

Impact Engagement & Investment: How to strengthen universities to become social innovation-driven

Written by Carmen Păunescu (Bucharest University of Economic Studies, Romania), Mary McDonnell Naughton (Technological University of the Shannon, Ireland), Danijel Baturina (University of Zagreb, Croatia)

Executive statement

The aim of this policy is to ensure that Higher Education Institutions (HEIs) are focussed on social innovation initiatives. This is within the context of the ethos and philosophy of the Higher Education Institution. The nature of global challenges in the 21st century, such as the impending climate crisis, digital transformation, and socio-political shifts, places emphasis on the rethinking of their traditional roles. Universities have historically been epicentres for knowledge, innovation, thought leadership, and societal advancement. However, in the rapidly shifting knowledge economy, universities need to transition from being primarily knowledge-driven to becoming impact innovation-driven. This shift demands the synthesis of education, research, and real-world application. This policy brief aims to leverage universities' potential for meaningful societal impact through enhanced engagement, impactful innovations and purposeful investment strategies.

Key messages and recommendations:


- **Problem:** In the rapidly evolving landscape of academia and industry, Higher Education Institutions play a critical role in generating knowledge, fostering innovation, and driving societal impact. A notable call exists for HEIs to advance their societal impact by having appropriate policies and strategies in place and by continuing to develop their necessary innovation capacities. However, many universities face challenges in adapting to this changing paradigm and struggle to maximize their potential for creating meaningful societal and economic impacts. Also, the lack of capacities within the HEIs in relation to ensuring that financial funds are available, and staff have the competencies and abilities to sustain a broad range of societal impacts, that is evidenced based, is another challenge.
- **Recommendation 1:** Ensure that there is a Strategic Impact Framework embedded within the philosophy of the HEI.
- **Recommendation 2:** Engage with social financial funds for the HEIs to support the development of social innovations.
- **Recommendation 3:** Build future skills for educators within the HEIs that nurture and reflect on societal impact.

Higher education institutions in the changed world: social innovation-driven universities

Higher Education Institutions should not be distant from the big problems the world faces nowadays, but have an active role, engaged in local and global spaces, to foster and support an active, just, and sustainable society (Boni and Gasper, 2012). As Haski-Leventhal (2020:14) argued, a purpose-driven university “utilises its resources, knowledge, talent and people to continuously and intentionally contribute to the communities and the environment in which it operates: through research, education, programmes and service”. Thus, universities are

called to contribute to overcoming the 21st century challenges (Munoz Suarez et al., 2020). They are expected to clearly showcase the impact of their skills development, research, and knowledge exchange activities. Also, universities are urged to invest in smart impact-driven initiatives that address societal challenges and to become more environmentally and socially responsible. Therefore, it is essential for HEIs to assess holistically and systematically the impact of their different missions and activities on society and their contribution to sustainability (Riviezzo et al., 2020). Moreover, it is crucial for universities to understand how they can effectively catalyse key stakeholders and (new) resources to create and deploy impactful innovations.

A notable call exists for HEIs to advance their societal impact by having appropriate policies and strategies in place. There is an urgent need to enhance the capacity of universities to effectively ensure that there is a transition to become social innovation-driven institutions. Post the Lisbon Strategy in 2000, Europe aspired to become "the most competitive and dynamic knowledge-driven economy" (European Council, 2000). Renewed European Union agenda for higher education (European Commission, 2017) focuses, among other, on making higher education widely accessible and more inclusive and boosting the innovation capacity of higher education. The European Commission's emphasis on the European Green Deal and the Horizon Europe program underscores the Union's direction: a sustainable, inclusive future driven by innovation. Social development goals highlight the need for reorientation of sociality towards sustainable development. Higher Education Institutions were perceived as crucial nodes in achieving this vision. Economic, political and social changes have taken place in the university sector contributing to mainstreaming social responsibility principles (Larrán and Peña, 2017). The concept of university social responsibility unifies the commitment that it acquires to fulfil the expectations of the different groups in their economic, social, and environmental functions (Meseguer-Sánchez, et al., 2020). The roles of universities in society have changed and that is putting increasing pressure on university management to develop strategies and deploy measures to strengthen universities to become social innovation driven.

