# European Journal

# of

# Workplace Innovation

# EUROPEAN JOURNAL OF WORKPLACE INNOVATION

The European Journal of Workplace Innovation (EJWI) is an open-access, net-based, peer reviewed and English-language journal. The Journal invites research-based empirical, theoretical or synoptic articles focusing on innovation and workplace development. The aim of the journal is:

- To develop insights into workplace innovation
- Provide case studies from Europe as well as comparative studies from other continents
- Develop and present new theories in the field of workplace innovation
- To increase international publication within the field
- To become an important publication channel for workplace innovation researches as well as the international research community

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# Editorial: Why a European Journal of Workplace Innovation?

Øyvind Pålshaugen

## Introduction

The expansion of the 'field of innovation' that took place during the last quarter of the last century has in this century become almost overshadowed by the 'field of innovation studies'. What, then, is the rationale for launching EJWI in this new field? The name informs you that this new journal will address issues of innovation. In particular, it will address the kind of issues that arise from the simple and fundamental fact that innovation takes place at workplaces. This opening article will present the editors' perspectives on *why* there is a need for a journal, and on *how* to meet this need.

The field of innovation studies may rightly be called a 'new scientific field' (Fagerberg and Verspagen 2009). This field has not emerged in the form of a new scientific discipline. Rather, the field of innovation studies is characterised by multi- and cross-disciplinary approaches. Innovation studies are largely undertaken by research centres and research programmes that are not based on the traditional academic division of labour among scientific disciplines. In this way, the field of innovation studies shares some of the characteristics of the more established field of organisation studies, and e.g. feminist studies or cultural studies. In this way, "the development of innovation studies as a scientific field is part of a broader trend (…) that blurs traditional boundaries and challenges existing patterns of organisation within science (including social science)" (Fagerberg and Verspagen 2009: 218).

This broader trend, which challenges traditional forms of social science, also includes the increasing demand on social research to have some *practical impact* on its field of study. The rapid growth of the field of innovation studies throughout the last decades is part of, and partly caused by, the increased emphasis on innovation policy in Western countries. This emphasis has in turn been reinforced by theoretical and empirical results from innovation studies. In this way, there is a kind of 'social contract' between innovation policy and innovation studies at an overall societal level. In return for the investment in innovation studies, research that contributes to improving the conditions for, and practice of, innovation is expected.

This expectation means an increased demand on the social sciences engaged in the field of innovation studies. These are expected to contribute not only to developing new knowledge on innovation, but also to new practices of innovation. This demand has to be met in different ways, at different levels of innovation, and by different forms of innovation practice. Thus, it can be met by many kinds of research approaches.

However, no approach will be capable of meeting the demand of practical relevance in a way that will be useful at all levels of innovation policy, or to all forms of innovation practice. There is an obvious need for complementary approaches in the field of innovation studies. In this sense, this field is in need of *pluralism,* regarding both the approaches of research and the research policy to support these. EJWI aims to promote such pluralism. This plea for pluralism, however, is not a request for something like an "anything goes" attitude. What we need is rather a combination of an open and a critical attitude. To specify what that might mean, we have to take a brief, critical look at some general aspects of research practices in the field of innovation studies.

**How innovation studies contribute to theoretical and practical results from research**

Common to all approaches that want to make themselves acknowledged as research approaches relevant in the field of innovation studies, is that they have to legitimise their relevance, in terms of their ability both to produce general scientific knowledge, and to produce knowledge that somehow is useful in practice. These are pretty strong demands, especially when taken together, as is the case in the field of innovation studies, at least in principle.

Some find that ideally, these requirements should be met by means of the one and same process of knowledge generation. There are two quite different types of research approach that claim to be able to realise this ideal. These two types may be placed in each end of a common axis. At the one end you will find the most 'purely theoretical' approaches, which claim that scientific knowledge from social research is inherently actionable, insofar it has general validity. At the other end, you will find the type of approaches that are based on some kind of practical co-operation with actors in the field (action research), and which claim that interactive relations between researchers and actors in the field are a condition for the creation of knowledge that is both actionable and valid.

Between these two poles, there is a wide range of approaches that do not claim to be able to deal with the request for both theoretical and practical results by one and the same methodology. Most of the research approaches within the field of innovation studies have a more pragmatic attitude to this demand. The most common way to deal with it is to consider it primarily as a question of *mediation*. From this pragmatic perspective, the purpose of the research process is to produce new knowledge, and the practical impact of this new knowledge is to be obtained by processes of mediation. Accordingly, this is the conventional division of labour within most research milieus. It is conventional wisdom that the task of mediating research results is a task to be dealt with after the research process is completed, and not as a part of it.

It has to be added that this conventional strategy of mediation has been rather successful within the field of innovation studies, considering the impact that results from social research on innovation seem to have had on the development of innovation policy throughout recent decades. The development of innovation policy, from focussing on research-based, radical innovation to a broader perspective, focussing on innovation as something that takes place within larger social systems, based on a number of factors and on experience-based as well as research-based forms of knowledge, is partly a result of the impact of (the field of) innovation studies. This impact is not to be regarded simply as a result of the scientific knowledge produced in this field; it is indeed a result also of the mediation of this knowledge: to a large extent carried out by innovation researchers, in a number of channels, arenas and forums.

Thus, the question of impact is most commonly considered, not as a task of research, but as an additional task for (some) researchers. Accordingly, the ambition of incorporating the demand for both theoretical and practical results into the research methodology is not very common in the field of innovation studies. However, the more extreme types of approaches mentioned above (which have this ambition), and the more common approaches to innovation studies, nevertheless have something in common. They all tend to consider *research methodology* as something that warrants the validity, or the scientific quality, of the research results. What differs is the extent to which they consider the demand for practical results of research projects to be relevant for questions of research methodology, and in what way.

**How do innovation studies legitimate their scientific quality and practical relevance?**

This 'tacit consensus', among approaches that in many other respects are quite different from each other, and which are not just complementary but competing and even conflictual approaches, may appear pretty obvious. Both to the common researcher, as well as to the 'common man', it appears almost self-evident that the use of scientific methods is what makes knowledge generated by research fulfil the requirements for being considered scientific knowledge. However, from within the scientific community we also know very well that a minimum requirement is for a research project to fulfil the requirements for being able to producing scientific knowledge. What counts, both when judging an application for project funding, and in particular when judging the outcome of a project, is the 'scientific quality'.

The scientific quality may be judged 'low' or 'high', or anything between. When a social research project succeeds in producing results in the form of publications that are judged to have high scientific quality, this success is not just a function of the research methodology applied in the project. The intellectual and creative work of generating new insights and knowledge through the processes of analysing and reflecting upon the material, and the processes of writing a comprehensive scientific presentation, are the kinds of effort that usually make the difference between mediocre scientific works and works of higher scientific quality. We also know that different approaches of social research may differ quite a lot regarding to what extent they allow for such intellectual and creative efforts, in the process of generating new scientific knowledge.

Against this background, the 'tacit consensus' among the various research approaches within the field of innovation studies, on the need for any approach to have a coherent research methodology, appears to be a 'strategic consensus' rather than a real agreement. The main reason for this we probably find in the above-mentioned demand for *both* theoretical and practical results from innovation studies. Research approaches that are clever in contributing to practical results, but not in generating new knowledge, are to be aligned with consultancy agencies; and approaches that are clever in generating new knowledge, but with no practical impact, appear to be only of 'academic interest'.

Therefore, a challenge common to all kinds of approaches that want to be acknowledged as worthy of public (or private) funding within the field of innovation studies, is that they cannot legitimise their relevance by pointing at results, *either* in the form of theoretical knowledge *or* in the form of practical impact. Any approach has to legitimise its relevance along both theoretical and practical dimensions.

To cope with this 'double set' of demands to research approaches, the most common strategy has become to legitimise the capability of generating scientific knowledge by advocating a coherent research methodology. The strategies for legitimating that the scientific knowledge also is *useful knowledge* are more varied, but as we have seen, the most common is some strategy for *mediation* of scientific knowledge.

Whether the most common strategy of mediation is also the best one may be questioned, but we will leave this question here. Our concern in this editorial regards the common strategy of legitimising the scientific quality of one's research approach in its research methodology: that is, its theoretical framework and the associated methods of collecting and analysing data. This strategy works well vis á vis the research funding institutions, but does it work that well within the research community?

## Consequences of using research methodology as the legitimacy base of approaches

One unintended consequence of this strategy is that it *reinforces* some already prevalent tendencies within the communities of social research, and the scientific community in general. Firstly, it reinforces the well-known tendency of any particular approach of social research to *defend* its own research methodology, when questioned or challenged by other approaches. Secondly, it reinforces the tendency that most development of research approaches takes place inwards, so to speak, by developing new theoretical and methodical elements that aim at both expanding the approach and making it more comprehensive (not to say 'hegemonic'). Finally yet importantly, it strengthens the tendency to lack communication, and co-operation, across approaches of different kinds.

All these tendencies work together to form specific kinds of path-dependencies within each particular approach. The field of innovation studies as a whole suffers from these co-existing approaches, that create paths in the field which seldom cross other paths and allow for conversations at the cross-roads. Under these circumstances, the conditions for improving and increasing the theoretical and practical impact from innovation studies in the field of innovation are far from optimal.

Thus, there is a need for pluralism in the field of innovation studies, not only with regard to allowing for and stimulating the co-existence of different approaches. There is also a need for a kind of pluralism *within each approach*, and within the research projects undertaken by/from various approaches. The development and use of more flexible research methodologies, that is, a greater multitude of theoretical perspectives and a greater multitude of methods, *within* (and across) all approaches would certainly enhance the conditions for designing research projects whose outcome might have both higher scientific quality and higher relevance/practical impact. This thesis is a main element in the rationale of launching EJWI, and we will elaborate it a bit more.

## On understanding the larger totality and the need for a larger conversation

As already stated, EJWI will emphasise the focus on 'workplace issues' in innovation research. Among the reasons for this is that we find that in the discourse on innovation policy, and in innovation studies today, many workplace-related aspects of relevance to understanding and improving the conditions for, and processes of, innovation are somewhat neglected. For example, many scientific publications based on some kind of 'innovation system' approach still tend to display rather 'distant' perspectives on the importance of the dynamic and the events at the workplace level, regarding theoretical, empirical and practical issues.

This of course does not mean that workplace-oriented studies of innovation should mean a *narrow* approach, expected to focus solely on the multitude of empirical factors and events that takes place within workplaces. A systemic approach is indeed required also when studying workplace issues related to innovation. However, a *systemic approach* to innovation studies is not to be equated with, or confused with, an *innovation system* approach (be it NIS or RIS).

Rightly, innovation system approaches usually represent some kind of comprehensive approaches to innovation studies. Nevertheless, the 'empirical' studies undertaken by any of these approaches, of course, do not comprehensively include an overall knowledge of all factors and aspects that may be of relevance for generating an adequate understanding of the innovation system which is the subject of study.

In general, there is always the risk that innovation system approaches, because they are founded on *substantial* perspectives on what are the general features of the system under study, may miss opportunities to glimpse *other substantial aspects* than those that in principle are comprehended by the general perspectives that makes up the theoretical framework of an approach. Some of these aspects might be of crucial importance to an adequate understanding of what really takes place in the actual innovation system, but an innovation system approach may nevertheless systematically exclude them. This is why it is important to remember that systemic approaches in innovation studies are not to be identical to, or limited to, innovation system approaches.

This means that when we presume that all kinds of innovation somehow take place at workplaces, we by the same token presume that any workplace is part of a larger totality. Therefore, it is not possible to generate scientific knowledge on innovation that takes place at workplaces without taking this larger totality into consideration. However, we do *not* presume that any systemic approach to innovation studies can claim to offer a total overview.

What kind of systemic approach would be most apt in each particular study is thus dependent on the kind of *issues* of innovation we are studying, and on what may be adequate ways of *conceptualising the larger totality* of which these issues is a part. There is a mutual dependence between what aspects of innovation are to be focussed at the workplace, and what aspects of the larger totality are necessary to consider and understand. Therefore, there are no necessary preconceived conceptions of the larger totality that would be adequate to any particular research project.

Thus, a preconceived system theory of the larger totality within which innovations take place will not necessarily work as a general framework for generating scientific knowledge of all relevant aspects of this totality. This is why there is a need for a more flexible research methodology. In other words, there is a need for a pluralistic attitude, which allows us to draw on those theoretical perspectives and practical methods that are required by the kind of issues that are studied: regardless of whether the perspectives and methods are building blocks in, or part of, any particular approach. In this way, the generation of a scientific understanding of the larger totality that e.g. innovation at the workplace level unfolds within, requires participation in a larger scientific conversation among different approaches to innovation studies.

**And then, why EJWI?**

Against the background sketched above, EJWI aims to publish articles that contribute to the creation of knowledge on workplace-related issues of innovation that unfold within some kind of totality, a totality that no research approach can claim to fully overview. For these reasons, EJWI will advocate pluralism within innovation studies: a pluralism that is not just a question of the scientific attitude towards other approaches, but also a question of a critical attitude to one's own approach.

As will be understood by our readers, and by our writers, advocacy of this kind of pluralism will not mean an uncritical 'anything goes' publishing policy. For sure, we have no predetermined views on what content and form of articles will be most suitable to match, or outbid, the aims of EJWI in this respect. EJWI is literally and metaphorically open for any new contribution. However, we will indeed take on the efforts necessary to make critical judgements of whether the contributions written and submitted to be published in EJWI are also a contribution to the larger conversation among researchers from different approaches to innovation studies.

This conversation, and the contributions to it, may deal with any issue, ranging from empirical details, via system models, to critical theory of science. However, what might unite the diverse kinds of contributions, and justify their publication, would be that they aim at a better understanding of any subject of innovation that in fact has to be studied as part of a larger totality in order to be adequately understood. This is regardless of, or rather because of, the fact that no approach and no study will comprise a full understanding of the larger totality that is invoked as the context of any particular text that is published. Nevertheless, any text may profit from being part of this larger conversation.

### And how?

The ambition of EJWI to contribute to this larger conversation is not based on some simplified notions of what it means, and what it requires to realise it in our practice of publishing. Rather the opposite: this ambition is rooted in long-term experiences with the difficulties of making such conversations happen. For the very same reasons, the ambition is based on the acknowledgement of the *need* to improve the conditions for such conversations within the scientific community, and in its interfaces with the public sphere.

Today, when the abundance of scientific journals is so large that it is no longer the subscription to any particular journal, but the purchase of 'packets' of innumerable number of electronic journals which has become the standard practice of scientific institutions, it may appear somewhat untimely to launch a new journal that is based on the ambitions sketched above. As a means of scientific conversation, journals are only exceptionally approached or looked into because of the editor's intention or ambition with the journal. Searching articles by means of keywords, regardless of in which particular journal the searched article is published, has become the current mode of seeking 'conversation partners'. Moreover, articles are often searched not for the purpose of 'conversation' but to be added to the reference list in someone else's publishing activity.

However, these are the conditions of scientific conversation today. As indicated by the etymology the very concept of *journal* (and by the synonymous expression *Zeitschrift*), a journal has to be "á jour" with the contemporary conditions of a public conversation in its field. We find that an open access journal fits quite well into these conditions. EJWI's ambition is to contribute to, and stimulate, a larger conversation on workplace-related issues of innovation. The articles to be published in this journal therefore will address a larger audience than those whose research efforts are dedicated to pursue just a particular approach, 'strand' or 'school' within innovation and workplace-oriented research. The principle of 'open access' means that EJWI is most easily accessed by those who will take an interest in participating in this conversation. Thus, the most important task for the editors is to make sure that the articles we publish really are *interesting* to those who would like to participate.

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Hans Christian Garmann Johnsen

Workplace innovation has developed as a topic over many years, and is connected to different historical and theoretical discussions. Political and ideological conditions have, to various extents, been favourable to this development. The issue is also how to define workplace innovation in relation to other initiatives and perspectives on innovation. One might also ask if this is a typical European phenomenon, or whether it requires a certain perspective on politics in general. The contributions to this issue of EJWI have in common that they try to define what workplace innovation is and should be, and link it to the history of workplace development and the workplace development discourse.

