



# Governing Body

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Programme, Financial and Administrative Section

PFA

Programme, Financial and Administrative Segment

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## ILO Strategy on knowledge and innovation

### Purpose of the document

This document presents the ILO Strategy on knowledge and innovation, and invites the Governing Body to provide comments and guidance.

**Relevant strategic objective:** All.

**Main relevant outcome:** Enabling outcome A: Improved knowledge and Influence for promoting decent work and C: Optimized use of resources.

**Policy implications:** Guidance from the Governing Body will allow the Office to refine and implement the ILO Strategy on knowledge and innovation, which will help to develop solutions to key challenges in the world of work and improve the efficiency of the Office.

**Legal implications:** None.

**Financial implications:** None.

**Follow-up action required:** Yes.

**Author unit:** Office of the Director-General (CABINET).

**Related documents:** [GB.341/PFA/1](#); [GB.346/PFA/1](#); [GB.344/PFA/5](#); [GB.335/INS/9](#).



## ▶ Introduction

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1. This paper presents the ILO Strategy on knowledge and innovation. It builds on the ILO Knowledge Strategy 2018–21 and takes into account previous progress reports and the Governing Body's guidance to date.<sup>1</sup>
2. In order to fulfil the ILO's vision of policy coherence and a human-centred approach, new and improved ways of working are needed that facilitate the engagement and interaction of the tripartite constituents, partners and all ILO teams, both at headquarters and in the field. The ILO needs to adopt new methods to deliver timely, quality and relevant policy advice and to support the implementation of its programmes and projects, in line with constituents' needs and priorities. These new methods will require demand-driven and collaboration-based approaches to knowledge management<sup>2</sup> and innovation, which will reinforce the ILO's ability to address and adapt to a changing world of work and improve its intervention models closer to the point of delivery.
3. Several speakers at the 346th Session of the Governing Body stressed the need to comprehensively integrate knowledge and innovation functions and actions into the daily work of ILO staff. The proposed ILO Strategy on knowledge and innovation reflects this approach and builds upon existing practice. It is formulated around the following four strategic priorities: (i) strengthening internal capacity for knowledge management and innovation across the ILO's organizational structure; (ii) fostering innovative policies, products and services for the achievement of decent work and social justice; (iii) developing partnerships to support innovation in the world of work; and (iv) reinforcing a culture of knowledge and innovation.
4. A functional innovation facility will be established with a virtual network of departmental focal points at headquarters and in the field. Drawing on the existing functions of knowledge and innovation through a coherent and collaborative network, the functional innovation facility will provide a safe space for experimentation to encourage innovation and foster a supportive organizational culture. The main means of intervention will improve uptake of knowledge and innovation services by using feedback from constituents to ensure that the services offered are in line with their needs. Other methods would include using networking expertise, providing a peer learning space to share innovative ideas (using new technologies and approaches, such as the ones implemented by the International Training Centre of the ILO, Turin (Turin Centre)), and supporting departments and units, at headquarters and in the field, to develop innovative approaches.

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<sup>1</sup> ILO, *Knowledge Strategy 2018–21*, GB.331/PFA/4 (2017); ILO, *ILO Strategy on Knowledge and Innovation across the Organization*, GB.344/PFA/5 (2022); ILO, *Progress Report on the Development of the ILO Strategy on Knowledge and Innovation across the Organization*, GB.346/PFA/4 (2022); ILO, *ILO-Wide Strategy for Institutional Capacity Development*, GB.335/INS/9 (2019); ILO, *Human Resources Strategy for 2022–25*, GB.343/PFA/14 (2021).

<sup>2</sup> The High-level independent evaluation of ILO's research and knowledge management strategies and approaches identified knowledge management as the organizational activity set to optimize the identification, creation, analysis, representation, distribution, and application of knowledge in order to facilitate learning, innovation or uptake and create organizational value.

