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Innovation and Social Engagement



"Life straw family" – a water filter innovation

With regard to the realisation of economic objectives, particularly in terms of innovation, is social engagement a calculated exploitation of reputation?

In order to answer this question, we should first reflect on the purpose of innovations and whom they serve.

Broadly speaking, innovations inject fresh impetus into the business and make an essential contribution to securing the future existence of the company. In this respect, the primary purpose of all business measures, including those relating to social engagement, is to ensure the realisation of this objective. Does the end justify the means? Moral and ethnic considerations aside, it is the fundamental principle of any company. The company's customers and business partners will only be convinced of the credibility of social engagement if it is reflected in the conduct of the company's management and its employees in addition to being an active component of the company's principles.

Social engagement is an issue of corporate culture which, like the culture of innovation, is defined to a large extent by the company's management.

A Christmas card asking for a donation to a social cause may show compassion and help the recipient of the donation, but in terms of the company realising its objectives, it is usually a one-off and temporary measure. However, if you consider an innovation in terms of its range of benefits for the entire community, you will soon see that there is a connection between innovation and social engagement. If, for example, a company is active on the market for water filtration systems, it has a range of opportunities to test its innovations in areas with water problems in the developing world, thus establishing a close relationship between innovation and social responsibility.

Hence, innovations and social engagement should be thematically compatible.

The social engagement of a company is not just about being seen to be charitable in the eyes of the public. It has much more to do with the company's social responsibility vis-à-vis its employees and its suppliers. The motivation and ability to achieve this is not solely based on voluntary and material donations, but also, in particular, on issues such as social responsibility as exemplified by management and demonstrated in the way that employees are treated.

In this regard, social responsibility does not become a cost item, but rather a key success factor in the competitiveness of the company.

Of course, the primary purpose of a company is not overtly concerned with social needs, but with satisfying the needs of its customers so that it can realise its economic objectives. When it comes to the argument of competitiveness, however, there are boundaries that should not be crossed wherever human rights are violated or lives are endangered, such as the mining of rare earths for mobile phones in unsecured holes in the ground in Africa or the use of poisonous chemicals in the production of cotton and processing of textiles in unsafe factories in Bangladesh.

As customers are becoming more and more socially aware, there is now increasing pressure to deliver innovative products and services that are free from exploitation.

As an ideal way of ensuring the close relationship between innovation and social engagement, it is helpful to involve social partners in the initial stage of the innovation process, i.e. the concept stage. Moreover, the early incorporation of social partners can help boost the number of creative ideas for the innovation on the basis that their cultural understanding and experience of the topic adds a fresh perspective to the process.

The early involvement of social partners is beneficial to both the culture and quality of innovation.

Consequently, the general role perception of “givers and takers” turns into a win-win situation. Indeed, Professor Adam Grant of Wharton Business School suggests in his book “Give and Take” that the giver is more successful when he is not looking out for his own interests. A calculated exploitation of reputation does not occur if the partners are cooperating on an equal footing. However, it must not be forgotten that the investing company assumes the leading role in the innovation process and that social engagement is only made possible by a payback of investment.

***Real social engagement
is not a one-off experiment
but rather a long-term opportunity.***

In the entire life-cycle of innovation, social engagement leads to greater levels of motivation among those involved and helps with the initial removal of potential barriers in the development process on the path to long-term support in the market.

The satisfaction and pride that employees feel in contributing to a meaningful innovation also brings about a much-desired and improved business climate as well as respect and recognition in private circles.

***This recognition ultimately translates
into successful innovation.***