Starting from the work of F. Taylor, Dhondt argues for a workplace innovation concept that is broad, in the sense that it goes beyond micro sociological processes at the workplace. It is rather a concept that asks for a renewal of the understanding of work and workplaces. New business models, if you like. This new model should take a broader set of objectives into account, inequality, integration of organisation and environment and acknowledgement of the intangible aspects of business. It should create a new dialogue between organisational economics, organisational sociology and organisational psychology. It should go beyond business concepts such as dynamic capabilities or organisational capital. It should take a new look at the socio-technical tradition.

Gustavsen takes the history of workplace development programmes in Scandinavia as a point of departure. He argues that democratic dialogue is needed in order to address the current challenges in work life. His argument is that dialogue is something beyond business model and concepts. It is a reflective capacity to see and integrate a wide set of experiences. In fact, the Scandinavian models which are seen as rather successful in promotion and leading innovation did not appear by design. They gradually developed because of the conditions for dialogue. Gustavsen further argues that conditions for dialogue at the workplace are better today than ever, because of the relative peacefulness in work life. Only this dialogue will be able to combat non-dialogical forms of communication. It is through dialogue that the real, underlying issues that are important for people can come to the surface. This again is argued as an alternative to grand theory: workplace development can only happen if real, reflective and open dialogue is possible.

Alasoini discusses the Finnish experience of promoting workplace development, and sees it in a European perspective. He argues that there are contradictory aspects of this development. On the one hand, Finland was slower in adopting work organisation development as a key priority. However, in the 1990s and 2000, it has come to the forefront of politics, and has after this been promoted through continuous government programmes. On the other hand, he argues that these programmes, although they have had good intentions, have not had the expected effect. One can learn from these programmes that it is possible to promote a broad perspective on workplace innovation. These programmes have taken a system approach, argued for both work quality and productivity, promoted local learning, been based on co-operation between social partners, been supported by research, and linked to welfare objectives. However, the experience shows that it is difficult to succeed with this broad agenda.  Alasoini's argument is not to give up the ambitions of these programmes, which seem even more relevant in the future of work life, but to learn more about how to make their ideas become useful in practice.

Totterdill makes a similar argument to the others, but argues in a different way. He uses the Fifth Element as an organising principle in his reflections. The point of departure is that there is a gap between what we know (in terms of workplace innovation research) and what we practice (in terms of what businesses report as their practice). In short, businesses are more hierarchical, management driven, less inclusive, make less use of employees' knowledge, create

less autonomous workplaces, than what work life research recommends. The reason for this is that managers do not see their challenges in a comprehensive way. Rather work design, quality of work, productivity, innovation, etc., are seen as separate things. The Fifth Element is thus a concept that argues for the need to create a dialogue at the workplace where managers, employees and researchers meet.

The four articles have in common that they argue for a very broad concept of workplace innovation, one that is able to communicate with a renewed thinking on business models and work at a societal level. They promote procedures rather than solutions and fixed models. They all seem to acknowledge that the challenges of work life are diverse and complex, and that we cannot diagnose future development. However, we can establish structures and procedures for co-operation, dialogue and openness to change, that will support innovation and democratic development.

# Reshaping workplaces: workplace innovation as designed by scientists and practitioners

Steven Dhondt and Geert Van Hootegem

**Abstract**

*Current thinking in several disciplines (organisational economics, sociology, psychology) about organisations is starting to converge. Organisations are no longer considered a black box, adapting to the economic environment as will-less objects. There is a role to play for managers to choose the right organisational model. There is still some confusion in the research field regarding which organisational model will be most suited for future societal demands. Workplace Innovation is positioned as a solution, not only stressing organisational performance, but also delivering better quality of work. This article proposes a research agenda to help this positioning.*

## Introduction

When Frederick Winslow Taylor (1911) wrote his book on *Principles of Scientific Management*, his social and business environment was boiling with major changes, new ideas and new inspirations. Taylor published his first book when the third part of Karl Marx's *Das Kapital* was published, in 1894 (Marx 1894). Marx himself died a decade before this. Countries were trying to deal with the uprising of the working class. Einstein was busy developing his relativity theory in physics. His insights would change the view on reality itself. For technology, it was the age of invention. The book on scientific management showed how to organise production to improve the performance of companies and of workers. In fact, the book was a collection of minor improvements for companies. It was also meant to improve working conditions for the direct worker: why do it the hard way, if you can do it the easy way? Ergonomics was invented in those days, occupational safety and health started as an applied science. A seemingly limited book in content, but the eventual impact was a major change of our society. It was not really received with great sympathy in those days either. Taylor had angered his engineering colleagues to such a degree that they did not want his book to be published by their association. His book led to a major strike for which Taylor needed to defend himself in the American Congress. Still, Erik Brynjolfsson and Andrew McAfee (2014), in their book on 'the second machine age', categorise this Taylor book as clinching the major change in our human society. It is the new organisation that brought us the prosperity we now have and made it possible to harness the different technological possibilities of that time (electricity, mechanisation).

Our current time is also seeing major shifts. Computers and internet are now pervading every dimension of our reality. Everything is getting digitised, robotised and automated. However technology itself cannot guarantee the creation of new value. Rather, most see the second machine age as extremely threatening for our labour markets. It is then no wonder that we see a new *Capital* published to criticise our own current times. Thomas Piketty (2014) published his English edition of *Capital*, and in only a couple of months we see discussions on inequality all over the nations. For a long time we have known that 1% of Americans own too much, but only now this unequal distribution seems to be recognised as unacceptable (see for example for earlier criticism of inequality by Kalleberg et al. 2009). Our current investments for economic growth, international trade and technological change cannot anymore be seen as neutral activities, all oriented at improving the situation for all citizens. No, we now know that our financial economy has a way to favour this 1% of Americans citizens. We do not think citizens believe anymore that financial institutions such as Goldman Sachs or Blackrock are operating for the benefit of their shareholders or their clients. The financial crisis has led to a major redistribution of funds, not necessarily in the direction of the greater number of citizens (Appelbaum et al. 2013).

Brynjolfsson and McAfee (2014) see digitisation, polarisation and inequality as the major changing forces in our economy. They have installed some Born Again Christian-expectations into all of us: "There is a major change out-there. Be ready for this, because if you are not ready, you will find yourself at the wrong side of the income divide". And the major idea in their book is that we need a new organisational paradigm. Taylorism and Fordism have outlived their usefulness. Lean production is too much oriented at reducing costs. If the technical components of an I-Phone only count for 6% of the total value of the IPhone, why should we even care for all these lean techniques (De Backer 2011)? What can help grow value? The European Commission does not insist on cost-reductions for our companies, the mantra is rather 'innovation, innovation, innovation'. Only innovation can help grow the economy, and only a growing economy can generate sufficient employment. Also the European Commission is

asking the scientific communities which organisational models are necessary to start-up new value generation.

## The elephant in the room

As in the time of Taylor, are the organisational solutions we are seeking, not already out there? Are we looking for the so-called elephant in the room? Which elements of the elephant are then visible or are needed?

- We can see the greater need for organisational concepts that tackle inequality. That might be a first element.
- We also know that we should not have organisational concepts that are limited to specialised care systems in organisations such as Total Productive Management, Corporate Social Responsibility. An optimal system is not produced by developing optimised parts. No, we should have approaches that see the organisation in an integral fashion. "Integral" is not only from the organisation perspective, but also integrates the organisation and its environment (Dhondt et al. 2013). Discussions have shifted from corporate social responsibility to shared value creation (Porter et al. 2012). We understand that it is not about costs, but about value.
- We know that there has been a major shift over the last decades in investment strategies of companies: companies are now investing more and more into intangibles. There is a new equilibrium emerging between tangible and intangible investments (Jona-Lasinio et al. 2011; Corrado et al. 2012). Such equilibrium changes everything at the management level of companies. It is insufficient to only be an expert in a technical subject to run a company. The time of technical engineers as managers is over. Social engineers should take over.

So, are we at a point that we can give this elephant a name? Are we going to codify the core elements of the model into a handbook for organisational design? Are we already at the end of the development? Most importantly, is workplace innovation this new concept (Pot et al. 2012)? According to Dutch statistics, only 16% of Dutch companies would have adopted such a model in 2011 (Volberda et al. 2011). The concept of workplace innovation was coined in a recent note by Appelbaum, Hoffer Gittel and Leana (2011). They tried to convince the first Obama administration to start investing in organisational innovation. They wrote this note pointing out the evidence and the benefits of supporting such a change in policy towards workplace innovation. Sadly, to no avail. Our efforts in Europe were more successful (Dhondt et al. 2012). The European Commission now wants the learning network EUWIN to inspire all companies in Europe to adapt workplace innovation.

## Convergence in thinking

If workplace innovation is this elephant, how real is this elephant? Are we promoting a mirage? And can we deliver the building blocks? What do managers need to do tomorrow? And for that instance, what do trade unions and workers need to do? What can we bring to the table to make it more credible that workplace innovation is indeed this elephant? Is it relevant to look at it? Are these arguments sufficiently convincing to overcome the obvious?

The main argument for the credibility of workplace innovation is that workplace innovation seems to be the result of the convergence in thinking in three disciplines: organisational economics, organisational sociology, organisational psychology.

The starting point however is economics. Neo-classical economics has never believed that organisation is a subject that is worth studying. Companies adapt themselves to their environment, like pudding to the cup. Nicholai Foss and Peter Klein (2012) say that this perspective treats the organisation as Shmoo capital. Sticky stuff of course, but no forms are to be discerned. We can treat the organisation as a black box. If the environment changes, then the organisation changes accordingly. If you do not adapt, then you will disappear. But as organisational sociologists have long time known, badly managed companies can survive a very long time.  So, it must be deemed an important change in economic thinking to acknowledge that there is such a thing as organisational choice. Bloom and Van Reenen (2010) talk about 'managerial technology' replacing the 'organisational design' perspective. In the latter perspective, organisations adapt to the environment. In the former, managers need to consider a bunch of organisational directions. Foss and Klein (2012) insist that there is such a thing as entrepreneurial choice. They also insist that organisational economics has a long tradition, but that it completely disappeared from the agenda's by the mid-1970s. The re-invention of the organisation is therefore a re-connection to basic insights on how the functioning of companies can be improved from within and that it is important for policy to help find right choices. Foss and Klein also insist that the most optimal model probably will be the model in which as many as possible decision makers play a role. So, employee voice should be a driving force for organisations.

For organisational sociologists, the main question is how to distinguish between organisational strategies. It is important to analyse intention, values, power and unintended consequences. Where the organisational economist is interested into optimal models, the organisational sociologist is interested in dominant choices.

An important organisational psychology input is the demand-control model developed by Robert Karasek (Karasek 1978; Karasek et al. 1990). This model is still the best connection between elements in the organisational design and individual person level impacts on health and learning. The demand-control model shows how organisational design can be an important preventive tool to improve health of employees. Coronary heart disease can be combatted by preventive strategies (Kivimaki et al. 2012).

## Relevance of workplace innovation

We can now link choices about the individual worker health and performance, to the organisational context, and relate this organisational context to explicit choices that managers need to make. That means that managers cannot hide anymore. For that matter, policy makers cannot hide behind the managers.

Organisational economists now working for the OECD (2013) have identified that the organisation is an extremely interesting and a strategic asset for international competition. A first observation is that the organisational concept of a company cannot run away. Other intangibles, in which managers can invest, can easily leave. Human Capital can be bought. Patents can be taken over. Designs can be counterfeited. Organisational design is quite difficult to copy (Haskel et al. 2012). A second observation is that it takes nearly six years to fully depreciate the investments into a new organisational form (Awano et al. 2010). So, you really should think very hard about the choices you want to make.

A last observation is that, at the country level, we can see very different amounts of investment into organisational capital. In figure 1, we show the distribution of knowledge based capital (KBC) as calculated by the OECD. Organisational capital is a major component of economic competencies.
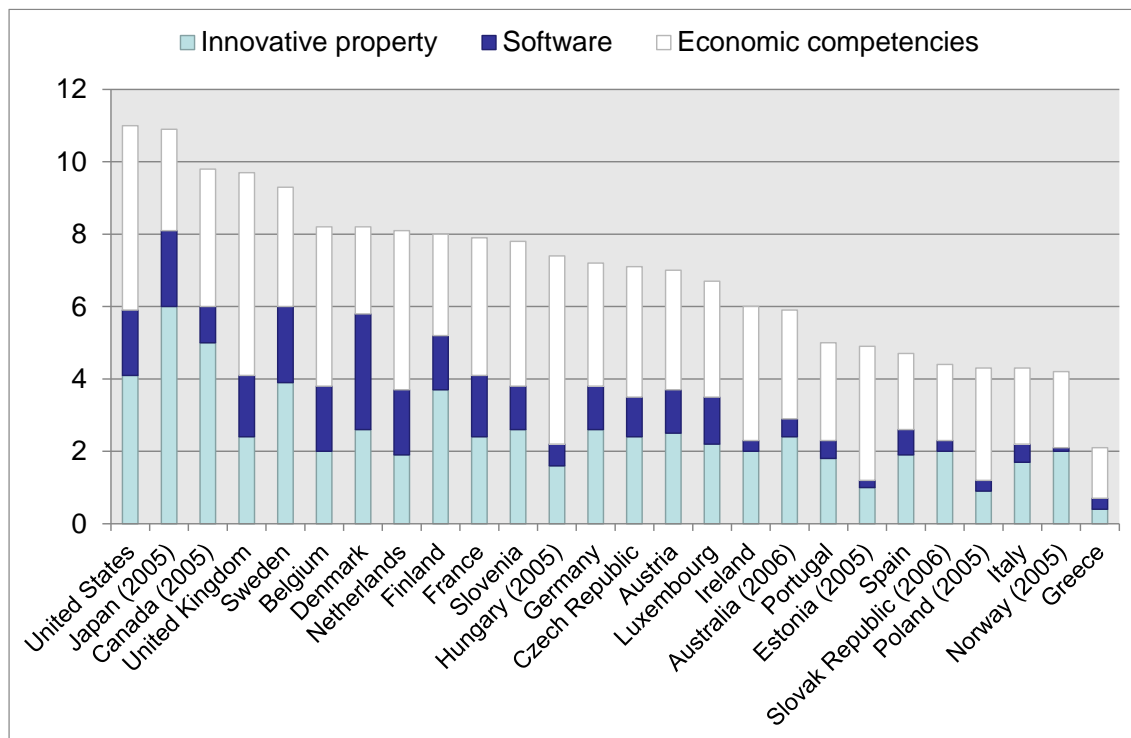


*Tabell 1Investment in KBC varies significantly across countries. (Percent of GDP, selected OECD countries, 2009 or latest available data available) (OECD, 2013)*

The distribution of countries according to workplace innovation is closely correlated to innovation results of countries. We calculated a .63 rank-order correlation between the ranking of countries in innovation performance (Hollanders and Es-Sacki 2013) and in ranking of workplace innovation scores (Dhondt et al. 2014).

**Too much organisational innovation, too little workplace innovation**

We are not yet sure that we are talking about workplace innovation in all of these results. Our measurements are far from precise. At the one side, we classify too many organisational phenomena under the heading of WPI. WPI is not the same as organisational capital. It is a subset, and the major research by the OECD or the Conference Board is not precise enough (OECD, 2013). The concept of organisational capital has only been developed and the measurements vary quite significantly over the studies. The core elements such as employee voice and work design (Black and Lynch, 2003) are not yet included in the measurements.

At the other side, some of our approaches such as dynamic capabilities (Teece et al. 1997) or HR-bundles (Sheehan 2014) measure too little (only management innovation). Bloom and Van Reenen (2010), for example, identify 18 management practices in their World Management Survey. In fact, they are only looking at control structures. This is not enough to find those companies that develop bottom-up procedures. It is quite complicated to identify workplace innovation-companies, only starting from the management view.

So the main starting point should still be better measurement, using the right concepts. But it is also in the attitude towards organisational design. If we want to tackle the organisation, we need to become social engineers. Modern socio-technology is such a right social engineering approach (Van Hootegem et al. 2008). We cannot design organisations if we are thinking in terms of 'dominant practice'. We need to develop optimal social organisational practices with clear building principles.

### Directions for further development of workplace innovation[1]

So, there is continuing progress in our field of work. We are starting to identify the contours of the organisational model that Brynjolfsson and McAfee (2014) want us to find. There is still a lot that needs to be done. Thinking and practice about workplace innovation needs to be developed in four directions.

The first discussion is on the theoretical underpinning of the workplace innovation by modern socio-technology. There are competing theoretical approaches such as Relational Co-ordination (Gittel et al. 2010a; 2010b) and design thinking (Boland and Collopy 2004). The combination of such approaches is needed to improve our understanding of organisational realities, and to translate this understanding in clear design principles.

