

Social Innovation

By Per Krull

Social innovation has become the new giga trend. Organizations from all sectors of society are motivated to contribute finding innovative solutions to meet the societal challenges and needs facing us today. Companies and organizations see social innovation as a moral obligation and even more as a new field of opportunity for developing their businesses.

Social responsibility has entered center stage in Denmark, especially in the course of the past few years. Largely everyone agrees that someone has to assume responsibility for global challenges such as the lack of resources in many parts of the world, AIDS, environmental problems, corruption and the violation of human rights.

The motivation for doing something good is initiated by a pressure derived from the globalization, the technological development and from personal demands from the top of the Maslows needs-pyramid. The individual employee and consumer demand a sense of meaning, personal development and an enhanced quality of life through their private and professional lives. For many people it makes them happy that their doings create value to others, bring solutions to social problems and reach out into the future.

A guideline for where the most important global problems are listed up is in the Global Compact 10 principles, which outlines human rights, elimination of forced labor and corruption, abolishing child labor and discrimination and greater environmental responsibility amongst others.

The concept of social innovation is in this context to be understood as society innovation, that is, innovations that on top of creating value for the individual social entrepreneur or a specific organization also create value for all stakeholders and for society at large.

The term social innovation represents a field, that contains a huge amount of activities and different ways to find solutions to social needs.

Social innovations is:

**"New ideas that work
to meet pressing un-met needs
and improve people's lives.**

Jeoff Mulgan, The young Foundation, London



Social innovation to improve life.

The driving forces behind social innovations are manifold. Social innovations are initiated and enforced through governments, through associations (i.e. Fairtrade) user movements (i.e. Wikipedia, Linux) as well as through individual entrepreneurs, through the educational institutions and through commercial corporations.

It is important to stay alert to the incremental and radical innovations that are carried out not only in the private commercial sector but also in the public sector as well as the initiatives taken in semi-public institutions and foundations (i.e. the foundations of Bill Clinton, Bill Gates). It may come as a surprise that the public sector in Denmark accounts for the largest part of social innovations.

To gain the necessary volume and effect of social innovations, it is necessary that individual social entrepreneurs and micro businesses who produce the good idea partner up with larger corporations who possess the network and brand that can help promote the initiatives.

An example of a good partnership is the collaboration between Pampers and UNICEF Denmark in realizing 45 million vaccines to a range of African countries. The need is to change the situation of 200.000 dead infants and 20.000 dead mothers every year in Africa who fall prey to tetanus. UNICEF delivers network, know how and a vast public relations and marketing apparatus.



Social innovation; drivers

CSR (Corporate Social Responsibility) has become a mainstream phrase. More and more companies have gained awareness on CSR activities both as a key element in maintaining a good public reputation and customer relations and an integral part of attracting and retaining a qualified workforce. CSR no longer limits itself to the questions of organic coffee at the office or social benefits. CRS has to

address questions of a wider scope taking into account societal and environmental issues at large. Some have a code of conduct to define the way to act and communicate in a specific situation. IKEA for instance has a checklist of 90 criteria to be followed to prove the rate of social responsibility.

In February 2008 a new multistakeholder initiative is being launched in Denmark called "Danish initiative for ethical trade". The initiative is created by public, private and NGO's in cooperation aiming to help companies to act responsible in relations to the third world.

"CSR is corporate voluntary work with integrating social and environmental concerns into their business activities and in interaction with their stakeholders."
EU's definition

"CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large"
World Business Council for Sustainable Development (WBCSD)

Motivations for integrating CSR activities in business are many, besides the following 5 general:

1. Better reputation, legitimacy and brand identity,
2. Risk management (the company is getting better at scanning and managing potential risks),
3. Recruitment of high-qualified leaders and employees,
4. A learning-culture, where the employee shows alertness to the society at large and to a broad range of stakeholders needs and
5. Moral obligation.

There is more and more attention to the importance of co-creating with different kinds of stakeholders. It seems that openness, transparency and clear communication is needed to build trust and mutual understanding. The partners need to show respect for differences in approach, competences, time frames and objectives. It is as well important to focus on achieving mutual benefit in a manner that enables the partners to meet their own objectives as well as common goals. At last it is evident to understand the needs of local partners and beneficiaries, with a focus on building their own capacity and capability rather than creating dependence. One huge dilemma here is the responsibility paradox, which is the fact that stakeholders are holding corporations more responsible for their actions and communications than ever,

while corporations understand their responsibilities to stakeholders even less, due to globalizations, social media ect.

Success criteria

The resilient innovations are the ones that emerge and are carried through in collaborations who first of all are formalized and mutually binding and who incorporates diversity in the way the initiative is organized.

