support. Conversely, "Strengthens corporate governance" received the lowest rank (Mean = 3.60), indicating a relatively lower emphasis by respondents.

Overall, the findings suggest that participants consider training, awareness, and leadership involvement as key drivers for promoting social innovation and sustainability practices.

Major Findings

1. The study shows that most corporate professionals know a lot about innovation.
2. Most respondents agree that training on sustainability is crucial for governance.
3. They believe that being aware of innovation leads to better decisions within companies.
4. Many think that leaders and board members need to be involved to strengthen governance.
5. Most respondents understand practices related to ESG and sustainability.
6. Companies see the value in adding innovation to their plans, but it may not be fully integrated into their daily work.
7. Many believe that social innovation helps companies grow and develop over time.

8. Good governance fosters openness and trust from stakeholders, which is important for companies.

9. It seems that knowing about innovation aligns well with having a positive view of governance.

10. Despite this awareness, its direct effect on company governance needs to be stronger.

Suggestions

1. Organizations should have training programs for their employees to teach them about sustainability and ESG.

2. When companies plan their strategies, they should consider social innovation concepts and how to use them.

3. The senior management team should ensure that everyone understands the importance of sustainability and that it is part of the company culture.

4. ESG principles should be part of the rules that companies follow every day.

5. When companies teach their employees skills, they should focus on making ethical decisions.

6. When it is time to review an employee's performance, the company should consider how they have performed regarding sustainability.

7. Organizations should ensure that all employees are informed about their governance initiatives.

8. Companies should periodically ask their employees questions to assess their knowledge of sustainability.

9. Companies should encourage different departments to work together to generate ideas and implement them.

10. Companies should be honest and transparent about their ESG reports so that everyone can see what they are doing. They can be held accountable for their actions.

Conclusion

The study concludes that awareness of social innovation significantly influences governance perception among corporate professionals. Organizations seeking sustainable growth must prioritize awareness-building initiatives, leadership commitment, and strategic ESG integration. Strengthening professional awareness will improve governance effectiveness, stakeholder trust, and long-term organizational sustainability.

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