A second discussion is on modern socio-technology and agency. As an approach focusing on designing organisation structures, modern socio-technology has been criticised for neglecting agency. A proper structure may enable proper behaviour, yet this does not come about automatically as taken for granted in sociotechnical design. For example, modern socio-technology needs to integrate thinking about professional logics.

A third discussion is how to assess different organisational models and find out if they are 'optimal' for certain contexts. The question is to what degree redesigned organisations are performing better than networks of self-employed or lean production, how networks of organisations function.

A last discussion is on how to relate the modern socio-technical model to innovation performance. The current modern sociotechnical theories do not conceptualise explorative and exploitative functions in the innovation activities of organisations (Lekkerkerk 2012).

### In conclusion

Our current societal context requires a new integration of theoretical and practical knowledge on the organisation. Brynjolfsson and McAfee (2014) predict that only if we succeed in developing this integration, then we will see a new productivity jump and better use of the 'machines' as they are now among us. We rather need a race with the machines, than against them (Brynjolfsson and McAfee 2014). Even if we succeed in this, we must remain modest. This integration to reshape workplaces will cost time and effort. And bringing this result may also not give us or you the rewards you expect. Taylor died from pneumonia only 4 years after publishing "Scientific Management". The long term results of developing this workplace innovation are great: less inequality, better quality of work, more productive companies, and most of all, more innovative companies.

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[1] During the EGOS-Conference of 2014 (Rotterdam), there was a special Sub-Stream (53) on workplace innovation. We thank the different participants in this session for their input and discussion.

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# Practical discourse and the notion of democratic dialogue

Bjørn Gustavsen

**Abstract**

*The notion of democratic dialogue made its entrance in Scandinavian workplace development in the 1980s. One reason was the need, recognised by the labour market parties, for replacing negotiations with more evolutionary forms of communication in local development contexts. The article traces the emergence of the concept, its content and its fate as a moving force in development processes. The movement towards dialogue has been successful in the sense that dialogue has become common in workplace conversations. The development also raises new challenges.*

**Keywords:** Democratic dialogue, autonomy, participation, innovation

## Introduction

"Democratic dialogue" is a concept that dates, within the framework of workplace development in Scandinavia, from the 1980s (Gustavsen and Engelstad 1986). It appeared in rudimentary form in the wake of the agreement on development made between the Confederation of Norwegian Business and Industry and the Confederation of Norwegian Trade Unions, in 1982. The possibility of a research-based development of the concept appeared in 1985 with the LOM-programme in Sweden (Naschold 1993). This programme was later followed by other initiatives in Norway, Sweden and Finland, where the concept was made subject to further development but also to differentiation, and various forms of merger with other concepts. The purpose of this contribution is to look into the origins of the concept, the way in which it was originally expressed and its later fate as a mover in workplace development.

## Broad implementation of autonomy in work

As described in other contexts (i.e. Gustavsen 1992, 2001, 2011) the notion of democratic dialogue emerged out of a long history of efforts to promote autonomy in work in the Scandinavian countries. While the initial focus in these efforts was mainly on how to express autonomy in terms of job design, much experience pointed at the significance of a number of other, but related, issues: in particular the degree of trust between the actors involved, their willingness and ability to co-operate with each other and with research, and their possibility of experiencing ownership of the new patterns. Central among these issues was the way in which the co-operation between the actors involved actually occurred: Did this way build on, and further promote, trust; did it ensure adequate possibilities for participation from all concerned, did it make all actors experience that having a share in the new forms of organisation? Throughout the 1970s more and more attention was given to issues of this kind, and when the labour market parties in Norway as well as in Sweden decided to make agreements on workplace development, these were the issues that were placed in focus. Forms of organisation that could ensure autonomy for all concerned were expected to emerge as a consequence of egalitarian, innovative and trust promoting patterns of communication.

What should these patterns look like? Between the labour market parties, the traditional form of communication was negotiations. In negotiations, the parties relate to each other in conflictual terms, through representatives, in disputes over quantifiable issues, primarily money and time. In looking for forms of communication that could promote co-operation and participation, they started by reversing the patterns characterising negotiations: Instead of a setting characterised by conflict, the setting should reflect co-operation; instead of communication through representatives broad participation should be promoted; instead of a focus on time and money it should be possible to discuss all sorts of topics. How can one give more specific, practical expressions of these perspectives?

This was the point where research was invited to take part. Over the ensuing years research developed, in co-operation with the labour market parties, a set of more specific criteria for the conduct of the encounters that took place under the umbrella of the agreements. The criteria pertained to two issues: the nature of the conversations and the design of the settings:

As far as the nature of the conversations is concerned, the criteria to emerge were as follows (Gustavsen 1992):

- Dialogue is based on a principle of give and take, not one way communication.
- All concerned by the issue under discussion should have the possibility of participating
- All participants have the same status on the dialogue arenas
- Some of the experiences the participant has when entering the dialogue must be relevant.
- Work experience is the point of departure for participation
- Participants are under the obligation to help other participants be active in the dialogue
- It must be possible for all participants to gain an understanding of the topics under discussion.
- An argument can be rejected only after an investigation (and not, for instance, on the grounds that it emanates from a source with limited legitimacy)
- All arguments that are to enter the dialogue must be represented by actors present
- All participants are obliged to accept that other participants may have arguments better than their own
- Among the issues that can be made subject to discussion are the work roles of the participants: no one is exempt from such a discussion
- The dialogue should be able to overcome a continuous radicalisation of the arguments
- The dialogue should continuously generate platforms for joint action

Many of the concepts appearing on this list are subject to a broad range of interpretations. It can, consequently, be argued that they demand further definitions and clarifications, and that the list as such does not provide much help. Who are, for instance, "all concerned"? Questions of this kind are, however, not to be made subject to abstract answers, but to a continuous consideration as the practices unfold. While it is possible to reconsider and expand the definition of who are concerned, as the practical needs become apparent, what is actually impossible is to give an unequivocal definition before the process starts.

Relevant encounters could be of different kinds, ranging from conferences to project groups, from general meetings to meetings in the various bipartite bodies that were already introduced in laws and agreements. The above criteria were made subject to their most pregnant expression in the dialogue conference, where an ideal number of about 40 participants worked themselves through a series of issues in terms mainly of group work, but with plenaries in between to summarise and present points and arguments. The learning of the criteria was based on participation in dialogically structured events, not on lecturing or similar forms of transmission. The more specific organisation of dialogue conferences, together with practical examples, can be found in a number of publications, such as Gustavsen (1992, 2001); Engelstad (1996)

## Questions and issues

A list of points, or criteria, like the one presented above, can be made subject to a number of questions: From where do they come? How do they relate to the substantial number of theories and other reflections on dialogue and communication that already existed? Is dialogue at all possible between workers and managers? How are the criteria validated? Do they call for specific, historically given contexts, or can they be seen as universal? Other questions could be added. They all open the doors to several layers of discourses. In discussing criteria, one may, for instance, start with discussing to what extent criteria are at all possible (i.e. Schwandt

1996), and only when this issue is settled will it be relevant to turn to any set of specific criteria, just to mention one example.

Without having the possibility, in this context, of going into depth within all the areas that can appear as relevant, an important point is that the above criteria are criteria for practical discourse. In ideal type terms, practical discourse is different from theoretical discourse. The discourses can, and should, mutually inform each other but they are not identical. In theoretical discourse, one may very well with, for instance, Bohm (2004) argues that the purpose is not to solve practical problems, but to identify and experience the nature of dialogue as such. However, when the context is workplace development, it is hardly possible to ignore practical challenges, and there is an obvious need for expressions that are practically applicable.

The above criteria were mainly built on experience. The design projects of the 1960s and 70s had implied a large number of meetings and other encounters, and research as well as the labour market parties had a broad experience with "what works" in terms of ability to generate specific forms of workplace change. Although practical experiences was the main driving force, it was a task for research to continuously confront the practical development with points from theoretical discourse, to see to what extent the practical discourse could be enriched. Even for research, however, the main contribution was to participate in a number of conferences, record what happened and perform a continuous development of criteria in terms of practical redesign of the conferences. During the 1980s the Norwegian agreement attracted altogether about 500 enterprises as users (Gustavsen 1993) and a fairly broad selection of these users were followed up, to check to what extent they carried through the programmes that they had agreed on in conferences or other encounters. In Sweden the number of users of the parallel agreement was probably higher even in relative terms, but in Sweden much of the implementation took place via the various programmes of the Work Environment Fund (Oscarsson 1996) and it is hard, because of differences between the programmes, to give one single gross figure. The LOM programme alone attracted approximately 140 users, of which practically all participated in at least one dialogue conference and about half developed and carried through viable projects (Naschold 1993). This was, however, the only programme with a clear focus on dialogue as such; in the other programmes it was more of a tacit assumption.

In a discussion organised in the wake of the LOM programme, the role and status of democratic dialogue was at the centre (Gustavsen 1992). Representatives of some of the main schools of thought in philosophy and theory of science participated, such as Stephen Toulmin, Allan Janik and Kjell S. Johannessen, whose positions were strongly influenced by Wittgenstein, and Thomas McCarthy, Peter Bachmaier, Margareta Bertilsson and Axel Honneth, who could be located within the Habermas camp. Most of the discourses came to rotate around the possibility of dialogue in working life.

This can be approached as a purely theoretical issue, for instance through applying the distinction between work and interaction, originally ascribed to Hegel, in such a way that work does not only refer to an activity, but to the whole "place" where the activity occurs. In this interpretation, all communication associated with work will be strategic-instrumental, while all discourses on truth, justice and fairness will have to occur elsewhere. This is only one of a number of theoretical/philosophical arguments that reject the possibility of dialogue in working life. They are all open to counterarguments (see, for instance, Giddens 1982), but for the kind of work research recounted here, the decisive argument appears out of the substantial number of empirical investigations performed on the relationship between work and life. These studies provide ample evidence for the point that "the long arm of the job" (Meissner 1971) reaches far into private, civil and democratic life: constraints confronted in work correlate strongly with

constraints operative in situations outside work. Karasek and Theorell (1990) give a broad presentation and discussion of research in this area. Unless work relationships can function as levers in emancipation, there will be no emancipation. This, however, was not the main point of focus in the discussions at the LOM conference. This concentrated much more on what the participants thought about the practical possibilities. Although many problems and challenges were pointed out, there was a broad agreement that dialogue was possible in a workplace context. In an article to appear out of this discussion, McCarthy (1996) even argued a need for a pragmatisation of communicative reason to bring theoretical discourse closer to practical issues. There was, furthermore, agreement that even though dialogue might be difficult in working life, its potential could be tested only through organising dialogue events and seeing what happened. Limitations to dialogue could be unraveled only through dialogue. Dialogue in the form promoted in the LOM programme was, however, clearly seen as exceptionalism.

These discussions occurred more than 20 years ago. What perspective would a similar audience express today? It is obviously difficult to speculate on behalf of others. However, some aspects seem to be fairly clear. When the agreements on development and associated activities emerged in the 1980s, the social shadows of early industrialisation were still present. They were slowly sinking lower in the sky, but the danger of major conflicts, of a huge growth in social differences, and an exploding pressure on the welfare system were still major realities. The prevailing notions of working life and its main actors were still the same as those that had prevailed in earlier periods: "The worker" was dressed in blue, and faced management not as an individual, but as part of a mass of people whose strength were mainly decided by the strength of the collectivity. On the other side of a gulf stood management, with its mandate from the owners and a role defined by the market. It was hard to see how these parties could talk to each other, and anything even remotely resembling dialogue seemed to call for positive reasons and arguments and to appear as exceptionalism. Today, working life in most Western countries seems almost free of conflicts and those that occur are directed more at "society" than at the counterparts in working life. When such proponents of critical theory as Adorno, Horkheimer and Marcuse argued that the working class had lost its role as a revolutionary force, the argument is far more valid today. Compared even to the middle of the previous century, working life seems to have reached a kind of "stable state"; the various forces and interest groups have developed relationships to each other that imply some kind of balance and a potential for working together. What may be hidden under this surface in terms of pressures and frustrations that live on, is hard to say. The picture varies from country to country. It seems, however, as if the balance points are more strongly in favour of the workers in the Scandinavian countries than is the case in most other parts of Europe, or even the world. In the European studies of working conditions, the Scandinavian countries appear, of all the countries in Europe, with the highest scores on autonomy and learning (Lorenz and Lundvall 2011). Excepting a few issues, mainly those that have an impact on welfare budgets and state economy, such as compensation for unemployment or absenteeism, there are no "reform debates" comparable to those of the previous century.

When a stable state is reached, it implies that all parties involved refrain from (major) conflicts, struggles, revolutions and similar to change the situation in their favour. The only approach to dynamism and change left, is dialogue and co-operation. In this sense conditions for dialogue have not only improved, but improved radically, and in most countries, not only Scandinavia. "Dialogues" are no longer exceptionalism, but mainstream. Yesterday`s directives, orders and information campaigns may still occur, but few will admit to these as constituting the main way of developing relationships in the workplace.

What are the challenges? While open dialogues may have lived a crypto life during the reign of commands, authoritarian-technocratic, or even charismatic, leadership, it is reason to believe that various forms of non-dialogic forms of communication still live on, but largely under the surface. The challenge is to identify their interference and counteract their impact. This can be done only through participating in dialogic processes and seeing what happens. So far, the approach developed in the 1980s is valid. There is, however, one major difference. As long as dialogic relationships were exceptions, promoted through specific measures, and accompanied by follow-up procedures from the labour market parties as well as from research, it was possible to identify the arenas of (actual or potential) dialogue and the quality of these dialogues. When dialogue becomes the mainstream, there is no way in which agents like the labour market parties or research can overlook working life as a whole, and assess the real qualities of the various processes that are associated with the notion of dialogue.

## Development after 1990

In Norway, the agreement on development continued to attract users until, around 2010, the estimate of the joint union-employer secretariat was that about 2000 enterprises had used the agreement. "Use" had, however, come to mean a growing number of different activities. While the dialogue concept to some extent penetrated a number of other arenas, such as the bipartite committees set down in laws and agreements (Bakke 2001), the concept was also merged with other concepts to form new kinds of discourse formations. Dialogue was linked to the notion of SWOT analysis (Claussen 2004), to discourses on best practices (Arnkil and Spangar 2011) and a number of other discourses already established, but where there was a need to strengthen the way in which the discourses were performed. With basis in a project in a chemical plant, Johnsen (2011) demonstrates that change can demand a multitude of different arenas, bodies and events, where the notion of dialogue informs the participants about the way in which the discourses are to be conducted, but not about their content. From as early as the late 1980s a relative fall in the use of conferences could be seen, in favour of other development measures, in particular projects and project co-ordinators (Ennals and Gustavsen 1999). While conferences seemed to be important in the opening phases of development, they were, as the development gained momentum, mixed with or replaced by other measures, in particular measures related to the carrying through of projects.

The point that the notion of dialogue lost its position as a definable, specific form of activity, to become part of broader packages of composite activities appears more clearly when looking at the Scandinavian development in general. In Sweden, there was no direct follow-up of the LOM programme. Instead, the programmes of the Work Environment Fund in general petered out. The 1990s saw, however, a major new initiative: The Work Life Fund. Financed through a special tax introduced to counter inflationary tendencies in the economy, this Fund generated, in the period 1990 to 1995, about 25,000 development projects, reaching about half of the total labour market. The projects had various goals and applied a number of measures, but labour-management co-operation was a prerequisite in all. The most important of the development measures supported by the Fund were measures to promote freedom, autonomy and learning in work (Gustavsen et al 1996: 100 - 105). During the same decade, Denmark saw two major programmes: one to counteract the negative effects of one-sided, monotonous work, one to promote the potential of work as a force in human development (Hvid 2000). Both came to reach substantial slices of working life. In Finland, a new programme on workplace development appeared, as part of new policies in support of innovation (Alasoini 2004).

When confronted with a multitude of developments and associated concepts among their own members, it turned out to be difficult for the labour market parties centrally to promote one specific notion of development and keep up an apparatus for the support of this version. In Norway, the labour market parties started, around the year 2000, to renounce some of their position as engines in, and organisers of, workplace development. In Sweden, the co-operation between the labour market parties centrally disappeared altogether, although for a number of reasons, in particular the aftermaths of political struggles and frustrations dating back to the 1970s, such as the controversies over the wage earners funds. In Finland, on the other hand, the co-operation linked to the new programme on workplace development continued to grow. In Denmark, central co-operation had never been as intense as it was in Sweden and Norway in its peak period, but it seems to have been kept stable up until the present.

