



Fuel50 Capability Trends Report™

The Impact of Climate Change on Workplace Skills Edition





At Fuel50, your future is our passion.

This Fuel50 Capability Trends Report™ brings you the latest capability trends from across the globe.

We encourage you to reflect on their relevance to your organization and hope that they inspire a vision for positive change within your people strategy and capability requirements.

Our dedicated team of Organizational Psychologists and HR Professionals is world-leading in capability design and research. Together, we have developed our own 'Fuel50 Talent Ontology™' to reflect the capabilities showcased in this report and many more. These capabilities are now available for use by all our clients.

For more information on any of the trending capabilities or to discuss how you could increase your organization's bench strength in these areas, please contact Fuel50.

Welcome to the future of work.

In this Fuel50 Capability Trends Report™, we explore recent world events and how those are informing crucial employee capabilities required in the workplace. This report is designed to help you harness the latest global capability trends to ensure that your organizational talent strategy is aligned to the current driving global forces.

What key trends are we observing in the world?

Due to human activity, we are seeing a steady rise in our world's temperatures. As a result of this global warming, every corner of our earth is experiencing unprecedented weather changes. Not only are we recording unusual weather patterns but rising sea levels, melting glaciers, increased ocean acidity, dying coral reefs, severe droughts, thawing permafrost, forest fires, even shifting mountains.¹

“Everything is interconnected. If one part of the climate system changes, the rest of the system will respond”
– Julianne Stroeve

As the frequency and intensity of unusual weather patterns are being experienced across the globe, we are seeing a surge of frustration and dissatisfaction towards governments and countries. People do not believe enough is being done to curb the negative impacts of climate change, despite the fact that 197 countries signed the Paris Agreement² (a legally binding international treaty on climate change).

Greta Thunberg, a 15-year-old Swedish schoolgirl, has been instrumental in the increased public concern about climate change. In August 2018, she spent her school days outside the Swedish Parliament calling for stronger action. She relentlessly held a sign reading Skolstrejk för klimatet (School strike for climate). Her dogged persistence brought more than 10 million people,

both young and old, onto streets worldwide demanding increased action on climate change.³

One of Greta's famous quotes⁴ includes: “For way too long, the politicians and the people in power have gotten away with not doing anything to fight the climate crisis, but we will make sure that they will not get away with it any longer. We are striking because we have done our homework and they have not.” “You lied to us. You gave us false hope. You told us that the future was something to look forward to. And the saddest thing is that most children are not even aware of the fate that awaits us.”

In the world's largest survey of public opinion on climate change, UNDP's 2020 “Peoples' Climate Vote”, reported 64% of people believe climate change is a global emergency.⁵ This survey was completed by respondents across 50 countries, reflecting the opinions of over half of the world's population. Now more than ever, people are committed to seeing and making a difference in support of climate change. There are three spheres' where people are driving change, these are:

1. Individual: Changing day-to-day actions and choices
2. Communities / Places of work: Local communities supporting global efforts
3. Government & Legislation: Holding government accountable for driving change

“Climate change is no longer some far-off problem; it is happening here, it is happening now.” – Barack Obama

¹ Carbon Brief. <https://www.carbonbrief.org/explainer-nine-tipping-points-that-could-be-triggered-by-climate-change>

² United Nations - The Paris Agreement. <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>

³ The Conversation. <https://theconversation.com/greta-thunberg-effect-people-familiar-with-young-climate-activist-may-be-more...>

⁴ India Today: Greta Thunberg. <https://www.indiatoday.in/education-today/gk-current-affairs/story/how-dare-you-greta-thunberg...>

⁵ UNDP. <https://www.undp.org/content/undp/en/home/librarypage/climate-and-disaster-resilience-/The-Peoples-Climate-Vote...>

How is climate change impacting the world of work?

Organizations now play a pivotal role in helping the fight against climate change. They have a huge influence, from pushing politicians to act on global warming, to leading new environmental regulations.⁶

Organizations need to start making bold moves towards a green economy. A green economy takes action to reduce environmental risks and ecological scarcities and aims for sustainable development without degrading the environment. It is closely related to ecological economics but has a more politically applied focus and strives to achieve harmonious interactions between both humans and nature.⁷

Those organizations making a strong commitment to climate change are not only doing the right thing, but research suggests they benefit from enhanced public perceptions and attract more investors⁸. An example of this is the multinational corporations IKEA, Unilever, Tesco, General Mills, L’Oreal, Walmart, and McDonald’s who

have signed on to the Science Based Targets initiative (SBTi). They have voluntarily set goals to lower their greenhouse gas emissions to a level comparable with the Paris Agreement, with the aim of keeping the global temperature increase to less than 2°C.