“ Quotes of people in your target audience who support your recommendations work well. ” 

Social innovation-driven universities: insights from the work of WG2 “Higher Education Institutions, social change and transformation”

The challenge of strengthening universities to become social innovation-driven can only be achieved by working collaboratively and learning from the wide variety of actors and their networks, across societal sectors, disciplines, and borders. The book *Social Innovation in Higher Education: Landscape, Practices, and Opportunities* produced by the Cost Action SHIINE analyses how higher education innovation assists societal challenges and investigates the benefits of effective social innovation engagement by HEIs (Păunescu, Lepik & Spencer, 2022). It offers interesting insights on how the HEIs can further develop their third mission and enhance their role as a driver of social change towards the paradigm of purpose-driven university (Baturina, 2022). It also gives insights about how HEIs promote social innovation and suggests how the present system can be improved (Dryjanska, Kostalova & Vidović, 2022; Lepik & Urmanavičienė, 2022).

McDonnell-Naughton and Păunescu (2022), for instance, argue that fostering community-based learning that leads to social change and inclusion is critical for HEIs. Their work discusses the spheres of influence for enhancing social innovation in higher education and the varied facets of social innovation in HEIs (Table 1). Additionally, Păunescu, Nikina-Ruohonen and Stukalina's study (2022) analyses the dimensions of societal impact of research produced by HEIs and introduces a framework for managing research with societal impact in HEIs (Table 1). Analysis of the possibilities of using financial instruments, such as social impact bonds, for additional funding of HEIs aimed to create impact, is another study presented in the book (Konovalova, 2022).

Other research conducted by the Cost Action SHIINE WG2 members also contributed to a better understanding of activities of universities towards becoming social innovation-driven. For instance, Păunescu et al. (2022) showed that the HEIs are expected to play a significant role in designing the local, regional or country innovation

agenda. Establishment of varied academic settings, such as community innovation labs (Păunescu et al., 2022), social labs (Urmanaviciene et al., 2022) or social innovation programs (Svennevik & Saidi, 2022), that engage networks of people and multi-disciplinary teams, and catalyse sustainable and creative approaches to drive systematic change, is vital for the HEIs.

Table 1. Spheres of impact and social innovations for the HEIs

Sphere of impact	What	How
Scientific	Knowledge products, thinking tools, business models relevant to the SDGs	Articles, books, citations, case studies, textbooks, theories, decision-making tools, guidelines, industry reports, business models, webinars, research networks, social financing funds
Economic	Products, services, processes, practices relevant to the SDGs	New products/services, new technologies, jobs created/protected, knowledge transfer partnerships, industry networks, impact investment funds
Social	Societal welfare and well being	Social activism, social equality, service to community, volunteering, welfare, wellbeing, (digital) inclusion, public behaviour, social policy changes, happiness
Education	Teaching and learning strategies and tools	Problem-based learning, work-integrated learning model, learnings communities, story-crafting, service learning, experiential learning trip, remote student learning, online platforms, social innovation programmes, MOOCs, multidisciplinary learning, webinars, flexible lifelong learning, social finance
Knowledge diffusion	Sustainability development knowledge creation and transfer	Incubators, social labs, policy labs, business portals, hubs for local development, collaborative spaces, spin-offs or start-ups
Cultural	Impacts on behaviours, beliefs, and values	Channels of communication, reviews in the media, testimonials, citations in reviews outside academic literature, culture of social innovation
Practical	Impacts on practitioners and professional services	Communities of practice, change to professional standards, codes of practices, protocols, performance appraisal systems, local networks
Public policy	Impacts on public policy and law	Solutions to matters of public concerns, change to existing policies, policy briefings, citations in policy, partnership agreements, consultancy
Environmental	Avoidance of harm or the waste of resources	Solutions to environment related issues, changes to environmental policy, energy efficiency solutions
Quality of life	Impacts on the individual, collective and community welfare	Opportunities for self-development and self-management, collaborative structures and spaces, (virtual) community connections and celebrations

Source: Adapted after McDonnell-Naughton and Păunescu (2022) and Păunescu, Nikina-Ruohonen and Stukalina's study (2022).

Recommendations

Recommendation 1: Ensure that there is a Strategic Impact Framework embedded within the philosophy of the University.