Around the turn of the century there may also have been a fairly widespread feeling that the Scandinavian countries had come as far in the direction of meeting the challenges of work as it was possible to come. Nobody argued that all challenges were fully met, but investigations, such as the European working conditions surveys, indicated that the Scandinavian countries had moved further towards the creation of autonomy and learning in work than any other part of Europe, and that there was little point in pushing the Scandinavian countries even further ahead of the European average. The whole development occurring during the twentieth century could be seen as different phases in a full development cycle: In the period from the beginning of the century and up until, say, the 1970s, the major challenges posed by industrialisation were identified. From the 1950s and until the end of the 1970s new forms of work organisation that could promote autonomy and learning were identified and pilot projects, such as the Norsk Hydro fertiliser plant in Norway (Emery and Thorsrud 1976) and the Volvo Kalmar plant in Sweden (Agurèn et al 1976) occurred. During the 1970s, legal and other institutional conditions surrounding working life were reconstructed, to express an orientation consistent with the emergent new patterns. From the latter 1970s focus shifted from exemplary cases to broad diffusion, a period that reached its peak with the large programmes and related initiatives during the 1990s. All the elements of a conventional problem solving cycle, from problem identification to broadly framed action, seemed to be present and the time seemed ripe for turning the attention to other issues and challenges.

## The new agenda

If the working life agenda of the twentieth century is disappearing, can a new agenda be expected to emerge and, if so, what will it look like? In spite of a plurality of themes and discourses on the level of practices, the twentieth century was characterised by a strong belief in generalisations and abstractions. Concepts like "division of work", "power", "hierarchy", "autonomy", "participation" and "job satisfaction" seemed to be relevant to working life everywhere and to be able to function as links between discourses in a vast number of different settings. Can we expect general concepts to structure future discourses at all? Will it be possible to identify the agenda of the future simply by finding some other themes to put in instead of those of yesterday? Only the future will show, but there are forces pointing in both directions. On the one hand there is a growing recognition of local, regional and national aspects of work and working life, and a corresponding increase in the interest in exploring those assets that can be characterised as unique. It is reasonable to assume that the exploration of the unique will demand concepts that can be seen as unique as well. On the other hand, the growing practice of dialogue increases the capacity for discourses across organisational, geographical and cultural boundaries. Together with Richard Ennals this author argued for the potential of Europe as a

development coalition just on this basis (Ennals and Gustavsen 1999). It is obvious that societies with a growing number of actors schooled in dialogic forms of communication represent a much greater potential for learning from each other than a series of rigidly structured, centrally managed organisations where practically all members constitute a "silent majority". This potential cannot be released, however, unless it is recognised that the learning has to emerge from differences, not identities. The strength of Europe is just its many regions, societies and states, and the vast resources of different experiences existing within all these units.

For Europe, as indeed for any other part of the world, to become dialogic communities driving themselves forwards through learning from differences, each unit has to have certain resources within its own boundaries.  As demonstrated by the mushrooming literature on regional development, this is an area where a lot has happened during recent decades. One example is the development of regional resources within research and education (Brulin 2001). For a region to understand itself and to engage in dialogue with other regions, there is a need for intellectual resources that can help synthethise experience, conceptualise local phenomena, highlight history, help structure the dialogues and develop knowledge for operational use in innovation processes at enterprise level. Notions like "learning regions" and "innovative regions" are, today, to an increasing degree associated with regions where a plurality of actors and institutions are working together, and support each other in joint learning processes (Asheim 2001).

One paradox is that most processes of regional development occur within the framework of policies emanating from the nation states rather than from, say, the European Community. In the development of the ability to handle processes across social boundaries, and hence to increase the ability to learn from differences, there are new differences emerging, namely in the way in which learning from differences is organised. Although it will be possible to learn also from these differences, there should, even in this kind of learning, be a limit to how many differences are involved.

The Nordic, or Scandinavian, countries constitute a set of countries where a fairly high degree of learning has taken place across national boundaries, not least as working life is concerned. This mutual learning has even resulted in the phenomenon called "the Scandinavian/Nordic model" which today, with its (relatively) high degree of participation and learning in work, in combination with a fairly egalitarian income structure, to many appears as the most attractive model of economic organization even in a world perspective. What can be learnt from this model?

In the beginning of the 20th century, the discourse on work was strongly linked to general theories and the conflicts expressed as a struggle between, in particular, market liberalism and more or less radical socialism (Gustavsen 2011). Although opposing each other, these theories had, on the level of political practices, one major point in common: a belief in general theory as such. To solve the problems of economic and working life, there was a need to make one or the other of these theories come real, not to attack a broad range of challenges in concrete terms. A major characteristic of the founders of "the Scandinavian model" was a rejection of general theories of this kind, in favour of a kind of local constructivism based on the belief that it is up to the members of each society to create their own future. On this basis they came to start a process based on learning from one`s own experiences, as well as from those of one`s neighbors. "The Scandinavian model" is a product of mutual learning over a century and it is not a "model" in the strict sense of the term. As mentioned above, the current situation regarding public backing of workplace development varies radically between the countries; something

similar applies to many other issues. As indicated above, while in particular Sweden, but to some extent also Norway, show a decline in public support for workplace development, there is a growth in Finland. In this way, Finland ensures a strong continuation in the learning associated with this theme, from which the other countries can benefit, when they decide to give it new priority, which they will eventually have to do. This is the kind of mutual influence that constitutes the core of the Scandinavian model, not structural identities.

Although the new agenda is likely to build on another balance, between the general and the more or less local, than the one prevailing in the previous century, there are some concepts that appear sufficiently often to ensure a place for themselves on a general agenda. One is dialogue, the other is innovation. In combination with each other and with various other concepts, they are certain to play key roles during the coming decades. This does not constitute a complete break with the agenda of the previous century, but rather a seamless transition where the point is a shift in what constitutes the main concern. Even when this is innovation, there is a substantial number of studies that show a negative interference in innovation processes on enterprise level from factors like insufficient communication, rigid boundaries, excess division of work, integration through power rather than dialogue, and so on.

## Concluding remarks

Dialogue is one of the most common concepts in our linguistic universe. Today, almost no-one expects "communication" to ensure understanding of a message, or orders to ensure commitment and loyalty to a cause. Instead, dialogue is generally accepted as necessary. This implies, however, that any effort at a specific definition of the concept is bound to fail. To be applicable in different cultures, societies and practical contexts, the concept needs to be open, flexible and dynamic. Only then can it perform its role of creating new relationships, new links, new communities and new solidarities. Universal theory can inform the various dialogue processes through pointing at issues that need to be considered, but cannot be in general control of the concept and its evolution. The notion of democratic dialogue, as appearing in Scandinavian workplace development in the 1980s, is one example of the many dialogue concepts that appeared towards the end of the previous century. It makes no claims to be superior to any other notion of dialogue, but it does claim to be fruitful and valid within its own domain: workplace development within the framework of agreements between the labour market parties where it appears as radically different from traditional negotiations. Within this context, the concept needs to be expressed in specific criteria that can be understood and implemented by a large number of actors, and the implementation supervised by the labour market parties centrally. It is obvious that this presupposes an anchoring in the history and experiences of the actors concerned themselves, is obvious. In this kind of context theory in various forms can be played in, but only when the discourse provides an opening, and such conditions are present to make it possible for the participants to understand and see the relevance of whatever points and arguments are made.

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# Two decades of programme-based promotion of workplace innovation in Finland: past experiences and future challenges

Tuomo Alasoini

**Abstract**

*This article describes and explains the reasons for the rise and establishment of programme-based promotion of workplace innovation in Finland during the last 20 years. Several 'push' and 'pull' factors that have simultaneously promoted the consolidation of these efforts are presented. The author also examines the Finnish programmes and 'Nordic exceptionalism' in a broader European context, referring to the overall under-resourcing of workplace innovation activities in European public policies so far. At the end of the article, new challenges to workplace development deriving from the rapid reshaping of working life are discussed. Despite the rather gloomy picture that is painted of how debate on a good working life has been flagging in many European countries recently, the author believes that the significance of workplace innovations as one of the driving forces of the 'second wave' of ICT-based productivity growth will increase in the future. The author also welcomes the European Commission's new initiative, the EUWIN project, as an important indication that workplace innovations are also seen as increasingly important from the perspective of industrial policy in Europe.*

## Introduction

In 2011, Prime Minister Katainen's government decided to draw up a National Working Life Development Strategy for Finland. The drafting of this strategy, which was prepared in co-operation with other ministries and the labour market partners, was led by the Ministry of Employment and the Economy. The strategy was completed in spring 2012 and its ambitious vision is that Finland will have the best working life in Europe in 2020 (Ministry of Employment and the Economy 2012). This vision has also attracted international interest, as the idea of 'a good working life' has in recent years hardly been a political objective of a high priority anywhere else in Europe.

The golden era of the debate on good working life in Europe stretched from the late 1960s till the late 1970s. As a political goal, the idea of a good working life was in its time given momentum by the efforts of progressive trade unions, employers and researchers to make working conditions more human, to increase workplace democracy and to develop ways of organising and managing labour that provided alternatives for Taylorist and Fordist doctrines. Key motives for renewing working life were the petering out of the productivity potential of mass production mentality, workers' dissatisfaction with their working conditions, and the difficulties experienced by employers in recruiting labour for fragmented industrial work.

While many programmes to reform working life were also implemented in various European countries after the work humanisation and workplace democratisation initiatives of the 1960s and 1970s, a good working life did not re-emerge in the same way as a political goal and a value in itself in Europe. The most active countries to implement such programmes include the Nordic countries, Germany and the Benelux countries. In these countries, too, the programmes have in recent years sought their justification, not in a good working life but in striving for economic growth through improved productivity and competitiveness of companies, and through promoting innovation activities and the introduction of new technologies (Alasoini 2009; Brödner and Latniak 2003; Eeckelaert et al. 2012; Totterdill et al. 2009). Improving the quality of working life (QWL) has either been considered less valuable and it has been overshadowed by other political goals, attitudes towards it have been reserved for ideological reasons, or finding shared goals for the activities among the conflicting views of various stakeholders including the labour market partners has proved impossible.

Finland has been an exception to this general trend. The humanisation initiatives only touched Finland lightly. Programme-based workplace development only began in Finland as late as in the 1990s, along with the launching of the National Productivity Programme and the National Workplace Development Programme. Since then, several programmes have been devised to develop Finnish working life. In recent years, these have been implemented by such actors as the Ministry of Labour, the Ministry of Social Affairs and Health, the Ministry of Education, the Finnish Institute of Occupational Health, State Treasury, the Finnish Funding Agency for Technology and Innovation (Tekes), European Social Fund and some employer and employee federations. However, the National Working Life Development Strategy represents the most powerful political will to renew working in Finland so far.

## Objective and structure of the article

This article has two objectives. The first one is to paint a picture of how programme-based promotion of workplace innovation has evolved in Finland, and what explains Finland's unique qualities in a European comparison. The article focuses on programmes implemented by the Ministry of Labour and Tekes. An important milestone for Finland is the year 2008, at which time the promotion of workplace innovation was incorporated in the concept of 'broad-based innovation policy'.

The second objective of this article is to evaluate the sustainability of the 'Finnish model for workplace development' in the current transformation of working life. The article probes the types of pressures to which the basic assumptions of this model appear to be exposed in the 2010s and asks how the actual workplace development activities should be developed in the future. Analyses of this type are scarce in the literature, excluding certain individual evaluation studies of *completed* programmes.

The Finnish experiences are of more general interest in Europe. Finland is one of the countries that in recent years has invested the most in working life renewal and the promotion of workplace innovations (see above). We can also say that Finland, similarly to the other Nordic countries, is among the forerunners of technological and organisational change in Europe (Beblavý et al. 2012; Eurofound 2012; Valeyre et al. 2009). There is a great need in Europe to enhance mutual programme and policy learning between countries in the area of promoting innovations in working life. Regardless of many joint European projects, some of which have been ambitions, mutual learning has so far remained modest. In the future, the three-year European Workplace Innovation Network (EUWIN) project launched in early 2013 and funded by the European Commission DG Enterprise and Industry, which for the first time aims to set up a co-operation network that covers the *entire* EU-27 area, will offer a new forum for mutual learning.

The article begins by discussing the history of programme-based promotion of workplace innovation in Finland. This discussion is divided into two chapters: the first one describes the rise, and the second one the establishment of these efforts. In the following chapter, the impact and significance of the Finnish programmes are assessed in the broader European context. The article then moves on to discuss the challenges to which the on-going working life change exposes the principles of 'the Finnish model for workplace development', and finishes with a summing up and conclusions.


## The rise of workplace development in Finland

The work humanisation and workplace democratisation initiatives did not spark similar debate on QWL and the need to develop new forms of work organisation in Finland as it did in many other Western industrial countries. At least the following causes can be found for this (Alasoini 2004): in the 1970s, many Finnish industrial workers still had a rural background and thus also previous experience of heavy work in farming or forestry; paucity of industrial mass production with highly fragmented and fast-paced production line work of the kind that was the focus of worker dissatisfaction in many other countries; a technological bias characteristic of Finnish management methods combined with a minor role given to social and leadership skills in the

training of engineers; low-trust employment relations in many big industrial companies that did nothing to encourage development co-operation between management and personnel; and the lack of a strong, sociologically oriented tradition of working life research which might have prompted general debate on workplace development. Neither did impulses for workplace development come from technology policy. A strong institutionalised interest that would have striven for the integration of technical, social and environmental objectives in the technology policy in the 1970s and 1980s was lacking in Finland (Loikkanen and Seppälä 1994).

Interest in QWL and publically supported experiments with new forms of work organisation started petering out in many European countries from the 1980s on. The reasons for this can be sought in such facts as increasing unemployment that alleviated the problems of recruiting labour, the weakening influence of trade unions, the strengthening of market liberalism and the increasing tendency to search for solutions to productivity and competitiveness problems in the rapid development of ICT. In Finland, on the other hand, programme-based promotion of workplace innovation only began in the early 1990s, and financial resources set aside for it have continued to increase until the 2010s. The increase in workplace development has been simultaneously promoted by several 'push' and 'pull' factors in Finland.

One such 'push' factor has been Finland's long tradition in both bipartite co-operation between various labour market organisations, and tripartite cooperation between labour market organisations and public authorities. In the aftermath of the recession of the early 1990s, central employer associations and trade unions were well prepared to expand their co-operation with public authorities into workplace development. Another contributing 'push' factor has been the upsurge, beginning in the early 1980s, in working life research and, specifically, the rise of action-oriented working life research in universities and research institutes. This was a result of improved research financing opportunities, as well as being due to the culmination of problems in job satisfaction, work ability and early retirement, as well as the emergence of new approaches. These new approaches included, for example, participatory action research, socio-technical systems design, organisation development (OD), developmental work research, process management and strategic human resource management (Kauppinen and Lahtonen 1994; Ramstad and Alasoini 2006). A third 'push' factor worth mentioning has been the strong conviction, prevalent in Finland, that research, R&D and high education are key factors in a nation's competitiveness. From an early stage, Finland took a systematic approach to adopting a national innovation system as the framework for its science and technology policies (Miettinen 2002). However, it is only in the 2000s that the promotion of workplace innovation has become a generally recognised sector within mainstream innovation policy (see below).

There are also 'pull' factors underlying the rise of workplace development in Finland in the 1990s. The rise did not take place so much as an attempt to improve QWL than as a 'corrective measure' to improve Finnish companies' poor economic performance in the aftermath of the recession. There also was a drive to look for the explanation for companies' productivity and competitiveness problems in their outdated operating practices. This view was reinforced by tougher international competition ensuing from the collapse of the Soviet Union market perceived as 'easy' for Finnish companies, incompetent investments in new technologies in the pre-recession years, and the breakthrough of process management. Especially the principles of lean production, including the streamlining of processes, leaner and flatter organisation structures, team work and continuous improvement (e.g. Womack and Jones 1996), fell on

fertile ground in Finland. Applying these principles did not require great investments in companies recovering from recession. The rational rhetoric of lean production also fits in well with the Finnish management culture, and its eclectic nature made possible the simultaneous promotion of goals that were important for the employees and trade unions as well

From the viewpoint of companies, the legitimisation of workplace development supported with public funding was promoted by the fact that, as a result of the globalisation of the economy and in the hope of saving on their costs, companies started focusing on their core competence. They cut back on expert resources that were not part of their core activities, which increased their interest in outside research, development and training cooperation. Management consultation thus experienced a period of rapid growth in Finland in the 1990s (Ainamo and Tienari 2002). The competence and willingness of universities and research institutions to work together with companies also increased, as indicated above.

