



FUTURE
SKILLS[®]

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FIT FOR THE FUTURE

FUTURE SKILLS, INNOVATION AND CORPORATE VOLUNTEERING:
SMART CONNECTED THINKING

- » To be fit for the future, companies need employees with future skills as well as innovative solutions led by economic, social and environmental sustainability considerations.
 - » The problem is that companies currently lack the right learning formats for future skills.
 - » Moreover, social and environmental factors are not systematically built into innovation processes.
 - » Corporate social responsibility in general and corporate volunteering formats in particular can help find a response to the challenges in the areas of future skills and sustainable innovation. But companies need to lay the right foundations.
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1. LONG-TERM BUSINESS SUCCESS CALLS FOR FUTURE SKILLS AND SUSTAINABLE INNOVATION.

Trends such as globalisation and digitisation are accelerating and upending our world. That is nothing new. But the Covid-19 outbreak has added urgency to these developments, forcing politicians, business and society all over the world to respond

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to external and unpredictable factors in an incredibly short time. Markets and organisational structures all over the world and across sectors were compelled to transform in the space of a few weeks.

In the face of the challenges companies experience in such an accelerated, increasingly volatile and complex situation, traditional management strategies may no longer offer the right solutions (Werther and Bruckner, 2018). Conversely, the ability of companies to adapt and innovate is becoming even more important. But to be adaptable and innovative, companies need employees with certain skills: future skills.

WHAT ARE FUTURE SKILLS?

Future skills are set to become significantly more important in workforces across industries and sectors in the coming years. In addition to technical and digital abilities and talent, a number of non-digital future skills will be imperative. These would include problem-solving, creativity, entrepreneurial thinking, self-starting, adaptability and empathy. These skills equip workers in interdisciplinary and intercultural teams to collaborate, adapt to new situations, find new solutions flexibly and creatively, self-organise, and take ownership of their work (Bertelsmann Stiftung 2020). A company poll conducted by the Stifterverband and McKinsey (2018) revealed that, by 2023, more than 2.4 million workers in Germany will need to have acquired the non-digital future skills required to participate in society in a digital working world and contribute to their organisations' ability to innovate and adapt. Companies can only close this gap if they provide their workforces with continuous, systematic lifelong learning opportunities (Stifterverband and McKinsey 2018).

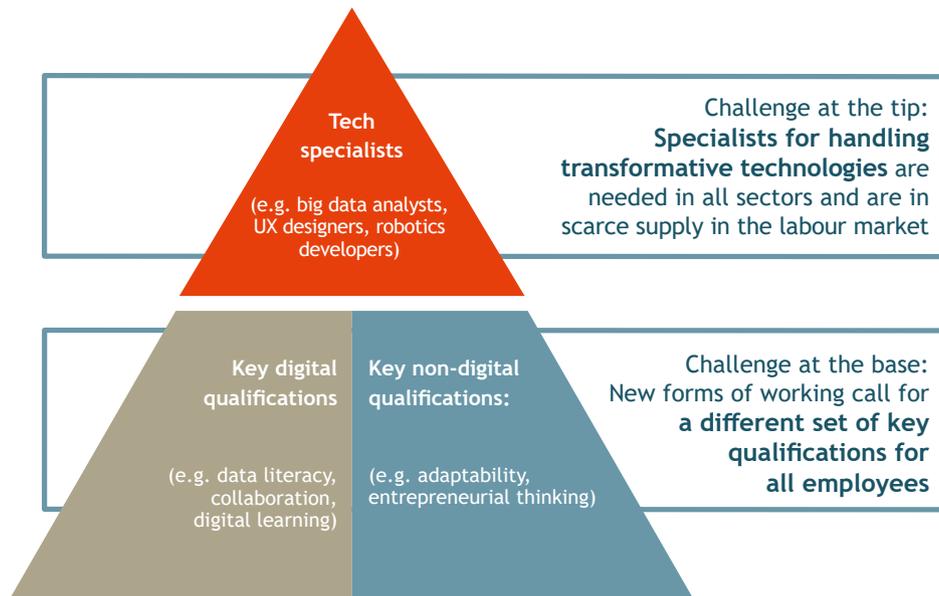
» Crises like Covid-19 show once again just how fast society and the economy can change.