This recommendation calls for the integration of a Strategic Impact Framework into the university's philosophy and operations, providing a clear direction and purpose for the institution while fostering transparency, accountability, and continuous improvement. A successful Strategic Impact Framework prompts the HEIs to:

- **Revise academic metrics:** Beyond the traditional scientific metrics, introduce impact metrics that measure societal change, contribution to community development, social welfare, service to humanity, civic engagement, changes to social/ environmental policy, among other.
- **Incorporate real-world problem solving in curricula:** Ensure that all educational programmes leading to an award embed the concept of community engagement and real-world social problem-solving that gives rise to social innovations. Promote experiential learning, such as service learning, ground learning, learning trip, story-crafting, or self-directed field practicum.
- **Promote multi-disciplinary research:** Encourage inter- and multi-disciplinary collaboration to tackle complex societal problems and create incentives for researchers from diverse fields to work together on projects with potential for high social impact.
- **Engage with communities:** Devise new methods to engage with local and regional communities to meet societal needs and demands. Bridge the gap with the local community and enrich development through education, focused research, volunteering, and other activities specific to their region.
- **Exchange and diffuse learning:** Ensure the transfer and exchange of knowledge and learning across educational areas, societal sectors, ecosystem actors, disciplines, and borders. Establish incubators, social innovation labs, collaborative platforms, hubs for local development, among other.

Recommendation 2: Engage with social financial funds for the HEIs to support the development of social innovations.

HEIs need to ensure a broad range of sustainable sources of funding for teaching, learning, research, and community engagement. These sources of financing can extend from government and municipal funding, student fees, bank loans, up to alumni fundraising, philanthropic foundation funding or social impact bonds, among other. Engagement with social financial funds for the universities will enable them to support the development of social innovations that lead to societal impact. This prompts the HEIs to:

- **Introduce social impact investment funds:** Establish or collaborate with impact investment funds. These funds can support social innovation labs, social ventures, and social entrepreneurship from the academic community that focus on solutions with tangible, just societal benefits.
- **Leverage European Union funding for (social) impact innovation:** Engage with various types of social financial funds for the HEIs made available by European Union.
- **Educate the students on impact investing:** Provide the students on the ground learning experiences, on how to create measurable, beneficial, social and/or environmental impact and understanding of the financial returns on socially and environmentally driven ventures.
- **Ensure supportive leadership:** Ensure there is a team at the senior management level that works on the engagement with social financial funds and other innovative financial instruments and supports the process.

Recommendation 3: Build future skills for educators within the HEIs that nurture and reflect on societal impact.

Faculty and staff should be regularly trained in impact engagement, understanding of social trends, societal challenges, emerging innovations, and ways the social innovations can be developed. This ensures that teaching, learning and research in the university remain relevant and actionable. Therefore, HEIs are prompted to:

- **Ensure continuous faculty development programmes in impact engagement:** Strike for training and continuous education and learning of HEIs' educators on social impact innovations, impact engagement, and understanding of societal challenges and changes. Facilitate inter/multidisciplinary collaboration and reflection on social impact innovations that contribute to the Sustainable Development Goals (SDGs) achievement.
- **Build future skills for junior educators:** Ensure continuous professional development of junior educators in impact engagement to help them develop future skills that sustain and enhance societal development. Actively engage them in gaining and exchanging knowledge to advance meanings, while collaboratively and flexibly working in teams and interacting with senior educators.

Acknowledgements

This policy brief is based upon collaborative work from COST Action “Multi-disciplinary Innovation for Social Change”, WG2 Higher Education Institutions, social change and transformation, supported by COST (European Cooperation in Science and Technology).

We would like to extend our thanks and appreciation to the following experts who have contributed with their insights to this policy brief: George Papadopoulos (University of Cyprus, Cyprus), Klodiana Gorica (University of Tirana, Albania), Yulia Stukalina (Transport and Telecommunication Institute, Latvia), Anatoliy Goncharuk (NLA University College, Norway), Vladislav Kaputa (Technical University in Zvolen, Slovakia), Muhammet Berigel (Karadeniz Technical University, Turkey).

More information

Baturina, D. (2022). Pathways towards Enhancing HEI’s Role in the Local Social Innovation Ecosystem. In: Păunescu, C., Lepik, KL., Spencer, N. (eds) *Social Innovation in Higher Education. Innovation, Technology, and Knowledge Management*. Springer, Cham. https://doi.org/10.1007/978-3-030-84044-0_3.

Boni, A., & Gasper, D.R. (2012). Rethinking the quality of universities: How can human development thinking contribute?. *Journal of Human Development and Capabilities*, 13(3), 451–470. doi:10.1080/19452829.2012.679647.