The first actual national level workplace development programme in Finland was the National Productivity Programme that was launched in 1993 on the initiative of labour market organisations. In 1996, the National Productivity Programme was complemented by the National Workplace Development Programme TYKE launched by the Prime Minister Lipponen's first government. TYKE was initially set up for a four-year period, but in Prime Minister Lipponen's second government programme, it was extended by another four years. TYKE and the National Productivity Programme were implemented in parallel until the end of 2003. Based on the programme of Prime Minister Lipponen's second government, the four-year Well-Being at Work Programme was also launched in 2000. The Ministry of Labour was responsible for the practical implementation of all three programmes together with the labour market partners as well as some other ministries and providers of research funding. The set of programmes launched in the early 2000s also includes the National Programme for Ageing Workers (1998–2002) which, however, was more of a campaign in its nature than the programmes cited earlier, as well as certain European Social Fund programmes, which to some extent also included workplace development.

To continue the work of the TYKE programme and the National Productivity Programme, the Ministry of Labour launched the new Workplace Development Programme TYKES in 2004. TYKES concluded at the end of 2010. In March 2008, the implementation of this programme was transferred to Tekes. In 1996–2010, more than 1,800 projects were funded through the TYKE and TYKES programmes, and some EUR 106 million of public funding was allocated to them. A clear majority of the projects (more than 1,500) consisted of development projects started with initiatives made by workplaces. Typical targets of the projects included work processes, organisation of work, supervisory tasks, work community, working methods and business-to-business networks. The objective of the projects was to improve the productivity of work and QWL at workplaces simultaneously. Nearly 350,000 people took part in the projects at workplaces. In practice, projects were implemented in all sectors and at workplaces of all sizes nationwide. Other national programmes in early 2000s that included working life development in Finland were the Veto Programme coordinated by the Ministry of Social Affairs and Health (2003–2007), which mainly was follow-up for the National Programme for Ageing Workers and the Well-being at Work programme, the KESTO programme coordinated by the Finnish Institute of Occupational Health (2004–2007) and the Ministry of Education's Noste

Programme (2003–2009). The European Social Fund also continued to fund workplace development through some of its programmes.

Implementation of the TYKE and TYKES programmes was guided by a set of principles which together can be, in retrospect, characterized as 'the Finnish model for workplace development'. It can be deemed justifiable to speak of such a 'model' at least in the sense that several ministries, labour market partners as well as a number of other funding bodies for working life research and workplace development were represented in the programmes. The main principles of the model can be summarised as follows (Alasoini 2012):

- *System-level approach*: The target of development at the workplace level should be a work system that consists of several interrelated work, organisational and human resource management practices on the whole, rather than individual practices as such.

- *Productivity and QWL*: A mutually supporting relationship between the promotion of productivity and QWL at workplace level is possible, i.e. both can be supported with similar kinds of development methods. Productivity growth achieved in this way can be called sustainable.

- *Local learning processes*: Workplace innovations usually call for a great deal of 'local re-invention', which means that with a view to promoting sustainable productivity growth it is more important to support local learning processes rather than transfer ready-made 'best practices' from one workplace context to another.

- *Labour-management co-operation*: Co-operation between management and personnel in development is important, because in this way it is possible to utilise versatile expertise in the planning and implementation of new solutions, and to create shared understanding and acceptance based on the decisions that will be made.

- *Research-supported development*: Interplay between research and development in projects often provides more favourable conditions both for innovative workplace-level solutions and the creation of new generalised knowledge than research or development alone.

- *Expanded triple helix (on the concept, see Ramstad 2008)*: In modern knowledge-based societies, there usually are several clusters of innovation which possess different kinds of knowledge, implying that the most favourable conditions for workplace innovations derive from close interaction and co-operation between them.

- *Inclusiveness*: For the maintenance of the conditions for the Finnish welfare state, it is important to foster innovative development in many sectors of the economy and in many kinds of workplaces rather than focus on leading-edge sectors and workplaces alone.

**Establishing the position of workplace development in the context of new innovation policy**

In 2007, Prime Minister Vanhanen's second government made a decision to establish the Ministry of Employment and the Economy.  In the aftermath of this reorganisation, the TYKES programme was transferred from the Ministry of Labour to Tekes, the biggest innovation funding agency in Finland, and improving QWL was made part of the statutory duties of Tekes. In addition to the reorganisation of the ministries, establishing the position of the promotion of workplace innovation, and transforming it from a programme-based activity into a permanent operation of Tekes was also associated with the adoption of a new national innovation strategy.

The Government assigned in 2007 the Ministry of Trade and Industry to appoint a high-level group with the task of drawing up a proposal for a new national innovation strategy. The group, chaired by former Prime Minister Aho, submitted a proposal for a new kind of 'broad-based innovation policy' (Aho et al. 2008). The central idea of the proposal involved further expanding the target of innovation policy to give more significance to non-technological innovations and increasing the positive joint impacts of technological and non-technological innovations. The proposal also placed greater emphasis on the role of customers, users, ordinary employees and communities of different kinds in innovation. The Government approved the central recommendations of the strategy proposal in October 2008.

However, some international experts have suggested that Finland has not progressed very far in applying its new innovation thinking. For example, an international evaluation of the Finnish innovation system considers the content of the new broad-based innovation policy to still be fuzzy, vague and potentially even 'too broad' (Veugelers et al. 2009). There was also relatively little debate on what the linking of workplace development with the new concept of innovation policy would mean for the target or the content of workplace development, in connection with either drafting the legislative amendments or the preparation of the innovation strategy.

The National Working Life Development Strategy, which was drafted under the leadership of the Ministry of Employment and the Economy, was adopted in spring 2012. This strategy is inclusive and work organisation centred as it highlights the fact that development should begin within individual work organisations and that all work organisations should develop from their *own* starting points. Instead of dealing with only certain types of work organisations, the strategy describes paths for work organisations that are on 'good basic level' to move to the level of 'developer', and paths for work organisations that are on the level of 'developer' to become 'forerunners'. The four focus areas on which development should be supported in the strategy are innovation and productivity, trust and co-operation, health and well-being at work, and skills and competencies of the workforce (Ministry of Employment and the Economy 2012).

As part of the strategy, Tekes launched in August 2012 a new programme, entitled 'Liideri – Business, Productivity and Joy at Work'. Liideri is a programme for the development of business, in which companies renew their operations through developing management and forms of working and actively utilising the skills and competencies of their personnel. On the one hand, Liideri is a follow-up programme to the TYKE and TYKES programmes. On the other hand, the purpose of Liideri is to be a 'next-generation' workplace development programme that represents an approach in keeping with a broad-based innovation policy

(Alasoini 2012). At the project level, this means, first and foremost, an interconnecting link between traditional objectives and targets in the development of working life, such as work productivity, quality of working life and well-being at work, and a link between them and corresponding objectives and targets in the development of products, services and business operations.

The Liideri programme has three focus areas. The first of them is *management 2.0*. This concept refers to management principles, processes and practices, which help an organisation to promote the initiative, creativity and innovation potential of personnel, with a view to achieving competitive edge based on them. The main focus in Liideri projects is on the level of management processes, i.e. entities of interconnected practices that apply to management and help the organisation reach its objectives (cf. Birkinshaw 2010). A special emphasis is laid on processes of innovation management, knowledge management, diversity management, strategic human resource management and value management.

The second focus area concerns *employee-driven innovation (EDI)*. EDI refers here to active and systematic participation of employees in ideation, innovating and renewing of products and services and ways of producing them, with a view to creating new solutions that add value to customers (cf. Høyrup 2012). Within this generic definition, EDI processes on three different levels are identified in Liideri. In its least institutionalised form, EDI refers to self-organised (continuous) remaking of jobs and activities. Employees plan and implement solutions that help them solve work-related challenges and problems in a creative manner that is productive for the entire organisation (first order EDI). The second level is (fully) employee-*driven* innovation that produces solutions that arise from employees' self-initiated ideation and are both recognised and acknowledged by the management (second order EDI). The most institutionalised level is employee-involving innovation. This refers to solutions based on commissions by management, customers or various stakeholders in which the employees have actively participated (third order EDI).

The third focus area concerns *new ways of working*. This concept refers to work, which transcends the boundaries of time-honoured temporal, spatial and organisational patterns and forms of work, or which in some other recognised way embody principles of management 2.0. New ways of working that are based on these general principles can be very different. Common to all of them, in particular, is the fact that management becomes a more shared activity and that work is done in a more individual ways and is more decentralised in terms of being done in different locations, at different times and with changing groups of people in different networks. Another important precondition for dissemination of new forms of working is the continuous development of ICT-based applications. This creates new opportunities for digitalisation of data reserves, continued reduction of the cost of data and information processing, and increasing connectivity of and speed of access to various types of data and information.

The primary target group in the Liideri programme consists of small and medium-sized enterprises, which pursue growth from the innovation-derived competitive edge of their business activities, utilising and developing preconditions for active and systematic participation of their personnel in innovation and other development activities. Other kinds of companies and public organisations can also receive funding for projects that show high innovative value and can act as important sources of ideation and inspiration for other

organisations. The projects should aim at extensive renewal of their ways of operation, build on extensive networking and also permit other organisations to have access to the key results of their projects. Consultants and (action) researchers work in projects supporting companies, just as in the TYKE and TYKES programmes.

The aim is to get at least 300 companies or other organisations to launch programme-funded projects, of which at least 70% should bring about clear and measurable improvements in productivity and well-being at work. In addition, the aim is for at least 1,000 companies or other organisations to make use of the programme services or gain concrete benefits from the programme for running their own business or other activities.

### Finnish programmes in a broader context: their position and significance

Even this short review suffices to show that Finnish working life has been the object of active development in recent years. The difference to other Nordic countries, in which working life has also seen active development efforts in recent years, is that in Finland, the Government has had a stronger input in influencing workplace level changes through various programmes and projects (Gustavsen 2007). In European level comparisons, the remarkable feature is a clear division between the more active north and the more passive south, and the scarcity or complete absence of development actions in the main part of the so-called new member states of the European Union (Eeckelaert et al. 2012).

A high QWL is not only a luxury product that can be achieved as a manifestation of favourable economic growth or generous welfare policy. It is also a considerable potential source of competitive advantage in an increasingly global economy. Company and establishment level data from such countries as Denmark (Laursen and Foss 2003; Nielsen and Lundvall 2007; Nielsen et al. 2012), the Netherlands (Beugelsdijk 2008), Great Britain (Shipton et al. 2005) and the United States (Messersmith and Guthrie 2010) show that advanced management and organisational practices and the good possibilities of learning and exerting influence at work engendered by them have a positive correlation with companies' ability to come up with product and service innovations. Producing innovations, on the other hand, is an extensive organisational learning process at best that also promotes opportunities for developing their work, and in their work, for those taking part in it. According to contingency thinking (e.g. Schuler and Jackson 1987), shortcomings in the ability to innovate, on the other hand, can impel companies to look for competitive advantage purely from costs, which can further have negative impacts on the possibilities of developing QWL. This can result in a self-perpetuating vicious circle.

Arundel et al. (2006), for example, have stated that the bottleneck in improving the innovative capabilities of European firms might not lie in the low levels of R&D expenditure, which are strongly determined by industry structures and therefore difficult to change, but in the widespread existence of work contexts that are unable to provide a fertile environment for innovation. According to them, 'If this is the case, then the next step for European policy is to encourage the adoption of 'pro-innovation' organisational practice, particularly in countries with poor innovative performance' (ibid.: 29). Their views are based on analyses that draw on Eurofound Working Conditions Surveys.

The position of the Nordic countries as forerunners of QWL and its development has often been explained through various regime or system theories (e.g. Dobbin and Boychuk 1999; Gallie 2007; Oinas et al. 2012). These theories are based on views according to which organisational forms that differ from each other in a relatively permanent and systemic manner can be found between capitalist economies. The explanations offered by regime or system theories remain flimsy, however, in the sense that they operate with very rough classifications and look for explanations by referring to regimes or systems that are static, or 'given'. It is obvious, however, that the position of the Nordic countries as forerunners of organisational changes has been promoted by special features of Nordic capitalism in a wider sense than what these explanation models indicate. In particular, such features include advanced technologies, a high educational level of the labour force, co-operative labour and employment relations, openness of the economy and a high dependency on exports. The special features of Nordic capitalism are also linked with the idea of an enabling welfare state, the specific institutional forms of which, however, have wide differences between individual countries. Thus, its most essential feature is not institutional forms of a certain type but an institutional *experimental nature*, which also applies to the ways work is organised (Kristensen and Lilja 2011; Kristensen and Morgan 2012).

The idea of an enabling welfare state can also be linked to a rapid change of working life and a high QWL life through two similes (Figure 1). Firstly, the enabling welfare state has offered people *safety nets* by evening out the risks in working life changes. It has also served as a *springboard* by being a key force that in itself mobilises people and work organisations to reform. This mobilisation process has in particular taken place through investments in competence, learning and creativity in particular, but also through investments that target participation in working life and increase consumption in more general terms.
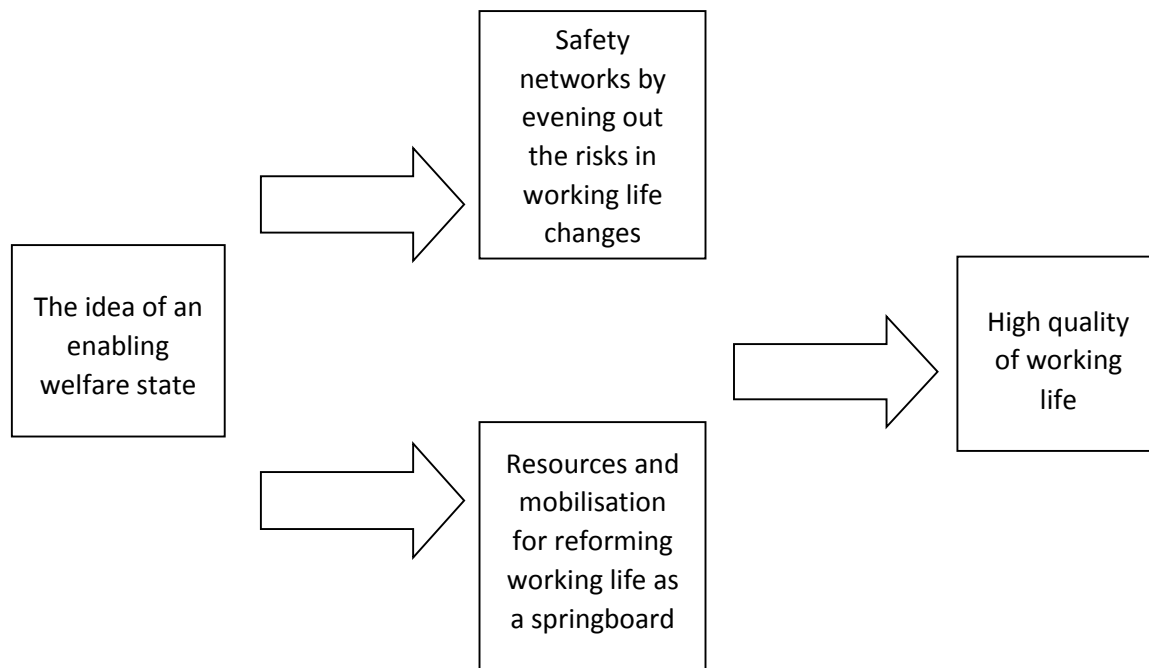
*Figur 1 The idea of an enabling welfare state and high quality of working life.*

Megatrends, such as the globalisation and networking of the economy and the development of ICT, percolate through different institutional structures in different ways, depending on the country in question. The new management doctrines concerning such megatrends do not therefore have a mechanical influence but instead take on hybrid forms at national level on the basis of local (re)interpretations. As a good example of such "hybrid forms" can be mentioned Nordic lean production model applications, which differ in many ways from their typical Japanese and Anglo-American counterparts, for instance (e.g. Lotz and Kristensen 2012; Oudhuis and Tengblad 2013; Seppälä and Klemola 2004). Oinas et al. (2012) showed, drawing on Eurofound working conditions studies, that Denmark, Finland and Sweden have retained their advantageous position concerning job quality compared with other EU countries between 1995 and 2010 in the era of globalisation and rapid technological change. Such national institutional structures, which in Finland and in the other Nordic countries have had a positive influence on QWL so far, are, however, also subject to changes themselves. The positive effect of these systems in the future is not a foregone conclusion but will require their constant development in the form of institutional experimentalism on the basis of a common understanding among the parties concerned.