» To prosper in our changing world, businesses will need to be able to adapt and innovate more than ever before. For that, employees and companies will need new skills: future skills.

» Apart from technical skills, future skills include entrepreneurial thinking, self-starting, and creativity. A study by Stifterverband and McKinsey (2018) shows that, by 2023, 86% of the workforce should be adept in collaboration, 74% in entrepreneurial thinking and 66% in agile working. The figures add up to 2.4 million in Germany.

FIGURE 1: THE DUAL CHALLENGE (STIFTERVERBAND AND MCKINSEY 2018)

» Consumers expect companies to be socially responsible, and this expectation influences their purchasing decisions.



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SOCIAL AND ENVIRONMENTAL SUSTAINABILITY IS A FUTURE SUCCESS FACTOR

As well as addressing the increasing demand for future skills, companies will need to integrate sustainability into their innovation processes right from the start. That is because today's consumers care more about corporate social and environmental responsibility. Companies that show leadership in providing genuinely sustainable products and solutions will be rewarded for their efforts. This is endorsed by the results of a 2018 survey by Facit (2018) investigating corporate sustainability images from the point of view of consumers. 69 percent of respondents said sustainability was a factor influencing their purchasing decisions. A Boston Consulting Group study came to a similar conclusion (Ringel et al., 2020). The evidence indicates that sustainability pays off for companies if they pursue a holistic approach. However, a CSR strategy with a one-sided focus on social activism or environmental standards in the supply chain can even hurt a company's bottom line. Research by the Fraunhofer Centre for Responsible Research and Innovation (CeRRI) further underlines the importance of social aspects in innovation management. For innovative ideas and products to succeed and reach their full potential, societal needs and behaviours may be more important than commercial, political or technological aspects alone (Fraunhofer CeRRI 2018).

- » Innovative solutions that are sustainable and thus meet social needs are more successful.

The message for businesses is that caring about social and environmental sustainability is increasingly becoming an essential component of corporate strategy. Businesses today can no longer get away with sidelining social responsibility. What is more, pivoting toward sustainability has huge business potential that many companies are not harnessing yet. Companies should use their core business and associated benefits of scale both for the good of society and to gain competitive advantage (Lead 2020).

2. COMPANIES CURRENTLY LACK THE RIGHT LEARNING FORMATS FOR FUTURE SKILLS AND CATALYSTS FOR SUSTAINABLE INNOVATION

As stated, companies face the dual task of training their employees in non-digital future skills and addressing environmental and social sustainability in their innovation processes.

The main challenge companies face in the area of non-digital future skills is having to train vast numbers of employees in abilities that cannot be taught in traditional courses based on a rigid list of choices and a one-fits-all approach (Accenture 2019, Ehlers and Meertens 2020, Stifterverband and McKinsey, 2018). In other words, companies currently lack the right learning formats to bridge the skills gap.

- » Companies need innovative learning formats to foster non-digital future skills among their workforce. Existing learning formats are not fit for purpose.

The cornerstone of new, self-organised learning approaches for non-digital future skills should be the expanded delivery of experience-based learning formats and methods (Ehlers and Meertens 2020). These formats and methods will enable the expansion of the individual skills mix of individual employees and the participation of all sectors of the workforce. They should facilitate continuous and consistent training of these abilities based on a lifelong learning approach, and they should be systematically embedded in employee development (Stifterverband and McKinsey 2018).

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On the sustainable innovation front, companies face a different kind of challenge. Although many companies have already embedded environmental and - to a lesser degree - social responsibility goals in their innovation strategy, sustainability is not yet an integral part of innovation management in most organisations (LangKoetz Schimpf 2019). Inclusion of sustainability factors tends to be “ad hoc” in many cases, and the innovation process does not take sufficient account of the topic in all its complexity and importance (Stranger 2016).

