

CORPORATE SOCIAL RESPONSIBILITY

The New Corporate Culture Model: Creating a Culture of Corporate Social Innovation

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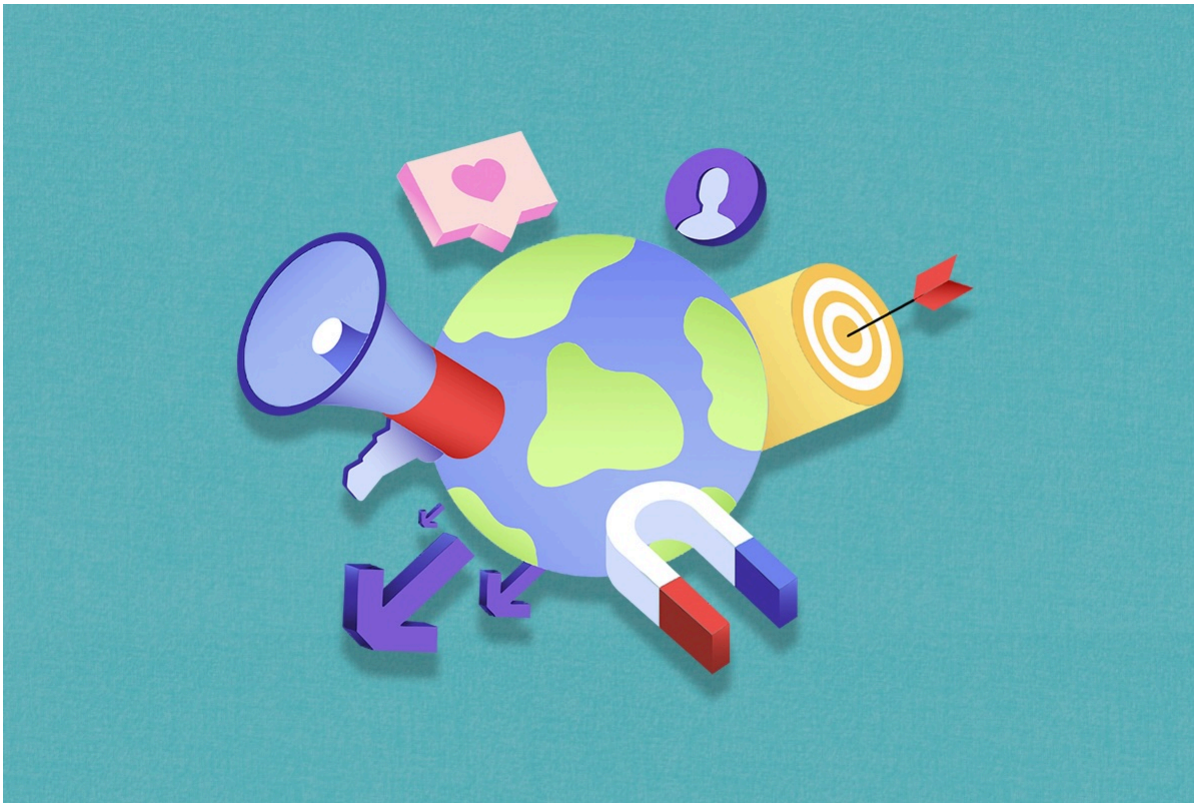


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By incorporating CSI into culture, firms can make a real difference in society and create value for everyone involved.

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This article is a guide for corporate leaders looking to incorporate corporate social innovation into corporate culture. This article starts by exploring key components of corporate social innovation, including shared value creation, social empathy, and building a culture supportive of social value creation. Subsequently, a new model for corporate culture is presented. This article stresses the importance of creating a new corporate culture that supports innovation and provides tips on mixing this culture with corporate social innovation elements. In this article, we look deeply into what a culture of corporate social innovation is and show how this corporate culture can make a big difference in the business world. Finally, the role of leadership in reshaping corporate culture to drive corporate social innovation is discussed. This article ultimately assists in striking a balance between business growth and societal needs, paving the way for comprehensive value creation.

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Looking at Corporate Social Innovation from a New Perspective

Corporate social innovation can be seen as a set of practices adopted by companies in their ecosystems to present the most innovative solutions for social problems.^{1, 2, 3} Corporate social innovation helps corporations to:

- More effectively identify the most innovative solutions for their social problems;

- Be effectively organized to use organizational capacities to recognize their social problems;
- Develop a more effective social innovation-powered culture; and
- More effectively inspire their stakeholders to be involved in recognizing problems and presenting solutions for them.