To succeed with social innovations the following criteria could be one way of measure the strength and ability to grow and create value in a long-term perspective:

The project should:

1. be an innovative solution to some urgent social needs or challenges
2. have a human and a commercial purpose
3. be a part of processes for a business-strategy for companies
4. have a win – win – win ambition, creating value for all stakeholders
5. contain binding partnerships
6. produce possibilities for new innovative projects
7. cross borders between organizations, sectors and disciplines
8. contain new combinations or hybrids of existing elements
9. have a huge impact on society and on a large number of people
10. be user-led
11. be realized with strong ethically ...
12. improve peoples lives
13. create new social relationships

Four categories

There are many examples of projects and activities intending social improvements but this does not necessarily mean that they have the desired impact. There are four levels in categorizing social innovations or activities that initiate these:

1) Catalysts: One example is the happenings made by Greenpeace involving hundreds of naked people lying on a melting glacier in Schwitserland thus illustrating the damages of the ozone layer. Another example is INDEX who works to promote "design to improve life" by creating an award and buzz around design innovations aiming at a positive social and environmental impact.

2) Passive donation, philanthropy and charity given to developing countries.

3) CSR and CSI (Corporate Social Innovation)

An example is IBM who has introduced CSI as an explicit means for promoting a sense of responsibility for the surrounding environment. IBM no longer gives donations or sponsors social projects. As an alternative the company sends employees with IT specific competencies to where it is needed in society to assist in developing software programs as well as teaching and training local stakeholders thus creating empowerment.

4) Radical long-term initiatives

For example working with a shift of power relations in a given context through education, policy making and business development.

New opportunities through responsible actions

Public organizations work with the social aspects of innovation because that is an integral part of their given political responsibilities. Moreover there is a growing pressure from the public for improving social services. Private organizations face the pressure from demanding internal and external stakeholders scrutinizing the actions of the company, and measuring it against economic, environmental and social parameters demanding that the company takes act as a responsible player in society. Many companies see great advantages in working consciously with social innovation and take the step further from acting out of moral obligations and risk management to seeing social and environmental responsibility as a new field of opportunity creating business advantages for the company and positioning the company favorably in relation to competing businesses.

User driven innovation and the social media

Besides the mentioned drivers behind social innovation, the users are a great driving force behind social innovation. User driven innovation is and has been a "hot potato" for some years, the attention shifting from the use of focus groups and questionnaires over the observation of users and mapping of latent unconscious needs to the lead-user perspective connected to the web 2.0. The latter focus enables dialogue among a great number of individual and groups across the world and increases a range of democratizing processes and creations. And it creates the opportunity for co-creation and knowledge sharing across nations and cultures. The social media (Notebook, My Space and others) are beyond control and at the same time impossible to ignore. Digital media and related communities possess immense potential for creating social innovation, with the flipside of the coin being the use of these media for detrimental purposes such as child pornography and international terrorism.

Examples of social innovations and responsibly actions:

MYC4:

Working to eliminate poverty in Africa through investment in local businesses based on a belief that profit, people and planet are inseparable when doing business.

The young Foundation:

British organization researching and realizing social innovations.

RED:

Bono (U2) summoning world famous brands to collaborate on selling products with the purpose of eliminating AIDS in Africa.

Dongtan City in Shanghai:

The engineering company Arup is projecting a model for a part of the city being non-polluting, carbon neutral and sustainable in every way.

ARESA:

The Danish company Aresa has manufactured a plant to detect landmines by changing the color of the leaves upon contact with dynamite in the soil in which it grows. The Danish Red Cross collaborates with Aresa in sending Project Managers to catastrophe zones around the world helping to implement the use of the plant and makes an effort locally.

Novo Nordisk:

Novo runs the program "Take Action" where employees during their work hours work on projects in Denmark and abroad that in different ways create social value locally.

Spaceface:

Spaceface is a designed refugee tent that has been nominated at the design competition IndexAward 2007. The tent can be identified on satellite images and can thereby be easily located in regard to drop down of food and supplies in times of crisis.



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www.theaidagency.dk

Speaker and Writer Tania Ellis:

www.taniaellis.dk

Social Enterprise London

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Unicef Denmark

www.unicef.dk

Fourth Sector Network

<http://www.fourthsector.net>

World Business Council for Sustainable Development (WBCSD)

www.wbcd.org/templates/TemplateWBCSD5/layout.asp?MenuID=1

CSR KOMPASSET

<http://www.csrkompasset.dk>

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www.gsb.stanford.edu/csi

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CSR-driven Innovation

www.csrinnovation.dk

Business in The Community

www.bitc.org.uk

Cases

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www.joinred.com

Aresa

www.aresa.dk

MyC4.com

www.myc4.com/Portal/Login.aspx?ReturnUrl=%2fPortal%2fDefault.aspx

Novo Nordisk A/S – TakeAction

www.novonordisk.com/jobs/did_you_know_that1/stakeholder_relation/takeaction_dk.asp

Burning Questions

Who defines the social needs that require an innovative solution?

Are leaders and employees enough resourceful to engage and to take the requisite stakeholder dialog?

How to implement and improve CSR-performance in small and middle-sized companies.

What is the role of a “Head of sustainability” in a small company or organization to succeed on social innovation?

How to motivate companies (having activities in the third world), to engage and take responsibility on society level, defines by the most urgent social needs on the local spot?

Fact box



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