



Social Innovation

The best talent will flock to companies that create the freedom to exchange ideas. Ruth Cairnie, EVP for Strategy and Planning at Shell, explains why ‘social innovation’ is revolutionising how people share solutions across the organisation

What is ‘social innovation’?

It describes the practical methods for how a business can use networks to harness different and innovative ways of interacting, both internally and externally. Smaller acts of social innovation can drive people to collaborate and learn from others and think through the potential risks and opportunities in the business environment. Every opportunity to change and innovate is equally important for our competitiveness in the future.

What are some of the barriers?

Companies, teams and individuals can get into rigid ways of thinking and working which often causes them to approach a task by a set of natural defaults and normal

channels, rather than to look for new and different inputs. If you have parts of your organisation with a tradition of a more command and control approach, then people might not realise they have a mandate to improve things. It’s important to shift that mindset, which, of course, takes time. But you need to be clear that there’s a difference between what needs to be done and how it needs to be done. People should have the freedom to really think about the ways of working to deliver results most effectively. Often, when people think about innovation, they think about new discoveries and big R&D projects. In reality, innovation can be something much smaller – and it’s a process of things that work together as opposed to a ‘eureka moment’. And you don’t have to wait until someone has a new product coming out of the lab,

it can happen on a daily basis, through the simplification of processes, systems and products to create value for the company.

How have you involved people from outside Shell?

One way would be Shell’s use of scenario planning. It is a process that we have been continually evolving over the last four decades. The scenarios have become not only an important tool for better business decision making, but also an instrument for leadership development and creating a common language to express our intent for the business. We engage with an extensive network of experts, from a broad array of organisations, institutions and disciplines, in workshops and brainstorming sessions that help us source

different ideas to challenge thinking and create different views of the future. We might have more than 500 different experts collaborating with Shell in the process of developing new scenarios.

What results have you witnessed?

The most recent scenarios, around innovations in energy systems, have been communicated to many different audiences and are as fresh now as when created four years ago. This probably reflects all the different inputs and concepts that were fed into the development process at the time. Increasingly, we're able to build the scenario's methodology directly into business decisions and operations. There's also our 'GameChanger' programme, which is another way of hooking into external ideas, this time in the area of technology.

How does it work?

These are managed collaborations that aim to stimulate different connections between people's problems, ideas and solutions. In essence, it provides expertise and funding to help nurture innovative ideas through those critical early stages where things often just get dropped. It's a kind of incubator to allow things to get to a stage where we can make a judgment on whether they are worthy of further investment, development and eventually commercial deployment.

What have been the most promising developments to come out of it?

The most striking is perhaps our floating liquefied natural gas development (FLNG), which is being constructed at the moment and is going to be a bit like a refinery on a ship when it is deployed off the west coast of Australia. The

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'Gamechanger' concept demonstrates that cutting-edge ideas can and do come out of this process and get developed. So far, over \$300 million (£196.6 million) has been invested in over 3,000 ideas, and some 250 ideas have been commercialised.

How do you know if people within the business will be receptive to it?

Employee engagement is fundamental. For some time now, Shell has been quite systematic in measuring and tracking the level of engagement and the motivation of staff right through the organisation. We compare the scores in different parts the organisation, look at what the good leadership practices are and learn from them to drive improvements across the whole of the organisation. It is also critical to think about how people are led and ensure we are fostering behaviours in current and future leaders that motivate people at all levels of our organisation, irrespective of pay grade.

What performance measures are you placing around this?

We have been looking into the relationship between employee engagement and aspects of business

performance. For example, we have found a clear linkage between good employee engagement and better safety performance. When we looked at a number of different operating sites across Shell and compared both employee engagement scores and safety levels, it became clear that more highly engaged sites consistently record lower numbers of safety incidents in their operations.

Why is it important for businesses to understand this concept?

As the labour market becomes increasingly globalised and skills are more interchangeable across whole sectors of industry and the economy, just having the best people isn't enough. The differentiating factor between being 'good' and being 'the best' will be attracting and retaining the right people and creating the right environment to enable innovation. Social innovation can help us unleash the capability of every individual employee – as well as people with ideas beyond the boundaries of our business – to do things in a different, better way. ■

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Ruth was appointed VP for Group Strategy in April 2011 and EVP for Strategy and Planning in September 2011. She is responsible for development of global group strategy across the entire organisation.

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