Unavoidably, workplace development programmes alone are powerless to have a ground-breaking impact on the progress of working life change in themselves. These programmes mainly offer us a possibility of striving to strengthen desirable trends or to prevent undesirable ones. A precondition for this is that the activities are based on a visionary assumption of the current trends and the threats and possibilities inherent in these, and an ability to implement these promotive/preventive measures. The arguments used to legitimise the promotion of workplace innovations through various programmes are in principle the same as those for any intervention to promote innovations in general. Above all, these arguments include deficiencies of the market mechanism, system failures of existing institutions as well as the various positive externalities of interventions and innovations (cf. Edquist et al. 2001; Veugelers et al. 2009).

The impacts and effectiveness of Finnish programmes (TYKE and TYKES) can, based on evaluation studies (Arnkil 2008; Arnkil et al. 2003; Oosi et al. 2010) be described as follows: As their most visible impacts can be seen immediate improvements in the productivity and effectiveness of work and various factors of QWL at participating workplaces. Many of the most successful workplaces have been small or medium industrial companies. As the second most important impact, the evaluation studies highlight the strengthening of working life research and development of infrastructure, including the number and competence of experts specialising in this area at universities and research institutes, and the networking between such experts. As the third most important impact can be cited boosting public debate on and awareness of the economic and other societal significance of the promotion of workplace innovation in Finland.

Evaluation studies indicate that there are two areas which can be considered the most problematic. Alasoini (2008) calls these the second-order and generative results of the projects. Second-order results from projects demonstrate how durable the improvements attained are and whether they are supported by changes which promote the development capability and learning capacity of those work organisations participating in the project. Generative results show how results from projects supported through the programme benefit other parties besides those directly involved in the project. The problem with regard to generative results is that they do not necessarily, and in workplace development not even primarily, involve ready-made 'best practices' that can then be transposed from one context to another; rather they involve the production and dissemination of interesting ideas which can become sources of inspiration or encouragement to actors outside the project. Regardless of many attempts and even innovative experiments, including interactive events or support for learning networks, the TYKE and TYKES programmes to a great extent failed to deliver on their ambitious goals, especially as regards generative results (Alasoini et al. 2011).

## Workplace development in the 'new working life'

Technological advancement, globalisation of the economy, actualisation of environmental issues as well as demographic, social and cultural changes will in the next few years shape working life in many ways. For example, networking of the economy, distribution of work and management, expanding possibilities of the interactive Internet and social media, the entry of the net generation into working life and the individualisation of work orientations will put a question mark on many ideas of work and its organisation inherited from the industrial era (e.g. Gratton 2011; Meister and Willyerd 2010). The reshaping of working life will also be a significant challenge to many time-honoured methods of developing working life.

Working life will not change in a deterministic, straightforward or smooth manner. The features of the new working life will manifest themselves differently in different sectors, industries, organisations and tasks. Rather than completely displacing the old ones, they will be deposited as new historical layers upon the old ones. Gratton (2011: 11) notes that while the working life of the future is already here, it is unevenly distributed. In other words, practices, models and logics of the new working life can already be found today in multiple guises in the various phenomena of our time.

However, speculations about working life that reach into the future have hardly been extended into the area of workplace development. Debate on the pressures that the trends of working life change we are able to anticipate will put on the basic assumptions and methods of workplace development is so far scarce. In the following, three of these challenges are discussed, reflecting on the principles of 'the Finnish model for workplace development' (see above).

The principles of this model included seeing the workplace at the core of the development efforts and targeting development on a work system that consists of several interrelated work, organisational and human resource management practices. The definition of what such terms as a 'workplace' will mean in the future may, however, become more vague than before, especially in situations where the work is virtual, mobile and distributed, services are produced in various types of networks, development takes place in projects with variable consistencies and different organisations, or staff serving a number of different employers work at the same physical workplace. We could well ask if an individual company with a more or less hierarchical organisation (or a 'workplace' in the conventional sense of the concept) any longer is the most fruitful environment for innovations in working life. Or will loose, reflexive communities and networks capable of flexible adaptation more and more frequently be at the core of innovative development in the future?

Another important topic for consideration is what QWL will mean in a situation where work becomes more knowledge and service intensive, people's work orientations are more individualistic, and changes at workplaces are more frequent. In the future, it will be increasingly difficult to set generally applicable, concrete criteria that lend themselves to objective measurement for a good QWL. On one hand, this is because in knowledge and service intensive work, a good work performance typically requires a stronger mental commitment than in traditional manual work. The possibility of becoming committed and thus achieving experiences of success in this type of work is also a key factor in producing subjective well-being. The preconditions for this are to a great extent determined by individual situations and dependent on the personal work orientation of each employee. The commitment is promoted by the employee's opportunities for a sense of coherence, or an ability to control the work and to find in it features that are comprehensible and meaningful (Antonovsky 1987; Kira 2002). On the other hand, in environments where change is more or less continuous, it will be increasingly difficult to try and develop QWL primarily through certain structural features of work that unavoidably will be short in duration. The question of the employee's possibilities of exerting influence and feeling inclusiveness in the context of changes that concern her/him will emerge as an increasingly important precondition for a good QWL (Alasoini 2012).

The third topic for consideration is relevant to the question of co-operation between management and staff and their roles in the development efforts. Traditional roles will become partly confused in the new working life. The dualism of management and staff, which has in particular directed development driven by the tradition of industrial relations, will partly disappear and be reshaped when exposed to ways of working that are increasingly network-based, project-like and communal, or based on shared management and self-management. In organisations, which compete with flexibility, customer-orientation and agility, managing, supervising and organising work will no longer be tasks that only belong to people in managerial and supervisory positions, nor will they be limited to a single organisation any longer. More and more of the responsibility for these tasks will be shifted to non-managerial

employees and to the teams and communities formed by them. As self-management becomes more common, many traditional forms of representative participation will unavoidably seem rather slow, and many traditional forms of direct participation will appear rather a weak means of exerting influence in the eyes of the employees. Along with them, new forms of participation, co-operation and partnership will be needed.

**Summary and conclusions**

This article gives a review of the 20-year history of programme-based promotion of workplace innovation in Finland, examines the unique quality of Finland in a European comparison in this field, and discusses the challenges that the on-going working life change is setting to our customary ways of workplace development. Workplace development started later in Finland than in many European countries and in the other Nordic countries in particular. The special feature in Finland is that in recent years, the Government has shown a strong commitment to the promotion of workplace innovation through various programmes. The strongest political expression of this was the National Working Life Development Strategy completed in 2012, as part of which the Liideri programme was launched by Tekes. The integration of the promotion of workplace innovation as part of the extended concept of innovation policy has also probably been taken further in Finland than in any other European country.

While the article paints rather a gloomy picture of how debate on a good working life has been flagging, or even non-existent, in many European countries recently, there are also signs of change in the air. The EUWIN project (2013–2015), funded by the European Commission, is an important indication of the fact that workplace innovations are also seen to be important from the perspective of industrial policy in Europe. It has also been suggested that while the 'first wave of productivity' based on the breakthrough of ICT in the 1990s had its roots in the application of new technologies to products, services and process streamlining, in the future productivity growth is more likely to be driven by organisational and institutional innovations that exploit new technologies. As the driving forces of the 'second wave' of ICT-based productivity growth have been seen factors associated with organisations' ability to collaborate, their collaborative relationships and culture, or in other words, various business management, workplace and other social innovations (Gratton 2011; Heckscher 2007; Perez 2002).

Workplace development programmes' capacity to promote innovations of this type during the 'second wave of productivity' will depend on their ability to reinvent themselves, enabling them to respond to challenges that will emerge during the transformation that is under way. Some of the key questions are to what extent the individual company/workplace remains the main target for development, what QWL means, how the roles of management and staff will become mixed and reshaped in self-managing work systems and what forms of participation, co-operation and partnership will be needed in the new working life. In various times of turbulence (as we are now), the possibility of having access to new information and visions, exchanging experiences and learning from solutions made by others will become increasingly important. From this perspective, various European and other international forums may in the future play an increasingly important role in how well workplace development programmes will maintain their societal relevance and impact, both at the national and the regional level.

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# Closing the Gap: The Fifth Element and Workplace Innovation

Peter Totterdill

**Abstract**

*Growing evidence shows that workplace innovation practices which empower employees to make day-to-day-decisions, challenge established practices, contribute ideas, and be heard at the most senior levels, lead to better business results, as well as enhanced workforce health and engagement. Most businesses are either unaware of this evidence, or are unable or unwilling to act on it. Surveys demonstrate a gap between "what works" and common workplace practice.*

*We lack an easily communicable way of sharing actionable knowledge, generated by diverse bodies of research and experience, with enterprise-level decision-makers, public policymakers and other actors. We need a "joint intelligence" shared by all stakeholders in the workplace, and at the wider economic and social level. This task has been taken up by UK WON and its partners in the European Workplace Innovation Network (EUWIN).*

*The literature emphasises the importance of internally consistent policies and practices in achieving superior outcomes for organisations and their employees, greater than the sum of individual measures. The Fifth Element captures this essential quality, providing a framework for the creation of sense-making narratives that build bridges between researchers and practitioners.*

*We can learn from European countries which are proactive in building long-term relationships, joint intelligence and collaborative action, between policymakers, researchers, social partners, consultants and enterprises.*

**Keywords:** Workplace innovation, productivity, competitiveness, employee health, employee engagement, EUWIN, Europe, *The Fifth Element*, knowledge, public policy, social partners

**There is a gap, and it's not going away**

Two things are clear.

Firstly there is a vast and growing body of evidence to show that workplace innovation practices which empower employees to make day-to-day-decisions, challenge established practices, contribute ideas and be heard at the most senior levels of an organisation lead to better business results as well as enhanced workforce health and engagement. As European businesses struggle to emerge from recession, this evidence would seem to offer an important resource for enhanced competitiveness, increasing productivity and the rate of innovation.

Secondly it is equally clear that most businesses are either unaware of this evidence, or that they are unable or unwilling to act on it. Successive surveys demonstrate a substantial gap between research evidence of "what works" and common workplace practice.

Gaps between academic research and practitioner knowledge are neither new nor surprising. In most of Europe, university researchers are paid and measured on their ability to understand the world, but not to change it. Of course many universities are attempting to build commercial consultancy portfolios and to sell customised work-based learning courses, but active pro-bono dissemination beyond publication in academic journals can be career-limiting.

The nature of the research evidence itself adds a further stumbling block. There are countless articles based on studies in highly specific contexts, the majority of which add insight and understanding. They also present practitioners with a bewilderingly fragmented range of knowledge and experience from which it is hard to draw coherent conclusions. Integrative research, pulling together cross-cutting findings from diverse studies, does not score highly in academic performance appraisal and few researchers have attempted the type of analysis that can be found in Appelbaum et al's important review of some sixty US articles which shows that workplace innovation has a substantial positive effect on efficiency (Appelbaum, Gittel and Leana, 2010).

Finally there are few spaces in which researchers and practitioners interact in ways that lead to knowledge sharing and the collaborative creation of new insights and understanding.

This article argues for the co-creation by researchers and practitioners of a framework for understanding, stimulating and enabling workplaces that achieve high performance through employee empowerment and engagement. Such a framework, which we call *The Fifth Element*, can bring together research evidence and practical experience through a combination of online collaboration and open dialogue between researchers and practitioners. Its aim is to create a generative resource that will support practitioners in guiding change as well as identifying new research agendas. At the same time it can never be a blueprint or recipe book because the deployment of generalisable knowledge within a specific workplace context is inherently innovative, involving experimentation, trial and error, and shared learning.

Of course there have been several previous attempts to conceptualise high performance and high quality of working life workplaces, for example the Learning Organisation (Senge, 1990) and Sustainable Work Systems (Docherty, P., Kira, M., Shani, A. B. eds., 2009). Each adds valuable theory-driven insight. The distinctiveness of *The Fifth Element* is that it is owned by a community of practitioners and researchers, contributing diverse types of knowledge and experience within a common set of values and aspirations.

**Defining workplace innovation**

Frank Pot (2011) describes workplace innovation in terms of "new and combined interventions in work organisation, human resource management and supportive technologies", a broad definition which has now become widely accepted. However this broad umbrella conceals important differences of emphasis. In another paper, Pot and his colleagues explain that:

"workplace innovations are strategically induced and participatory adopted changes in an organisation's practice of managing, organising and deploying human and non-human resources that lead to simultaneously improved organisational performance and improved quality of working life." (Pot, Dhondt & Oeij, 2012).

It would be wrong to define workplace innovation purely in terms of static practices adopted in the past:

"Successful workplace innovation depends not on following a linear process of change towards a defined end but on the ability to create innovative and self-sustaining processes of development by learning from diverse sources, by creating hybrid models and by experimentation." (Totterdill, Alasoini, Banke, Berckmans, Telljohan and Zettel, 2010).

Most importantly, workplace innovation is an inherently social process. Expert knowledge can play an important role in resourcing innovation but the simple application of codified knowledge by experts to the organisation of work is unlikely to be effective. Rather workplace innovation is about building skills and competence through creative collaboration. Thus in defining workplace innovation it is important to recognise both process and outcomes. The term describes the participatory *process* of innovation which leads to *outcomes* in the form of participatory workplace practices. Such participatory practices grounded in continuing reflection, learning and improvement sustain the process of innovation in management, work organisation and the deployment of technologies.

Workplace innovation is fuelled by open dialogue, knowledge sharing, experimentation and learning in which diverse stakeholders including employees, trade unions, managers and customers are given a voice in the creation of new models of collaboration and new social relationships (Dhondt, van Gramberen, Keuken, Pot, Totterdill & Vaas, 2011). Workplace innovation seeks to builds bridges between the strategic knowledge of the leadership, the professional and tacit knowledge of frontline employees, and the organisational design knowledge of experts. It seeks to engage all stakeholders in dialogue in which the force of the better argument prevails (Gustavsen, 1992).

According to the Hi-Res study, a meta-analysis of 120 case studies across ten European countries, workplace innovation takes diverse forms but is always characterised by:

". . . a clear focus on those factors in the work environment which determine the extent to which employees can develop and use their competencies and creative potential to the fullest extent, thereby enhancing the company's capacity for innovation and competitiveness while enhancing quality of working life." (Totterdill, Dhondt and Milsome, 2002).

Totterdill, Dhondt and Milsome demonstrate that such factors in the work environment include empowering job design; self-organised teamworking; structured opportunities for reflection, learning and improvement; high involvement innovation practices; the encouragement of

entrepreneurial behaviour at all levels of the organisation; and employee representation in strategic decision-making. They argue from the case studies that these workplace practices enhance the ability of employers to secure a full return on their investments in training and technology as a result of improvements in performance, innovation and quality of working life.

It is this potential for convergence (rather than a trade-off) between improved performance and enhanced quality of working life that lies at the heart of workplace innovation (Ramstad, 2009a; Dhondt, van Gramberen, Keuken, Pot, Totterdill & Vaas, 2011). It can be argued (Totterdill, Cressey and Exton, 2013) that the search for convergence can form part of "a new collective bargaining" in which employees gain trust, empowerment and intrinsic reward in return for making their tacit knowledge and creativity available as a resource for organisational improvement and innovation.

## Why workplace innovation matters

The key to genuinely sustainable competitive advantage depends on the core capacity of the organisation to learn and to develop and utilise all its resources to the full (Barney, 1995; Priem & Butler, 2001). Participative ways of working increase company performance, quality of working life and employee commitment through improvements in staff competence, motivation and knowledge-sharing (Appelbaum, Bailey, Berg and Kalleberg, 2000; Wood, 1999). Such organisations are better able to attend to rapid technological and other environmental changes, and withstand competitive pressures (Osterman, 1994).