Dryjanska, L., Kostalova, J., & Vidović, D. (2022). Higher Education Practices for Social Innovation and Sustainable Development. In: Păunescu, C., Lepik, KL., Spencer, N. (eds) *Social Innovation in Higher Education. Innovation, Technology, and Knowledge Management*. Springer, Cham. https://doi.org/10.1007/978-3-030-84044-0_6.

European Commission (2017). Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on a renewed EU agenda for higher education, Brussels.

European Council (2000). Lisbon European Council 23/24 March 2000—Presidency Conclusions.

Haski-Leventhal, D. (2020). *The purpose-driven university: Transforming lives and creating impact through academic social responsibility*. Emerald Publishing Limited. doi:10.1108/9781838672836.

Konovalova, N. (2022). Possibilities of Social Bonds Using to Finance Higher Education Institutions. In: Păunescu, C., Lepik, KL., Spencer, N. (eds) *Social Innovation in Higher Education. Innovation, Technology, and Knowledge Management*. Springer, Cham. https://doi.org/10.1007/978-3-030-84044-0_14.

Larrán Jorge, M., & Andrades Peña, F. J. (2017). Analysing the literature on university social responsibility: A review of selected higher education journals. *Higher Education Quarterly*, 71(4), 302-319.

Lepik, KL., & Urmanavičienė, A. (2022). The Role of Higher Education Institutions in Development of Social Entrepreneurship: The Case of Tallinn University Social Entrepreneurship Study Program, Estonia. In: Păunescu, C., Lepik, KL., Spencer, N. (eds) *Social Innovation in Higher Education. Innovation, Technology, and Knowledge Management*. Springer, Cham. https://doi.org/10.1007/978-3-030-84044-0_7.

McDonnell-Naughton, M., & Păunescu, C. (2022). Facets of Social Innovation in Higher Education. In: Păunescu, C., Lepik, KL., Spencer, N. (eds) *Social Innovation in Higher Education. Innovation, Technology, and Knowledge Management*. Springer, Cham. https://doi.org/10.1007/978-3-030-84044-0_2.

Meseguer-Sánchez, V., Abad-Segura, E., Belmonte-Ureña, L. J., & Molina-Moreno, V. (2020). Examining the research evolution on the socio-economic and environmental dimensions on university social responsibility. *International Journal of Environmental Research and Public Health*, 17(13), 4729.

Muñoz-Suárez, M., Guadalajara, N., & Osca, J.M., 2020. A comparative analysis between global university rankings and environmental sustainability of universities. *Sustainability*, 12(14), p.5759.

Păunescu, C., Lepik, K.L., & Spencer, N. (2022). Introduction: An Overview of the Research. In: Păunescu, C., Lepik, KL., Spencer, N. (eds) *Social Innovation in Higher Education. Innovation, Technology, and Knowledge Management*. Springer, Cham. https://doi.org/10.1007/978-3-030-84044-0_1.

Păunescu, C., Nikina-Ruohonen, A., & Stukalina, Y. (2022). Fostering Research with Societal Impact in Higher Education Institutions: A Review and Conceptualization. In: Păunescu, C., Lepik, K.L., Spencer, N. (eds) Social Innovation in Higher Education. Innovation, Technology, and Knowledge Management. Springer, Cham. https://doi.org/10.1007/978-3-030-84044-0_8.

Păunescu, C., Ruohonen, A., Spencer, N., & Vavură, N.M. (2022). Management framework for higher education institution-based community innovation labs. *Management & Marketing*, 17(s1): 364-380. <https://doi.org/10.2478/mmcks-2022-0021>.

Riviezzo, A., Napolitano, M.R., & Fusco, F. Examining the Role of Entrepreneurial Universities in Regional Development Along the Pathway of University Missions: A Systematic Literature Review of Performance Indicators 2020. doi:10.4018/978-1-7998-0174-0.ch002.

Svennevik, E.M.C., & Saidi, T. (2022). Social innovation-as-practice: establishing a social innovation program at a university. *Management & Marketing*, 17(s1): 402-425. <https://doi.org/10.2478/mmcks-2022-0023>.

Urmanaviciene, A., Kostalova, J., Baturina, D., Krzyworzeka, P., Budrytė, P., & Lepik, K.-L. (2022). Were Social Labs immune to COVID-19? Impacts and benefits. *Management & Marketing*, 17(s1): 381-401, <https://doi.org/10.2478/mmcks-2022-0022> .