If they are not doing so already, organizations need to act quickly and decisively to address this global issue and shift our economy to clean energy. This will yield significant environmental and organizational benefits.

Where do organizations start? What skills and capabilities do organizations need to amplify to support a climate aware and engaged organization?

Organizations need to focus on raising environmental awareness and climate literacy across their workforces. To achieve this, we have identified capabilities and specialist skills which need to be embedded across three levels of your organization. These are: Individual Enablers, Leadership Capabilities, and Organizationally Strategic Imperatives.



In this report, we identify 20 of our trending capabilities specifically associated with climate change. They have been categorized under the following headings:

Individual Enablers: Curiosity, Passion, Mental Elasticity, Situational Awareness, Environmental Competence

Leadership Capabilities: Change Leader, Climate Literacy, Sustainability, Corporate Accountability, Public Affairs

Organizationally Strategic Imperatives: Climate Change Strategy, Sustainable Development, Renewable Energy, Carbon Neutrality, Impact Reporting, Agile Supply Chain Management, Supply Chain Resilience, Supplier Collaboration, Commodity Risk Management, Sustainable Procurement

We have included some reflection questions to help you evaluate the importance of each capability for your organization.

⁶ Youmatter. <https://youmatter.world/en/actions-companies-climate-change-environment-sustainability/>

⁷ Green Economics. <https://www.investopedia.com/terms/g/greeneconomics.asp>

⁸ The Conversation. <https://theconversation.com/climate-action-helps-companies-build-reputations-and-attract-investors-111303>

Individual Enablers

Employees need to ensure that they understand the effect of climate change on their organization’s operations but also on their careers. They need to pre-empt how their jobs will shift and change due to the impact of climate change. Our research has highlighted the need for organizations to help employees harness some of these critical capabilities:



Curiosity

Demonstrates curiosity and passion about making sense of the world around us. Develops a sophisticated way of thinking over time. Challenges their own perspectives constantly.



Mental Elasticity

Stretches beyond core strengths and discipline of work. Moves beyond the comfort zone and continuously updates knowledge in new areas.



Passion

Displays a strong commitment towards the organization and the achievement of its goals. Shows high spirits in just about any situation and demonstrates enthusiasm in challenging situations. Has a “can-do” attitude.



Situational Awareness

Knows what is going on around oneself in terms of the industry, organization, and team/function in which one operates. Reads and understands situations and anticipates what could happen next.



Environmental Competence

Proactively builds one’s own knowledge, skills/abilities, and attitudes/values to support the organization in being more sustainable and resource-efficient.

Reflection Questions

- Are employees encouraged and rewarded for asking the hard questions about how their organization is trying to reduce its carbon footprint?
- Are employees encouraged to make suggestions on how processes can be improved to reduce adverse environmental impacts?
- Are employees provided with relevant information as to how climate change could be affecting their jobs and how their roles could change in the future? Are they supported in upskilling/ reskilling to ensure their relevance/employability?
- Do employees understand the increased health and safety risks in their jobs due to climate and environmental changes?

Leadership Capabilities

Leaders are essential to driving change in an organization. They act as role models but are also responsible for envisioning and setting organizational strategies with the potential to address climate change. Our research has highlighted the need for increasing leadership capability in the following areas:



Change Leader

Champions new methods, systems, and processes to improve business performance. Exerts influence on changing the status quo.



Sustainability

Considers more factors than immediate profit or loss and makes business decisions in terms of environmental, social, and human impacts. Limits impacts on future generations to meet their needs.



Climate Literacy

Provides access to training for employees to raise their environmental awareness and understanding of climate change.



Corporate Accountability

Accepts and shows accountability in non-financial areas such as social responsibility and sustainability. Accepts accountability for the company's employees and community members.



Public Affairs

Engages stakeholders to explain organizational policies and views on public policy issues, assisting policymakers and legislators in amending or laying down better policy and legislation.