We also consider corporate social innovation as a subset of social innovation for the scope of work. Accordingly, further elements of corporate social innovation are presented below:

- **Shared Value Creation:** Organizations with significant corporate social innovation usually go beyond society's benefits and focus on tangible and intangible economic value for the business.^{4, 5, 6}
- **Social Empathy and Awareness:** Corporate social innovation capability strongly develops awareness of the social issues regarding specific social challenges and also looks for bold and more innovative solutions to resolve them.⁷ The dimension intends to underline the need for industry-specific social innovation initiatives.
- **Ability to Innovate in Solving Social Problems:** Organizations with significant corporate social innovation capability are very capable of finding the most innovative solutions to social problems, utilizing their skills and technology, and also developing methodologies that benefit society and business.^{2, 8}
- **Vision and Commitment of Leadership:** Leaders play a vitally important role in shaping the company's social vision, embedding the social dimension, and fostering a culture that can support social value creation.^{9, 10} Their support and commitment are very essential for allocating resources, mobilizing stakeholders, and driving social innovation initiatives.
- **Structure and Organizational Culture for Social Value Creation:** Integrating social innovation into the organization means considering business models, structures, systems, and corporate culture.¹¹ The corporate culture must also highlight social responsiveness and innovativeness to support and sustain social value creation.
- **Stakeholders' Involvement:** External stakeholders, such as civil society, public institutions, and non-governmental organizations (NGOs), are instrumental in redefining social problems and finding relevant solutions.¹² It is worth remembering that employees represent the first stakeholder group. They play a critical role in

driving social innovation through initiatives for corporate citizenship and social intrapreneurship within an innovation and social innovation culture.

Corporate Social Innovation's Key Factors

The key factors of the corporate social innovation capability of organizations are:

- **Drivers' Factors:** These factors include contextual, organizational, and managerial factors.
- **Process:** This process includes mapping and development, consolidation, scaling up, and evaluation.
- **Organizational Elements:** These elements include continuous organizational learning, adequate levels of bricolage, intrapreneurship, and participatory culture.
- **Management Elements:** These elements include entrepreneur/innovator and managerial practices, where those that facilitate teamwork and the participation of all involved are best suited.
- **Contextual Factors:** These factors include support from policy-makers, community participation, and demand for innovations that consider local context and usability.

Some researchers also speak about knowledge and innovation interaction, resource integration, and confirming stakeholder participation.^{13, 14, 15} Social innovation has become paramount for companies to address social challenges in the current business landscape. It enables businesses to open new markets, improve productivity, and harness previously untapped resources.

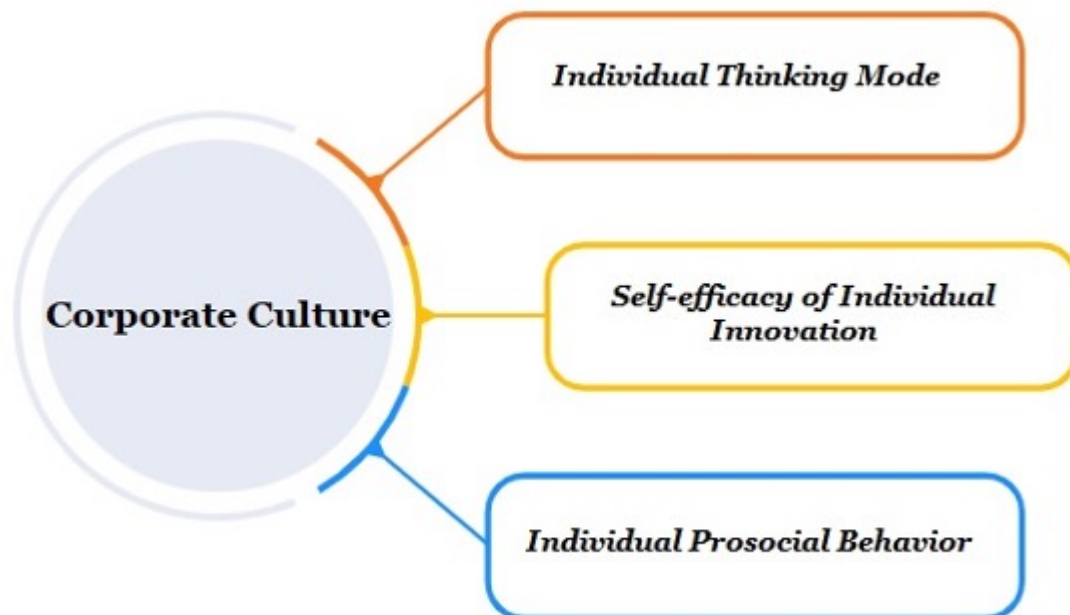
The New Corporate Culture Model: Reshaping Corporate Culture to Spur Corporate Social Innovation