- » Companies need ways to systematically anchor sustainability in their innovation processes. Approaches to this have often been lacking up to now

But one thing we know for sure: companies need appropriate new learning formats for non-digital future skills. They also need opportunities to embed social and environmental sustainability in their innovation process.

3. CORPORATE VOLUNTEERING IS AN APPROPRIATE LEARNING FORMAT FOR FUTURE SKILLS AND AS A CATALYST FOR SUSTAINABLE INNOVATION

Corporate volunteering formats enable companies to tackle these two challenges together, and combine workforce training programmes for non-digital future skills with the development of sustainable innovative solutions. In corporate volunteering, companies cooperate with charitable organisations and send employees out on missions to perform unpaid work in these organisations.

- » Corporate volunteering is a very good way to train non-digital future skills through self-organised and experience-based learning.

CORPORATE VOLUNTEERING AS A LEARNING FORMAT

Corporate volunteers immerse themselves in an environment new to them during their volunteering work and learn to adapt to an unaccustomed interdisciplinary team setting. They move out of their own comfort zone, gain a change of perspective in new work contexts, and meet people they might not otherwise have encountered. They develop creative ideas and solve problems with limited resources.

This reinforces exactly the kind of non-digital future skills companies want to encourage in their employees: problem-solving, creativity, initiative, adaptability and empathy. Corporate volunteering is an exceptionally low-barrier learning space for the acquisition of future skills. Volunteers learn by hands-on experience with a case-based, practical problem-solving approach and shape events in an experimental setting where they can try out and discover their own capabilities (Söker and Mutz 2003, Dux et al. 2009). At the same time, the format is easily integrated into the real business world, scalable and cost-effective.

As a result, corporate volunteering as a learning format can help to equip employees for the business world of today and tomorrow. It can also enhance corporate innovation and adaptability by improving the skill sets of the workforce (Patterson and Kerrin 2009).

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CORPORATE VOLUNTEERING AS A CATALYST FOR SUSTAINABLE INNOVATION

As well as encouraging innovativeness, corporate volunteering also helps to promote innovative, sustainable ideas for new products or services.

Open innovation-style (see box) collaboration with non-profit organisations enables companies to open up to their environment on a structural level. This helps companies to integrate new perspectives and the knowledge of external actors - in this case, non-profit organisations and their stakeholders - systematically into their innovation processes. Corporate volunteering is the meeting place where company employees as corporate volunteers repeatedly enter into a project-based exchange with non-profit organisations and their stakeholders. These unfamiliar social settings very effectively encourage divergent thinking and creativity, that is, the generation of new ideas based on what corporate volunteers experience during collaboration with the non-profit organisations (see Bezmen, et al 2015).

» In addition to sharpening the non-digital future skills required to drive innovation, corporate volunteering can also generate new inspiration for socially and environmentally sustainable ideas.

WHAT IS OPEN INNOVATION?

In an increasingly complex world, a company's internal knowledge often no longer suffices to meet today's societal challenges.