Reflection Questions

- Are your Leaders true advocates of environmental protection and building a green economy?
- Are your Leaders pro-active in understanding Government efforts in addressing climate change and critically reviewing organizational processes to support these?
- Do your Leaders actively engage with Government and have an open dialogue on how regulations affect their ability to operate?
- Are whistle-blowers supported and protected?

Organizationally Strategic Imperatives

Changing the hearts and minds of leaders and employees is not enough to move to a green economy. Organizations have a dual responsibility here:

1. Supporting climate change initiatives – i.e. critically evaluating and changing their systems and processes to reduce their adverse impact on the environment.
2. Responding to the potential business risks of climate change.

To this effect, our research has identified the following organizationally strategic imperatives linked to each of the above.

Supporting climate change initiatives:



Climate Change Strategy Management

Implements the methods to create an effective climate change strategy to protect and enhance the environment for future generations.



Sustainable Development

Focuses on development that is in line with current business needs without depleting natural resources and compromising the ability of future generations to meet their needs.



Renewable Energy

Identifies and utilizes energy sources that are constantly replenished naturally and do not become depleted when used.



Carbon Neutrality

Uses renewable energy and carbon offsets to achieve carbon neutrality and adopts a “zero waste” approach to business.



Impact Reporting

Communicates the difference the company makes to the people they are trying to help or to the issues the company is trying to improve in a report format.

Minimizing potential business risks *because of climate change*:



Supply Chain Resilience

Mitigates short-term risks and remains flexible to make immediate, strategic adjustments in times of turmoil.



Supplier Collaboration

Works with suppliers and builds a long-term relationship. Assists suppliers to determine improvements that can have a measurable, positive financial impact for both organizations.



Commodity Risk Management

Calculates the risk of the effect of climate change on the supply of the organization's key commodities.



Agile Supply Chain Management

Ensures supply chain is flexible and adaptive and can respond effectively to the changes in the environment, customer preferences, competitive forces, etc. thereby creating or preserving the organization's competitive advantage. Focuses on speed, cost efficiency, responsiveness, flexibility, and productivity in the production and delivery of goods.



Sustainable Procurement

Prioritizes the purchasing of products and services that do minimal damage to human lives, society, and the environment. Develops sourcing, relationship management, and risk exposure minimization strategies to reflect the organization's beliefs.

Reflection Questions

- Does your organization have a climate change strategy and does everyone understand how that affects their various functions' operations and strategies?
- Is your organization committed to having "zero waste"?
- Is the organization open and honest about the impact it is having on the environment and climate change?
- Is your organization's supply chain agile enough to easily adapt to changes in its environment and commodity availability?
- Does your organization collaborate effectively with its suppliers to ensure a mutually beneficial long-term relationship?



Passion
Impact Reporting
Change Leader
Environmental
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LEADERSHIP CAPABILITIES
ORGANIZATIONAL CAPABILITIES
Mental Elasticity
Sustainable Development
Corporate Accountability
Situational Awareness
Carbon Neutrality
Climate Literacy
INDIVIDUAL CAPABILITIES
Renewable Energy
Public Affairs
Curiosity

For more editions of the Fuel50 Capability Trends Report™ visit:
www.fuel50.com/capability-trends

Fuel50 is the AI Talent Marketplace solution that delivers internal talent mobility and workforce reskilling.

With hyper-personalized AI and a deeply embedded commitment to diversity and inclusion, Fuel50 mobilizes your talent. Fuel50's ethical AI matches your people to opportunities in real-time, automatically maps your workforce architecture, and provides deep data insights for predictive talent and workforce planning.

We believe that a deep commitment to inclusive talent practices is needed and it must start with a charter that is built into your skills architecture & organizational DNA.

Using the Fuel50 Talent Ontology™ drives more inclusive working cultures through:

- Incorporating critical D&I capabilities in all executive and manager level roles, supporting a shift of mindset from the top down
- Amplifying behavioral standards around D&I and holding leaders accountable for driving positive change
- Putting a spotlight on unconscious bias throughout the organization
- Ensuring D&I practices are present in recruitment, performance management and leadership development

The trending capabilities showcased in this report are now available for use by all our clients.

Over 80 organizations around the globe saw immediate impact since deploying Fuel50, with up to 65% increase in lateral movement, 35% increase in internal recruitment, and 60% reduction in employee churn.

Learn more: www.fuel50.com