Extensive survey and case study evidence demonstrates that workplace innovation improves performance and innovation. A review of some sixty US articles shows that workplace innovation has a substantial effect on efficiency (Appelbaum, Gittel and Leana, 2010). Likewise Black and Lynch (2001) demonstrate performance premiums ranging between 15 and 30 percent in unionised manufacturing plants that combine investment in technology with measures to support employee engagement.

Reviews of European literature also demonstrate a positive relationship between participative forms of work organisation and performance (Brödner & Latniak, 2002). One of the most significant studies, the *Employee Participation and Organisational Change* (EPOC) survey of 6000 workplaces in Europe, confirms that direct employee participation can have strong positive impacts on productivity, innovation and quality. Of firms which implemented semi-autonomous groups, 68 per cent enjoyed reductions in costs, 87 per cent reported reduced throughput times, 98 per cent improved products and services, and 85 per cent increased sales (European Foundation for the Improvement of Living and Working Conditions, 1997). Extensive Swedish surveys found that "decentralising work organisation and human resource development are positively associated with productivity and growth" (ITPS, 2001). There is a very clear link between flexible, participative forms of work organisation and performance: flexible organisations were more productive (+20-60%), showed a much lower rate of personnel turnover (-21%), and a lower rate of absence due to illness (-24%) compared with traditionally organised operational units (NUTEK, 1996). Comparable findings can be found in studies from Finland (Antila & Ylöstalo, 1999) and Germany (Lay et al, 1996).

The benefits of workplace innovation for employees are also demonstrated by a substantial body of research (Delery and Doty, 1996). Participative work practices such as self-organised teamwork enhance employee motivation and quality of working life, playing a particularly important role in reducing employee stress (Shortell, Zimmerman, Rousseau, Gillies, Wagner & Draper, 1994), enhancing job satisfaction and mental health, and improving retention (Borrill, Carlette, Carter, Dawson, Garrod, Rees, Richards, Shapiro & West, 2001). Critically Ramstad (2009a) shows that improvements in quality of working life have a strong association with improvements in economic performance, and indeed may actually enable them.

Research also highlights the importance of a set of internally consistent policies and practices including workplace partnership, team-based job designs, flexible workforces, quality improvement practices and employee empowerment (Lado and Wilson, 1994; Huselid, Jackson and Schuler, 1997). As Teague (2005) suggests: "Organisations with mutually reinforcing employment practices achieve superior performance as their collective impact is greater than the sum of individual measures."

**The problem**

However Europe is facing a difficult paradox. Despite the evidence of organisational benefits successive studies make clear that the spread of these practices is limited. The number of organisations investing systematically in workplace innovation is at best some fifteen percent across the EU (see for example European Foundation, 1997).

The 2010 European Working Conditions Survey (EWCS) reveals disturbing findings:

- Job autonomy has not risen in the past decade. While there has been some improvement in the ability of workers to determine the sequence in which they undertake tasks this has been offset by decrease in autonomy over methods.
- Over the last twenty years some 15% more workers experience working to tight deadlines.
- Stimulating work has not increased during the last twenty years. The frequency of repetitive tasks has remained the same and the degree of monotonous work has slightly increased.
- Only 47% of European workers are involved in improving work organisation or work processes in their department or organisation.
- Only 47% are consulted on target setting relating to their own work for their work are set.
- Only 40% can influence key decisions that affect their work.

The EWCS results show important variations in the spread of active and learning forms of work organisation across EU Member States, with a clear distinction between Northern European and Southern/Eastern European countries (OECD 2010; European Foundation, 2012) explained by past and present industrial relations contexts, economic policies and political systems.

The limited density of workplace innovation can be understood in terms of several mutually reinforcing factors (Totterdill, Dhondt & Milsome, 2002; Business Decisions Limited, 2002) including:

- an excessive tendency to see innovation purely in terms of technology;

- low levels of awareness of innovative practice and its benefits amongst managers, social partners and business support organisations;

- poor access to robust methods and resources capable of supporting organisational learning and innovation;

- uneven provision across Europe of knowledge-based business services and other publicly provided forms of support;

- the failure of vocational education and training to provide knowledge and skills relevant to new forms of work organisation.

Knowledge of the nature and importance of workplace innovation accumulated by researchers over decades is not widely shared by those making decisions about work and workplaces, nor indeed by many policymakers, employers' organisations or trade unions responsible for shaping the wider context in which enterprises exist.

At workplace level resistance is well understood as a constraining factor. Management resistance to empowering work practices can be explained in terms of the embedded structures that shape management behaviour and practice. Power can be seen as a zero-sum game: to empower workers, managers have to lose it (Hardy and Leiba-O'Sullivan, 1998) potentially challenging their self-identity and status within the organisation (Alvesson and Willmott, 2002; Collinson, 2003; Thomas and Linstead, 2002). Such ingrained resistance is often characterised by high levels of immunity to evidence that better ways of working might exist. This, however, is a misunderstanding. When power is shared the overall sum increases, enhancing the capacity of managers and employees alike and thereby that of the entire organisation.

The need is to find new ways of bridging the knowledge of researchers about workplace innovation with the practical understanding and tacit knowledge of practitioners, creating the potential for new solutions to commonly acknowledged dilemmas and opportunities such as productivity, innovation, and health and wellbeing at work.

## Spreading workplace innovation

The practical challenge is to build the conditions at European, national and local levels which stimulate, resource and sustain workplace innovation on a large scale. There are several principles at stake.

European management culture continues to be subjected to influences from around the world and is prone to fashionable obsessions, often the product of an apparent convergence between well-known Business Schools, global consultancy companies and a prolific management publication industry (see for example Pfeffer and Sutton, 2006). Garibaldo and Belussi (1996) argue that policy makers and management opinion formers should be discouraged from an

obsession with emulating experiences from elsewhere such as we have seen in the influence of South East Asian or US models on management fashion:

> "The key point is rather to shift from a 'catch-up' approach - which until now seems to have not been successful at all - to a strategy firmly orientated towards the creation of innovative and self-sustaining processes of development."

Indeed many organisational scientists argue that the value of general concepts and methods is limited. Action-researchers stress that the design approach, which emphasises the expert-led introduction of prescribed organisational forms, has emerged as a roadblock rather than a motor for real change in organisations. Generalisable knowledge needs to be reinvented in the form of "local theories" grounded in dialogue, cultural identity and organisational context (Fricke, 1997; Gustavsen, 1992). In other words it is necessary to understand workplace innovation as the experimental creation of hybrid practices (Latour, 1993) drawing on diverse sources of experience and knowledge. From the perspective of a Finnish policymaker, Tuomo Alasoini (2011) argues that public programmes and interventions to support workplace innovation need to recognise the distinctive but interlinked contributions of three types of knowledge:

1. *Knowledge of proven workplace designs and practices*. As with concepts such as "lean", this explicit knowledge may have claims to universal validity but equally such evidence may come from context-specific cases.

2. *Knowledge of collaborative ways to construct or re-invent workplace design*. This is knowledge of process, understanding the ways in which explicit knowledge can be combined with "employee voice" (Boxall & Purcell, 2003) and contextual factors specific to individual workplaces and organisations.

3. *Knowledge of how to produce and disseminate knowledge of workplace innovation as generative ideas for the use of actors elsewhere*. Together with other Nordic writers such as Gustavsen (2004), Alasoini argues that it is not sufficient to produce "star" cases in the hope that wider diffusion will follow. Agencies with capacity for dissemination such as chambers of commerce, social partners and universities need to be active participants in programmes and initiatives, and transferable lessons can be fed through inter-organisational learning networks. There is also an increasing tendency for interventions to be directed at clusters rather than individual enterprises to encourage knowledge sharing using methods such as action learning (for example Anact's "Collective Action" approach in France - see Totterdill et al, 2009; see also Alasoini, Hanhike, Lahtonen,Ramstad & Rouhiainen, 2006; Harris, Tuckman, Watling and Downes, 2011; Middleton & Totterdill, 1992; Ramstad, 2009b).

The traditional way to accomplish change is through the application of generalised concepts to specific problems according to a predetermined set of rules. Knowledge is often reduced to a commodity traded by consultants or technical experts, but this can inhibit sustainable change because the top-down application of generalisable concepts fails to engage managers and ignores employees' tacit knowledge (Business Decisions, 2000; Fricke, 1997; Gustavsen, 1992; Pfeffer and Sutton, 2006).

It is important to understand the complex learning paths which characterise change in real situations. Pettigrew (1987) for example is very critical of approaches that do not take context

into account and argues for greater focus on the internal and external factors which drive, inform and constrain change. Such authors argue that change is a dynamic and uncertain process that emerges through the interplay of many factors. In this analysis reflexive practices inside the organisation capture employee knowledge and experience while simultaneously stimulating the absorption of knowledge and experience from external sources. This creates a dynamic interaction between product or service innovation and organisational change.

### *The Fifth Element* as "Joint Intelligence"

It is time to bridge the gap between knowledge held by researchers and that of workplace decision-makers. The aim is to create a 'joint intelligence' shared by all stakeholders in the workplace and at the wider economic and social level (Middleton and Totterdill, 1992).

A critical issue is that the research community itself is fragmented by disciplines, schools of thought and national traditions. Of course this adds to the richness of knowledge and understanding that can be found both within Europe and across the world, but equally it makes sense-making that much harder. Buchanan and Dawson (2007) are particularly critical of this fragmentation and its impact on shared understanding: "multiple change narratives compete with each other, either because they are personally self-serving, politically motivated, or informed by only partial knowledge of what actually happened." They argue for "a multi-story process" which conceptualises organisational change in ways that accommodate competing narratives and synthesise insights.

The creation of EUWIN (the European Workplace Innovation Network) by the European Commission at the end of 2012 provided an opportunity to address the need for a new type of dialogue between researchers and practitioners. Led by TNO[2] and UK WON[3], EUWIN's task is to promote the dissemination of workplace innovation throughout Europe through knowledge sharing and dialogue[4].

With limited resources, a clear framework for communication was a priority for EUWIN partners. Workplace innovation is a hard-to-grasp concept, and it was important to make it more communicable, without breaking the link with the large and complex body of research evidence that underpins it.

*The Fifth Element* was designed to enable employers, employees, social partners, policymakers, consultants, researchers and other stakeholders to co-create a vision of the high performance, high quality of working life organisation, adding knowledge and experience in ways that contribute to a cumulative and evolving narrative. This narrative informs a series of short, sense-making texts within EUWIN's online Knowledge Bank, helping users navigate through its increasing collection of case studies, articles, films and other learning resources. The texts offer a resource for learning and reflection, suggesting generalisable principles but avoiding

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[2] www.tno.nl
[3] www.ukwon.net
[4] http://uk.ukwon.eu/euwin-resources-new

prescription. Workplace Innovation Limited[5] (part of UK WON) is already piloting the use of these narratives in short courses and workshops.

If, as suggested above, workplace innovation is "the new collective bargaining" (Cressey, Exton and Totterdill, 2013) then *The Fifth Element* can become its knowledge base, providing generative resources for co-creating and negotiating locally contextualised outcomes.


### *The Fifth Element* concept

The literature emphasises the importance of internally consistent policies and practices combining different forms of representative and direct participation in achieving superior outcomes for organisations and their employees which are greater than the sum of individual measures (Lado and Wilson 1994; Huselid, Jackson and Schuler 1997; Teague 2005). Likewise studies of failed workplace innovation emphasise the role of "partial change" in undermining the introduction of empowering working practices (Business Decisions Limited 2002). This provides the starting point for *The Fifth Element*.

Sustainable convergence between high performance and high quality of working life is explained by cumulative causation in which empowering workplace practices are aligned at each level of the organisation. The mutually-reinforcing impact of workplace partnership, shared learning, high involvement innovation, enabling organisational structures and systems, self-organised teams and empowering job design can create a tangible effect in workplaces which is hard to quantify but which is often described in terms of "engagement" and "culture".

(By implication, the formula for high levels of employee engagement and an enabling workplace culture is not a direct one, but must embrace the contents of each Element. Practitioners must be wary of "culture change" and "employee engagement strategies" that do not address working practices in an equally systemic way).

The metaphor of *The Fifth Element* is a useful way of capturing this essential quality, describing an alchemic transformation that can only take place when the other four elements combine. The concept is explained further on the EUWIN Knowledge Bank and in a short film[6].

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[5] www.workplaceinnovation.eu
[6] http://uk.ukwon.eu/the-fifth-element-new

## HIGH PERFORMANCE GOOD WORK SUSTAINABLE ORGANISATIONS

**Workplace Innovation**
**The Fifth Element**

**Work Organisation**
- Job autonomy
- Self-managed teams
- Integration of technology
- Flexible working

**Reflection and Innovation**
- Continuous improvement
- High involvement innovation
- Learning and development
- Shared knowledge and experience

Customer focus
Employee engagement
Enabling culture
Resilience
Positive employment relations
Enterprising behaviour

**Structure and Systems**
- Reducing organisational walls and ceilings
- Supporting employee initiative
- Fairness and equality
- Trust

**Workplace Partnership**
- Dialogue
- Representative participation
- Openness and communication
- Involvement in change
- Integrating tacit and strategic knowledge

**Workplace Innovation as a Reflexive Process**

**FACILITATORS OF WORKPLACE INNOVATION**

| Public Policy | Research | Expertise | Social Partners | Dialogue |

Author: Peter Totterdill (September 2013)

*Figur 2 The Fifth Element: conceptualising workplace innovation*

So what are these elements?

### *The First Element: Job Design and Work Organisation*

Employee initiative and the ability to work without close supervision are highly cherished: architects, midwives and refuse collectors perform their jobs well, because they can make many on-the-spot decisions based on background knowledge and accumulated experience of what works in practice, avoiding delays caused by unnecessary referral to managers or manuals. Employees can often help their customers and colleagues more effectively when they are trusted to use their judgement.

Building a workplace in which employees can develop and deploy their competencies and creative potential begins with job design. According to standards of job design developed in The Netherlands in the 1990s for example, employees at all levels should be able to assume responsibility for day-to-day decisions about work through co-operation or communication with others. Systematic opportunities should exist for problem solving through horizontal contact with peers. The ability of the employee to adapt the execution of work to changing demands, circumstances and opportunities is an essential prerequisite for occupational learning and reduces stress risk. The job should contain demonstrable opportunities for analysis, problem solving and innovation, in which the working environment is a place of learning. A high frequency of horizontal and vertical contact is required to support problem solving, learning and innovation, taking the form of ad hoc co-operation, formal and casual discussions, and possibly social contacts outside the work sphere. 'Distributed intelligence' throughout the organisation is also required to support problem solving, ensuring that knowledge and expertise are widely shared or readily accessible by individuals throughout the organisation (Totterdill, 2013).

Moreover in exercising discretion employees acquire skills that are transferable, increasing their adaptability and resilience within the organisation and their employability outside it, even in quite different occupations.

Effective job design must develop in synchrony with the wider organisational context. The key concept here, once again, is teamworking. Teamworking has been one of the defining characteristics of new forms of work organisation, with deep roots in European thinking about management and organisation dating back to the work of the Tavistock Institute in the 1940s and 50s.

However 'teamwork' is increasingly used to describe such a diverse range of workplace situations that arguably the term has become meaningless. While teamworking may refer to a general 'sense of community', or a limited enlargement of jobs to enhance organisational flexibility, empowered teamworking will involve a radical re-appraisal of jobs, systems and procedures throughout the whole organisation.

Empowered, self-organised teams are a basic building block; cases from the EUWIN Knowledge Bank and elsewhere demonstrate that team-based approaches can be found in manufacturing, financial services, health, government and transport.

Such teams are more than groups of co-located employees who report to the same manager, but rarely co-operate with each other. In real teams people share knowledge and problems, break down barriers and demarcations, and generate ideas for improvement, innovation and growth using the insight that day-to-day work experiences give them. All team members must have the

potential for a high level of reflexivity unconstrained by internal demarcations and privileges (Gustavsen, 1992). Extensive research demonstrates that these teams are more productive in factories and offices, they provide better customer service, and even save lives in places like hospitals (West, 2012).

Teams in which the specific knowledge and expertise of each team member are valued and make a tangible contribution to product and workplace innovation meet important criteria for convergence between enhanced productivity and enhanced quality of working life. Yet convergence is only possible and sustainable when structures, systems, industrial relations and leadership are fully aligned with the empowerment of employees in their day-to-day jobs (Boxall and Purcell, 2003; Buchanan and Preston, 1992; Teague, 2005). These interdependencies are explored further in the other three Elements.