## ► Strategic priorities for knowledge and innovation

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5. The proposed ILO Strategy on knowledge and innovation will support the ILO's efforts to face current challenges in a coherent, coordinated and relevant way. The strategy aims to drive cultural and behavioural change throughout the Office to address constituents' needs for innovative policies, products and services at the global, regional and national levels. This will also respond to the increasing need for technical and policy capacity to anticipate and respond to the transformations taking place in the world of work and improve service delivery to constituents. The ILO Centenary Declaration for the Future of Work underlines that the quality of ILO policy advice depends heavily on maintaining the highest levels of capacity and expertise in statistics, research and knowledge management.
6. The strategy is fully aligned with the ILO's Strategic Plan for 2022–25, the outcomes, outputs and deliverables presented in the Programme and Budget documents for 2022–23 and 2024–25, the ILO-wide strategy for institutional capacity development and the ILO Development Cooperation Strategy 2020–25. The strategy includes cross-cutting priorities such as gender equality and non-discrimination as well as those embodied by the four action programmes that are being established. It also takes into account relevant initiatives amongst partners and stakeholders such as the United Nations Secretary-General's *Our Common Agenda*. The strategy proposes a comprehensive approach aligned with the International Organization for Standardization standards on knowledge management and innovation management and related guidance, and the recommendations of the High-level independent evaluation of ILO's research and knowledge management strategies and approaches.
7. The ILO Strategy on knowledge and innovation addresses both internal and external audiences, with a view to maximum efficiency and efficacy. The Office will scale up the experience gained through existing innovation and knowledge initiatives, following a thorough impact analysis using the approach that is currently used by the Skills and Employability Branch with the ILO Service Tracker, which provides constituents with a quick and easy way to learn about the effectiveness of services delivered.<sup>3</sup>
8. The objectives of the Office in this area are to:
  - work across the breadth and depth of the ILO and with its constituents and partners, including on policy formulation and implementation, normative work, and organization and management, to help identify potential issues and questions for which innovative approaches and solutions are needed;
  - focus scarce resources to develop and implement successful innovations, especially where the ILO is uniquely placed to make a difference through its tripartite engagement and influence with a wide range of actors ranging from development partners to academics to media;
  - identify knowledge gaps for further research as well as practical gaps in putting knowledge into action that can be addressed through technical support, advocacy, social dialogue and other means;
  - introduce new working methods to take advantage of design thinking, participatory engagement, and other developments in knowledge management and innovation; and

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<sup>3</sup> ILO Service Tracker.

- increase the ILO's capacity to generate, process and share knowledge and replicate good practices and intervention models that have worked well and have the potential to be scaled up.

## Strategic priority 1: Strengthen internal capacity for knowledge management and innovation across the ILO's organizational structure

9. Knowledge management and innovation are separate but related functions. They are key assets that enable and contribute to strategic organizational objectives. Knowledge management can promote innovation at the ILO by:
  - (a) fostering a culture of collaboration;
  - (b) encouraging staff to harness the power of networks, global teams and communities of practice to develop innovative ideas and solutions;
  - (c) allowing staff to devote time to innovation in their work plans;
  - (d) ensuring learning from both less successful and highly successful innovation experiences; and
  - (e) encompassing individual, team and organizational learning initiatives, peer-to-peer coaching and mutual support.

Innovation can reduce knowledge barriers, encourage collaboration and increase the quantity and the quality of knowledge products and processes, such as the hosting, curating and aggregating of data. When combined, knowledge management and innovation provide the enabling environment necessary to effect change and increase outreach and impact.

10. In pursuing these interrelated functions, the Office will continue to deliver on specific initiatives by ensuring cross-office collaboration, teamwork and knowledge transfer to make the ILO's knowledge base increasingly coherent, cost-effective and sustainable.
11. As the ILO is a knowledge-intensive organization, knowledge management happens in all departments, regions and country offices. The following functions are paramount to enable knowledge generation, sharing, innovation and learning: research, statistics, communications, human resources, evaluation and information technology. The specific outputs to be delivered by these functions are set out in section IV of the Programme and Budget proposals for the biennium 2024–25. The programme and budget proposals include a results-based framework with indicators and targets for the biennium for the ILO knowledge functions.
12. The ILO will systematically identify and investigate the major knowledge gaps in relation to its mandate and the evolving needs of its constituents and adapt its research priorities accordingly. It will also assess how to improve the reach and uptake of its knowledge products to increase their relevance for and impact on policymaking and advocacy. The Office will explore innovative data methodologies to build upon the expertise developed during the COVID-19 pandemic, such as the ILO Monitor with its innovative technique – known as nowcasting – to assess and predict short-term macroeconomic trends in real time and produce data-driven policy responses.

13. The United Nations has noted that rather than building new institutions, existing ones could be transformed into more networked entities.<sup>4</sup> Accordingly, the ILO will strengthen its thematic knowledge exchange networks and communities of practice.
14. Dealing with uncertainty and change through the development of foresight capabilities is a new and emerging area for the ILO. A number of initiatives have been undertaken to gain familiarity with foresight techniques, including their application in the training offers of the Turin Centre. To further develop its capabilities in this area, the ILO is active in foresight networks such as the United Nations High-level Committee on Programmes Foresight Network. It is also partnering with leading advocates of foresight in the United Nations system, such as the United Nations Educational, Scientific and Cultural Organization, on capacity-building efforts, and is building its own foresight guidance and resources for staff. The ILO will continue to reinforce its foresight capabilities and will engage with constituents, development partners and others to ensure that its findings are relevant and widely disseminated, thus increasing their influence and impact.