Corporate culture is such an organizational factor that indicates why some companies are more sustainable than others.¹⁶ A cultural aspect that can successfully meet social initiatives is the individual thinking mode. Self-efficacy of individual innovation and

individual prosocial behavior are also the second key aspect of corporate culture for corporate social innovation. The third cultural aspect (i.e., individual prosocial behavior), facilitates knowledge sharing to meet the needs of companies for corporate social innovation. In action, the three cultural aspects of individual thinking mode, self-efficacy of individual innovation, and individual prosocial behavior can make a corporate social innovation culture.

- **Individual Thinking Mode:** This cultural aspect looks very familiar to the one of shaping and supporting people's behaviors in an innovational culture. It also includes adopting new values and paradigms about corporate social innovation.
- **Self-efficacy of Individual Innovation:** This cultural aspect drives the corporate decision-making performance and process to spur social innovation.
- **Individual Prosocial Behavior:** This cultural aspect helps employees effectively share their knowledge to solve social problems to support themselves, their departments, and their organizations as a whole. This cultural aspect can also positively impact employee satisfaction.

These three cultural aspects can be seen as the key elements of corporate social innovation-powered culture. Through these cultural aspects, employees are more inspired to develop innovation for social good.



Key Points and Insights for Executives

To integrate corporate social innovation into corporate culture, executives can take the following actions. With these actions, social needs can be embedded in the corporate culture ensuring the responsibility to address social needs:

Values Supporting Change and Innovation

- First, address external social needs as the organization's core values.
- Second, include ethics principles into the company's values
- Third, promote the importance of social impact and corporate social innovation in achieving the organization's mission and vision.
- Fourth, ensure that social responsibility is integrated into employee performance evaluations, and rewarding employees who actively contribute to addressing social needs.

Behaviors Related to Innovation and Adaptation, Including Corporate Social Innovation

- First, encourage employees to consider social needs and external impacts when generating innovative ideas and proposing adaptations.
- Second, recognize and promote behaviors that align with ethics, and social responsibility and positively contribute to addressing external social needs.
- Third, provide training and development opportunities to enhance employees' awareness of social issues and their ability to incorporate social considerations into their work.

Company Climate

- First, create a social awareness and responsibility culture within an inclusive and psychologically safe environment. Employees are encouraged to discuss and address social needs and take action.
- Second, incorporate social impact as an evaluation criterion in the climate and culture assessment, considering how well it supports and encourages corporate social innovation.
- Third, success criteria include the results of corporate social innovation with external social impact alongside other traditional measures.
- Fourth, link the company's success criteria with a performance evaluation system using OKRs, a collaborative goal setting with employee groups including social goals.
- Fifth, communicate the organization's social achievements and impact to all the stakeholders, remarking on the relevance of addressing social unmet needs.

Organizational Learning

- First, provide training and development opportunities also focused on social issues and innovation, fostering an inclusive learning culture with social responsibility.
- Second, create platforms LLMs where employees can share their insights and learn from the social initiatives they have undertaken, following the double loop learning.

Autonomy and Accountability:

- First, give employees the autonomy to address social needs by developing and implementing social initiatives or creating better, market-oriented innovations.
- Second, include social responsibility in performance evaluations and promotion criteria. Hold your employees responsible for the contributions they make to meeting social needs.

In Conclusion

This article is a practical guide for leaders who want to incorporate social innovation into corporate culture, go beyond traditional business approaches, and use corporate social innovation as a tool for innovation and growth. By doing so, they can make a real difference in society, gain a competitive edge, and create value for everyone involved. The world of business is exposed to rapid changes, and corporate social innovation has become a key way for companies to resolve social problems while growing their businesses.

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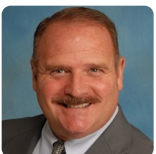
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