

# WORKPLACE INNOVATION AS AN IMPORTANT DRIVER OF SOCIAL INNOVATION

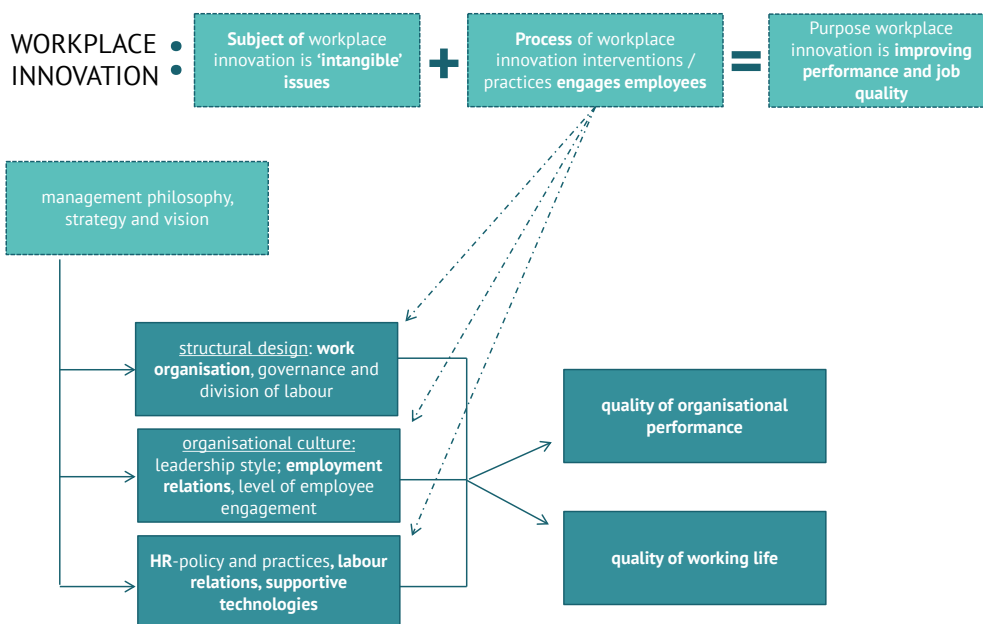
The project SI-DRIVE “Social Innovation: Driving Force of Social Change” includes a specific practice field within the policy domain of Employment, namely Workplace Innovation. Workplace Innovation can be positioned at the level of organisations and companies, where it has a significant effect on the participation of employees, the quality of their jobs, and the sustainable employability of the labour force.

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## WORKPLACE INNOVATION

Workplace Innovation (in short WPI) is about two things: the process of innovation and the subject of innovation. The process of WPI is to engage and involve employees when the organisation develops or implements renewal and change. This ‘bottom up’ approach means that employees have a say in the process. The subject of innovation is not so much the new product, service, business model or technology, but the renewal and improvement of ‘soft’ and ‘intangible’ issues. For example work organisation (good job design, self-managing team work), human resource management (measures that engage employees), labour and employment relations (that enhance employee

commitment) and supportive technologies (not ‘steering and controlling’ technologies). The purpose of WPI is to contribute to organisational performance (efficiency, competitiveness and innovative capability) and quality of work (productive, healthy and meaningful jobs) simultaneously. WPI thus enables an organisation to adapt to new circumstances and to adopt new technologies, by making better use of human talents and capabilities. The figure on workplace innovation combines the subject and process of workplace innovation. Often management starts to initiate renewal. Modern managers engage employees in the process of developing and implementing interventions and practices. Such cooperation ensures to strive for gains for both the organisation and its employees [1].



## LINK WITH SOCIAL INNOVATION

Social Innovation addresses social needs by social means. ‘Social’ in the context of WPI refers to non-technical innovations and emphasizes good quality jobs and employee participation [2]. Social Innovation assumes that people in need take the initiative to address social problems. But people only start doing this when they are empowered, and one condition that ensures such initiatives is when people have meaningful work. Participation through work enables participation in society. Such participation is designed via WPI – as employee engagement and involvement – through the process of bottom up innovation.

## WORKPLACE INNOVATION IN PRACTICE

Although WPI can take many forms, its hallmark is employee engagement – a supportive organisational culture – and employee involvement – decision latitude for employees. Two examples of the 2015 Eurofound report on Workplace innovation in European companies [1] will make this clear.

### Leadership as a basis for WPI

“We want this to be a business where views are listened to and where communications are open and honest. We also want this to be a workplace where positive ideas are encouraged and where achievements are celebrated” says the Head of HR of an Energy producing company in the UK. The introduction of Open Forums replaced the previous company-wide meetings and suggestion schemes which had struggled to stimulate open and constructive dialogue and feedback. The CEO’s open leadership creates trust and employees feel confident about the future. According to one employee: “It is interesting isn’t it, you go to the Open Forums and people will say what they think and absolutely nobody will turn round and go, I can’t believe he said that. (...). That’s really empowering I think.”

### Partnership with unions as a firm ground for WPI

In a Danish Service organisation organisational changes are discussed by the manager and the union representatives. They have a partnership and value each other’s opinions. The implementation approach consisted of a number of steps: 1) management took initiative, 2) external consultants supported the process, 3) experiments were conducted (e.g., a work team tested new meeting practices), 4) ‘invitation’ to share the same knowledge for all by training, and 5) implementation of the practices. No rigorous evaluation was done but adjustments were made along the way. Both management and employees

believe that it is important to design the process in a manner that creates ‘enthusiasts’ amongst the employees. The union representative explains: “It gives a huge boost to the company that we work together to create a great workplace”. The employees believe that, even though management determines the direction, they have to have the trust to be able to discuss it: “It should be perfectly legal to say our outspoken opinion to our manager – and it is. There may well be disagreement, but you have to be able to discuss things” (employee).