## **Strategic priority 2: Foster innovative policies, products and services for the achievement of decent work and social justice**

15. The ILO will increase its technical and policy capability to respond to the transformations taking place in the world of work in order to enhance its capacity to: (i) anticipate trends and develop, prototype, test and scale innovative solutions to the policy challenges ahead; (ii) improve the way in which services are provided to constituents; and (iii) gather and harness knowledge from innovations taking place at country level and share successful existing practices.
16. The Office will also improve its efforts to better understand constituents' needs through national, subregional and regional meetings, research networks, collaborative activities and internal exchanges with the Bureau for Workers' Activities (ACTRAV) and the Bureau for Employers' Activities (ACT/EMP) to develop a working method focused on engaging constituent organizations. This will form the basis of a consultative exchange platform to monitor the outputs proposed, identify new needs and priorities and adjust course as needed at country level, with a particular focus on the most disadvantaged or vulnerable in the world of work.
17. Accelerating progress towards social justice in the context of transformations in the world of work requires innovative thinking and the adaptation of existing approaches to deliver robust and scalable solutions that foster decent work. Since 2020, the Office has been increasing its technical and policy capacity to anticipate, understand and respond to these transformations through four policy innovation facilities<sup>5</sup> using a design thinking approach to identify innovative solutions (products or services) to emerging policy challenges. An example of a joint initiative that has emerged from the innovation facilities consists of advanced work on transitioning to digital wage payments to enhance business efficiency, respect for labour rights and the financial inclusion of workers. The four policy innovation facilities have enabled staff to work on innovation across different units, and these activities will continue to foster innovation within the Office. In addition, the policy innovation facilities have conducted an internal review of their work, which revealed a need for more formal activities to promote

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<sup>4</sup> Chief Executives Board, "High-level Committee on Programmes: Strategic Narrative, October 2021, Thematic Pillar 3: Networked and Inclusive Governance".

<sup>5</sup> The four policy innovation facilities are: Skills for employability and lifelong learning; Productive and sustainable enterprises for decent work; Climate action for jobs and a just transition; and Transformative technologies for decent work.

internal innovation, learn from other partners working on similar activities and seek external resources to support further innovation.

18. In addition to these four successful policy innovation facilities, the ILO has improved its methods to deliver services efficiently and effectively. The current strategy foresees a more systematic integration of innovation into the ILO's programming and resource allocation processes. Therefore, existing initiatives will be reviewed in the context of innovation needs under the outcomes set out in the 2024–25 Programme and Budget proposals. Outcome Coordination Teams will be responsible for identifying innovation needs and opportunities in their respective areas to the facility, drawing on support from the Turin Centre, the Inter-American Centre for Knowledge Development in Vocational Training and other internal and external sources. Similar guidance will be formulated to integrate innovation initiatives into project proposals for donor funding, and by ILO Regional Offices and Decent Work Teams to guide the preparation of their regional and country plans and of the United Nations Sustainable Development Cooperation Frameworks.
19. The ILO-wide strategy for institutional capacity development adopted by the Governing Body in March 2019 encourages innovation in capacity development, particularly in terms of technological advances, new analytical perspectives and overall methodological progress in learning techniques. A concrete example of putting this approach into practice is the Turin Centre Learning Innovation Programme, which provides innovative learning solutions for ILO staff and constituents with the objective to generate impact and increase knowledge and innovation uptake. It enables participants to use new technologies and approaches to rapidly and more effectively develop the capabilities needed to address future workplace challenges. The Learning Innovation Programme also provides a facility – the Turin Centre Innovation Lab, established in 2022 – that focuses on developing the ILO's innovation capacity. The Lab prepares participants for the jobs and skills of the future using the latest innovation science and methodologies, such as artificial intelligence, futures, foresight and horizon scanning, podcast networks for development and learning, tailor-made design labs and digital innovation labs.