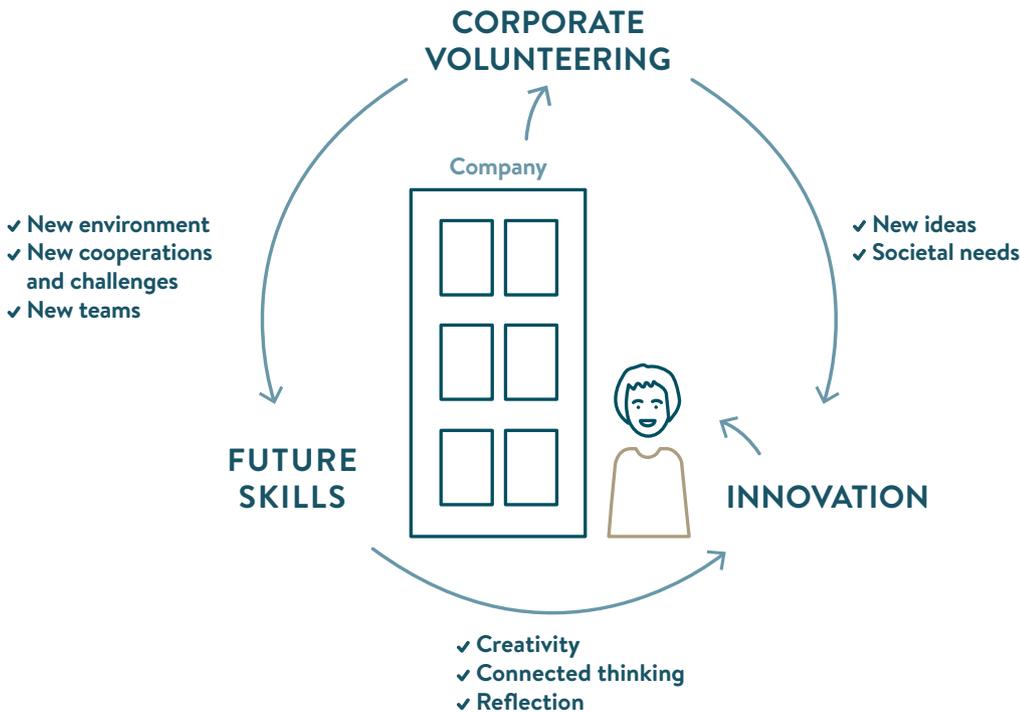
Open innovation offers an answer to this problem. The concept offers a new approach to innovation processes. It describes a structural opening of corporate innovation activities, with various levels of inclusion up to and including collaboration with external partners. The latter may be universities, other companies or even civil society organisations. Collaboration with these stakeholders can give companies new perspectives and knowledge for their innovation processes. New products emerge that may be commercially successful and help solve societal challenges.

Information-sharing with external partners needs interdisciplinary meeting spaces, however. Corporate volunteering can be one such space.

Systematic combination of corporate volunteering with corporate innovation processes is a chance to integrate into their innovation activities the socially and environmentally sustainable ideas and mindsets that employees develop through their volunteering work. The expertise employees build up around sustainable development issues and social concerns is not lost but used on a structural basis to develop innovative and sustainable products and services (see LangKoetz Schimpf 2019).

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FIGURE 2: INTERACTION OF CORPORATE VOLUNTEERING, SKILL BUILDING AND OPEN INNOVATION



4. COMPANIES NEED TO LAY THE RIGHT FOUNDATIONS.

For corporate volunteering to be a catalyst for non-digital future skills and sustainable innovative solutions, companies need to lay the right foundations. This has emerged from a study conducted by “ZiviZ im Stifterverband” as part of the “Future Skills Through Volunteering” project based on more than 20 interviews with expert practitioners from six major big-brand companies.

The foundations we have identified are necessary so that corporate volunteering can be put to strategic use as an employee development and innovation management tool.

1. Employees engaging as corporate volunteers should **prepare their volunteering beforehand and reflect on it afterwards**. This ensures and verifies the learning outcome. When employees are aware prior to volunteering that they can learn something from it, they will actively perceive what they learn during their volunteering work. Reflection on their learning experience after volunteering in turn helps them to transfer new skills and expertise to their job.

- Would you like to find out more about how to implement corporate volunteering as a catalyst for future skills and sustainable innovative solutions?

Check out Future Skills Through Volunteering: A Practical Guide here:

www.ziviz.de/future-skills-durch-engagement/praxisleitfaden

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2. Corporate volunteering - and successful learning - needs **space and resources**. The same applies when it comes to developing innovative ideas. Space and resources in this context means having the time to spare. It also means an organisational culture that enables and values learning, experimentation, and development - and gives permission to fail.
3. **Corporate volunteering needs to break out of silos** if it is to encourage employee learning and unleash corporate innovation potential. That is why **innovation management, human resources and CSR management** should work together strategically, agree on joint goals and a portfolio, and embed suitable projects and processes in the company.
4. The **corporate culture** also needs to actively allow engagement so that it is an attractive proposition for employees.

» You can access the bibliography for this publication at :

unter www.ziviz.de/future-skills-durch-engagement/kurzanalyse

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» More about the project is
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