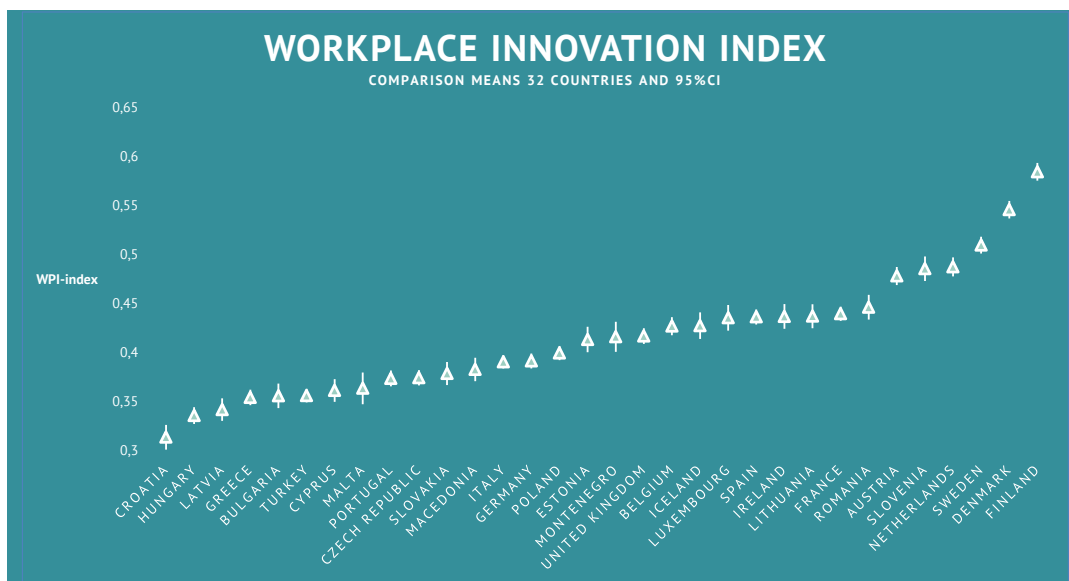
The Eurofound report presents cases of implemented WPI-interventions that range from organisational structure changes to modifications of culture through behavioural changes. Most examples are driven by the desire to improve the quality of work and performance simultaneously. And most have chosen a bottom up approach to implement those changes.

This report examines the motives behind the adoption of WPI and describes its implementation across companies in Europe. It analyses the impacts of WPI from the perspective of the different players – organisation, management, employees and employee representatives – in 51 companies across 10 EU Member States. The analysis reveals that while there is significant variation in the types of WPI practices in companies, the process of why and how these practices are implemented shows considerable similarity. While the reasons for introducing WPI are mainly related to enhancing efficiency, competitiveness and innovation, one positive result seems to be to strengthen the position of employees and employee representatives. As a result, WPI outcomes often lead to both enhanced economic performance and a better quality of working life for all concerned [1].

## WORKPLACE INNOVATION ACROSS EUROPE

What constitutes an organisation as one with a ‘workplace innovation quality mark’? According to most WPI definitions [3] such an organisation has a ‘work organisation’ where job autonomy and self-management flourish. They have an ‘organisational culture’ where learning, trust and involvement are made effective. Their ‘structure and systems’ support equality, reduce organisational walls and ceilings and foster integration of activities and goals. And, finally, the ‘relational coordination’ mirrors dialogue, honest communication and involvement in change.

The European Company Survey of Eurofound measures several characteristics of these elements and this enables the construction on a ‘workplace innovation index’: a measure that informs about the level of WPI-maturity of



companies. For this purpose several variables were selected from the Survey that, e.g., measure the engagement and involvement of employees and the presence of job autonomy [4]. Using the WPI index, EU countries (including Montenegro, Macedonia and Turkey) can be ranked (see graphic on the average WPI maturity across organisations in Europe).

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With the average score between United Kingdom and Belgium, one can, roughly speaking, observe that Scandinavian countries and many parts of Western-Europe accommodate most WPI-mature companies. These countries have the longest traditions of social dialogue and worker-management-cooperation.

## CONCLUSION: MAKE MORE USE OF WPI

The empirical facts to date about Workplace Innovation reveal a high potential to both making organisations more innovative and productive, and at the same time crafting jobs where people can become participative in Social Innovation at the organisational level. Yet, there is a world to win if one considers that the Eurofound study's background indicates that only 5 to 10% of European companies have reached a high WPI-maturity level. In recent years the EU has opened up pathways to WPI by integrating it into their programmes on research, innovation and social improvement, and also as part of their innovation policies, namely complementing technological innovation with WPI [3][5]. In alignment with the underuse of WPI, the EU innovation policies are regrettably dominated by technological and business model innovation. The potential of WPI is not limited to the level of organisations, but WPI can also contribute in alleviating societal issues of unemployment, employee representation and social dialogue, and social cohesion. One major initiative to pave the path has been EUWIN (European Workplace Innovation Network), which disseminates state of the art knowledge about WPI. A next step is for practice to learn from the many examples in their ever-growing knowledge bank [6].

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