### **Strategic priority 3: Develop partnerships to support innovation in the world of work**

20. Innovation cannot be nurtured and developed in isolation. Connecting with external partners is beneficial for the ILO as it increases the impact of the ILO's investment in innovation. When partnering with other United Nations entities and knowledge-led organizations, the ILO needs to bring its added value as a global leader in the world of work and learn from others' experience and practice. Partnerships with innovation initiatives in the multilateral system will enable the ILO to enter into new collaborations, develop new products and services, join forces for advocacy and communication, deepen research and exchange and pool knowledge and information.
21. In order to discover new ways of working and learn from successful innovation initiatives, the Office will further strengthen its participation with the United Nations Innovation Network and other programmes (such as the World Food Programme Innovation Accelerator, the International Trade Centre, the United Nations Foundation and the Geneva Innovation Movement) to share resources, tools and methods for innovative solutions. Similarly, the Office will encourage the involvement of donor partners in innovative approaches, seeking funding opportunities and raising awareness of the importance of supporting innovation efforts, particularly for policy work.

22. As the ILO innovation facility matures, the Office will be able to progressively integrate new offers and partner with interested countries or organizations to strengthen the available resources.

#### **Strategic priority 4: Reinforce a culture of knowledge and innovation**

23. The ILO will work to establish a culture in which all staff are encouraged and empowered to propose innovative ideas. Staff will be given the freedom to try new approaches and will be recognized for efforts to identify improvements. When innovation initiatives are not successful, they will be viewed as learning opportunities.
24. Innovation-oriented human resources policies are needed for organizational culture change. Through such policies, ILO staff will be encouraged to devote time to working on innovation initiatives. This may involve work on innovation in their functional area, in another area where an innovation effort requires their expertise, or in a new area that increases their exposure to the work of the ILO. The ILO's performance management system can support this culture change. Staff should be recognized for their work on innovation in performance appraisal reports, including through specific measures or developmental objectives. The culture of innovation will be further strengthened in various ways, such as an assessment of the level of staff time devoted to innovation initiatives.
25. Institutional capacity will continue to be developed through learning opportunities related to innovation and knowledge management. These include: training, mentoring and coaching on effective collaboration, especially through networks and communities of practice; strategic framing to better garner support for policies, programmes and projects; user-focused design; and digital skills training to equip staff with adequate tools and techniques, better prepare them for change and support future innovation.

#### **► Implementation and monitoring**

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26. The proposed approach will be developed incrementally from March 2023, following debate at the 347th Session of the Governing Body, to December 2025. The functional innovation facility will be responsible for coordinating the four strategic priorities with ongoing initiatives and provide work plans for their delivery. The functional innovation facility will have teams working on knowledge management and innovation and focal points will be appointed by each cluster and region. The focal points will be coordinated at headquarters and report to CABINET – special initiatives. The functional innovation facility could eventually evolve into a specific unit, at headquarters or elsewhere, while maintaining its virtual working methods with a view to mobilizing staff and management at all levels of the Office.
27. The implementation of the ILO Strategy on knowledge and innovation will take place within existing structures, planning and programmatic frameworks, including the biennial programme and budget. The ILO will mobilize voluntary contributions from partners interested in promoting knowledge and innovation in the world of work.
28. The implementation of the strategy will be monitored with a view to ensuring: (i) the implementation of a system and methodology to identify, support and scale up innovative solutions pursued by the ILO and its constituents on areas prioritized in the policy outcomes and action programmes; (ii) improved ILO tools, methodologies and services to increase reach and impact for constituents, including by using appropriate and sustainable technologies; (iii)



a network of innovative organizations and actors to facilitate exchanges of information and knowledge about what is effective and what is not in the world of work and the promotion of social justice; and (iv) office-wide capacity development initiatives and improved internal and external communications to promote a culture of innovation across the ILO. The measurement criteria will be developed by the functional innovation facility. The indicators to be used include:

- (a) Engagement with knowledge management and innovation development. This could measure the number of active networks and communities of practice, and qualitative feedback on their deliverables and outcomes.
  - (b) Generation of innovative projects. This could measure the number of innovation pilots running (for example, how many suggestions make it past the initial brainstorming stage and move to development) and assess their potential to scale up.
  - (c) Constituents' and partners' satisfaction and engagement. This could measure the number of successful pilots and projects or workshops and events related to knowledge management and innovation, using regular surveys for feedback.
  - (d) Change in staff behaviour. This could measure participation in training activities related to knowledge management and innovation, as well as culture change amongst managers and staff using the measurement tools (for example, upward feedback and the Organizational Health Index Pulse Survey).
29. The ILO will provide information about progress in the implementation of this strategy through the biennial programme implementation report.

## ▶ Draft decision

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30. **The Governing Body endorsed the ILO Strategy on knowledge and innovation and requested the Director-General to take into account its guidance in implementing the strategy.**