### *The Second Element: Structures and Systems*

Organisational walls and ceilings that allocate people to departments, divisions, grades and professions inevitably tend to constrain the way that people work together, creating separate silos that put barriers in the way of doing a good job. Of course some demarcations may be necessary, reflecting different bodies of expertise and knowledge. This should not lead to fragmentation: different groups within an organisation should intertwine naturally in ways that share the richness around them, helping everyone understand other people's jobs, professions, specialisms, priorities, problems and vision.

For example Innocent is an innovative UK company that produces smoothies, juices and vegetable pots sold in supermarkets, coffee shops and other outlets. Its success depends on a culture that values creativity, openness and the sharing of ideas at every level. Fruit Towers, its HQ in London, is spread over four open-plan floors but seating for everyone including senior management is allocated randomly. Everyone gets maximum visibility and interacts with people from different functions. They get a broader understanding of different roles and how Innocent works as a whole[7].

ABB Cewe, a Swedish manufacturer of electrical switchgear, took clear action to close the gap between design and production functions by relocating development engineers onto the shopfloor. A distance of 30 metres along the corridor, it was argued, was sufficient to prevent adequate flows of information and knowledge between the two areas of activity. Direct involvement of production employees in the development process has reduced lead times, reduced production difficulties and enriched jobs. Similar results were obtained when ABB LVS integrated activities such as marketing, order processing, assembling and testing into work of the teams (Totterdill, Dhondt and Milsome, 2002).

Nowhere is this better illustrated than in healthcare. Patients with complex or long-term conditions achieve better clinical outcomes and quality of life when they are treated by multidisciplinary teams that transcend professional and departmental boundaries, rather than by separate specialists who only communicate with each other by means of the patient's medical record[8].

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[7] EUWIN's case study and video of Innocent can be found at http://uk.ukwon.eu/innocent-smoothie-makers
[8] See for example http://uk.ukwon.eu/_literature_3810/Paediatric_Renal_Case

Another intriguing example is that of Finext, a Dutch financial consulting company without bosses or organisational divisions and one with few formal systems. Teams and collective decisions emerge through informal interaction and dialogue[9].

Systems and procedures that govern decision-making, resource allocation and standard operating procedures must also be aligned with commitment to empowerment and trust rather than reflecting a culture of centralised control and micro-management. Truly innovative workplaces recognise the need for a consistent approach to empowerment running through every aspect of corporate policy from reward systems and performance appraisal to flexible working and budget devolution.

For example, managing staff performance is often reduced to a necessary but poorly understood ritual. Line managers go through the motions of annual appraisals to demonstrate compliance with established procedures but there is little evidence of a strong impact on motivation, personal and team development, or the removal of obstacles to high performance. Staff themselves often approach performance discussions either with indifference or with the anxiety that some aspect of underperformance may be sprung upon them.

Effective coaching for high performance can produce continuous and sustainable improvements. In such cases managers recognise performance coaching as a valuable resource in their overall approach as team leaders. Performance coaching conversations build on the manager's investment of time in getting to know each individual's potential and the constraints on their ability to deliver. They are only one part of an overall approach to enabling team members to use and develop their knowledge and experience to the fullest possible extent. Thus performance coaching conversations bring no surprises to those being coached: they are an opportunity to consolidate and to act on the things that both parties already know. These managers recognise the value of both formal and informal discussions with team members, enabling conversations that would be difficult in a more formal work setting: what has gone well, what has gone badly and what can we learn for the future without blame. Managers who deliver effective coaching see their role as that of enhancing whole team performance. They argue that many of their most notable improvements in team performance build on knowledge gained through individual coaching, but actually take place through team meetings in which good practices are shared and problems can be brought to the table in an open and constructive way.

### *The Third Element: Learning, Reflection and Innovation*

A knowledge economy is one firmly rooted in innovation, popularly associated with R&D and ICT investment. However this association turns out to be misleading. A Dutch study suggests that research and technology-led activity accounts for only 25% of innovation; the remaining 75% of successful innovation is generated by changing managerial, organisational and work practices at enterprise level (Volberda et al., 2011; *Erasmus Competition and Innovation Monitor,* 2009). Survey evidence suggests that such innovation is strongly associated with "active work situations": workplaces and jobs in which workers have sufficient autonomy to

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[9] See http://uk.ukwon.eu/london-conference-inspirational-workplaces

control their work demands coupled to more discretionary capacity for learning and problem-solving (Eurofound, 2012).

At the heart of an active work situation lies the systemic incorporation of opportunities for "productive reflection" throughout the organisation (Boud et al., 2006). The concept of productive reflection is about new forms of self-management, about how competence is distributed inside companies, and about the embedding of reflexive approaches to problem solving and change. It means the ability to reflect about and anticipate the impacts of change. Good and sustainable organisations build a set of internal reflexive mechanisms. They embed them in the organisation to enable smooth transitions. Reflexivity focuses on bringing the thinking and active subject (employee/representative/union) into the centre of work practices, to underline the importance of continuing learning and the necessity to prioritise worker's tacit and explicit knowledge if the organisation is to be sustainable in the long run (Cressey, Exton and Totterdill, 2013).

A continual stream of ideas is a vital resource for product, service or process improvement and innovation. This can be reflected in times and spaces where people at work can discuss ideas with their co-workers or in their team meetings. Buzz boards enable ideas to be shared and dedicated spaces can enable people to think in different ways together. Meetings in cafés can offer a creative time away from the immediate pressures of the workplace. Ad hoc teams, awaydays, and times when people who otherwise would not meet are mixed together, can generate a pool of dialogue and creativity.

It can be as simple as establishing regular forums that enable staff at all levels of an organisation to leave job titles and hierarchies behind, and to explore new ideas through open and free-thinking discussion. In Devon and Cornwall Police[10] these forums have generated ideas for improving the service at a time of financial stringency. Electric bicycles, for example, are a way of improving visibility while ensuring that officers can cover enough territory in remote rural areas. Likewise opportunities such as Down Tools Week at Red Gate Software[11] enable staff to step back from the day job to develop their own ideas for new products and ways of working.

Ideas for improving the business should also be part of the day job. Innocent[12] encourages staff at every level to think continuously about ideas for improvement and innovation. Being 70% sure that an idea will work is sufficient to get the support needed to take it forward. The Met Office[13] argues strongly that new ideas can come from anyone. A network of volunteers recruited from every level of the organisation is gradually establishing a culture of innovation in ways that break down silos and release new waves of creativity.

Tidd and Bessant (2009) argue that such examples of high involvement innovation must reflect deeper structural practices within each organisation: sustainable and effective employee engagement cannot happen in isolation but must be driven from the top and reinforced by empowerment and discretion in day-to-day working.

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[10] http://uk.ukwon.eu/devon-and-cornwall-police
[11] http://uk.ukwon.eu/red-gate-software
[12] http://uk.ukwon.eu/innocent-smoothie-makers
[13] http://uk.ukwon.eu/met-office

### The Fourth Element: Workplace Partnership

At its most basic level workplace partnership is a way of dealing proactively with industrial relations issues, ensuring early consultation on pay and conditions, employment changes and organisational restructuring. Partnership between management, employees and trade unions can take many forms, but always requires openness, transparency and two-way communication. At the very least it can be an effective tool for positive industrial relations, minimising conflict and resistance to change. Employers pursuing high-performance, high-involvement practices are particularly "likely to be impatient with traditional adversarial approaches to collective representation" (Kessler and Purcell, 1995).

An important body of research has begun to show that representative partnership structures (such as works councils and management-union partnership forums) on their own may have little direct impact on performance or quality of working life. Rather they can exert a positive influence on the development of activities and practices that do so. Representative partnership creates opportunities for employees to exercise greater autonomy and direct participation (Batt and Appelbaum, 1995). Workplace partnership thus moves away from its traditional focus on industrial relations, emerging as a potentially important driver of, and resource for, organisational innovation in the broadest sense (Huzzard et al., 2005; Cressey, Exton & Totterdill, 2013).

When partnership arrangements exist alongside the types of participative workplace practices described in the previous three Elements it creates a system of mutually reinforcing practices leading to improved information sharing, greater levels of trust, reduced resistance to change and heightened performance. This combination of representative and direct involvement is known as "employee voice" (Boxall and Purcell, 2003).

Kaiser Permanente, one of the biggest healthcare providers in the US, offers a particularly striking example of this. Its Labor-Management Partnership[14] has driven improvements in the quality of care through employee-led innovation, leading to win-win-win outcomes for patients, management and employees. In Ireland, proactive intervention by the union-led IDEAS Institute[15] and local shop stewards reversed several years' underinvestment in Becton Dickinson's Drogheda plant, saving more than a hundred jobs and creating several more. By unleashing the knowledge and creativity of frontline workers, productivity and performance improved to the point where the parent company recognised that the plant had been transformed from an increasing liability to a major asset[16]. Union representatives at workplace level are also adapting and carving out new roles, leading to greater involvement in establishing joint rules and procedures (Bacon and Storey, 2000).

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[14] http://www.lmpartnership.org/home
[15] http://www.ideasinstitute.ie/
[16] http://uk.ukwon.eu/becton-dickinson

*The alchemy of The Fifth Element*

*The Fifth Element* highlights the importance of understanding the interdependence between the workplace practices described in each of the four Elements. There is sufficient research to demonstrate that each bundle of practices described above does not exist in isolation but is influenced, for better or worse, by the extent to which the values and goals that underpin it are supported by those of the others.

Undoubtedly the nature of this interdependence requires further research, but the coming together of knowledge and experience from diverse researchers and practitioners within the framework of *The Fifth Element* will provide a rich resource for such work.

**Implications for stakeholders**

Only a minority of public or private employers have systematically adopted ways of working that can bring sustained benefits for organisations and their employees alike, and the creation of EUWIN represents a positive commitment by the European Commission to narrowing this very wide gap. EUWIN has built a network which includes many hundreds of managers, employees, union representatives, social partner organisations, researchers, public policymakers and consultants. It has organised highly interactive conferences and workshops in several parts of Europe, enabling different stakeholders in the workplace to share knowledge and experience. It has led to the creation of local and sectoral networks.

There is much more that needs to be done at EU and national levels.

Evidence over four decades from European countries such as Belgium, Finland, France, Germany and Norway shows that targeted intervention by governments and regional agencies can significantly reduce this gap (Totterdill et al, 2009). These interventions include action research into leading issues and emerging challenges, the creation of learning networks to disseminate good practice and active support at enterprise level.

Successive governments in many other European countries show little sign of learning from this experience, and the EU itself could do far more to help disseminate good practice.

Government policy alone is not a panacea. The most successful policy-led interventions involve the creation of active coalitions with employers' organisations, trade unions and researchers. In Ireland, for example, social partners and government undertook a series of collaborative initiatives in which workplace partnership was central to the modernisation of work organisation (Sharpe & Totterdill, 1999; NCPP, 2005). Involving employee representatives in both design and implementation of workplace innovation can help to ensure 'ownership' of the process and alleviate some of the problems of inertia and innovation decay seen elsewhere. In this respect, partnership becomes a framework for animation and driving innovation.

EUWIN is gathering evidence[17] of the ways in which unions in some countries are playing a proactive role as experts and facilitators, creating the "new collective bargaining" discussed above in which the tacit knowledge and creativity of employees is traded for greater trust,

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[17] http://uk.ukwon.eu/trade-unions

empowerment and autonomy in the workplace (Cressey, Exton and Totterdill, 2013). SIPTU's IDEAS Institute in Ireland was cited above as an example of this in discussing Fourth Element. Likewise CO-Industri in Denmark works closely with enterprise-level forums ("Collaboration Councils"), providing hands-on support and signposting to good practices.

## Conclusion

*The Fifth Element* is more than just another formulation of the good workplace. Through EUWIN's interactive events and a growing online community, it is emerging as a collaborative venture involving diverse actors, designed to build a joint intelligence that will grow and evolve over the coming years and decades.

Spreading workplace innovation involves the construction of an environment abundant in intangible assets: coalitions, networks and other "soft" structures which enrich day-to-day access to knowledge, experience and dialogue for a wide range of stakeholders. There is much to be learned from the minority of European countries where governments and social partners have been proactive in building long-term relationships, joint intelligence and collaborative action between policymakers, researchers, social partners, consultants and enterprises (Totterdill et al, 2009). For Europe as whole EUWIN is gradually building a mass movement that aims to achieve similar ends, but this is only the beginning.

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# Workplace Innovation Forum: A section in the EJWI

Richard Ennals

**Abstract**

*Launching a new journal means beginning a distinctive new conversation. Workplace Innovation is about practice, and not just academic theory. The journal needs a place where practice is presented, and can influence the development of theory. Short articles are welcome for the Forum Section in EJWI, facilitating debate and collaboration.*

**Keywords:** Collaboration, conversation, dialogue, debate, innovation, practice, workplace

## Conversation

Traditional publications on Innovation have concentrated on product innovation or process innovation. Increasingly attention has turned to considering people, and ways of working.

"Workplace Innovation" is the name of a conversation which brings together diverse potential partners to reflect on and share experience. It can be seen as exemplifying "learning from differences", when the dialogue partners are engaged in active interventions, with the objective of bringing about change. It is an environment for practical learning.

This account suggests that consultants should not be central actors in Workplace Innovation, selling, and re-selling, solutions from outside the workplace. Workplace Innovation is not a spectator sport. We learn from getting our own hands dirty.

## Evidence

There are also complications when "evidence" is discussed. From inside, there is no opportunity to be detached and objective, with regard to an intervention in which one has personally participated. From outside, how can we describe and quantify what is going on? We demonstrate our response to interventions and conversations by continuing, "going on".

With these reflections we can understand the experience of the European Workplace Innovation Network to date. Each event, in a high profile programme around Europe, represents a new start to the conversation, but with the presence of a core of veterans from the earlier dialogue. The process echoes the growth of the European Union. "The language game is played".

Each actor will of course be influenced by particular "evidence", in their decisions with regard to intervention. The body of evidence needs to constitute an offer they cannot refuse, but in a language they can understand. This goes beyond the terms of detached social science, bolstered by quantification. Rather we may come to see "management as intervention", conducted in line with Action Research, and sustained by reflection.

This view presents problems for those who wish to evaluate success against pre-determined targets, in terms of social media activity, or numbers attending events. The real outcomes of the conversation, at different stages, may be tacit, in terms of changes in attitudes. Change takes time.

## Context

We should recall that "Workplace Innovation" is framed in the language of European Employment and Social Policy, in which decisions are not simply a matter for managers. There is a context of "social dialogue" and "social benchmarking". This does not imply a uniform set of arrangements across the EU. There is however a common vocabulary which can be used by those within the EU "form of life", to conduct EU "language games".

On this view, we should not expect tight definitions of the content of "Workplace Innovation". Rather, with Kurt Lewin, we should seek to gain understanding of the working of the system through our own efforts to change it.

## Explanation and Understanding

Wittgenstein argued that an "explanation" is whatever has to be said, or written, in order to enable us to "go on". He saw the task of philosophers as "showing the flies the way out of the fly bottle". Here this would be a contribution to Workplace Innovation. There are new ways out.

An event organised by the UK Work Organisation Network (UKWON), or the European Workplace Innovation Network (EUWIN), is like a gathering of old friends at a party. There is much to be said, but it does not all come from the same tradition. It cannot be compiled into a single narrative. Individual conversations tend to be based on shared experience. It neither draws on a consistent scientific base nor contributes significantly to scientific publication.

In a diverse world, it is a significant achievement to frame a language for events which bring partners together. There is an irreducible level of "fuzziness", as people converge from many directions and disciplines, trying to use a common language but with different meanings. A new "form of life" is being constituted, with a distinctive set of "language games", spanning 30 countries.

Official agencies which fund new collaborative programmes can have unrealistic expectations. They will be obliged to evaluate the innovations by the criteria of the past, while being unable to give assurances regarding support in the future. Despite the best intentions of EU project officers, decisions on future EU funding are made by arbitrary selections of external evaluators. The resulting programmes may lack coherence and consistency.

For 20 years there has been a succession of EU networks, consortia and projects: European Work and Technology Consortium, European Work Organisation Network, a series of Framework projects, and now EUWIN. The European Commission provides the bare bones. Flesh needs to be added on a sustainable basis. Structures feel provisional. Support in member countries varies. Relationships and marriages start with encounters and conversations. They depend on the development of trust, which grows incrementally.

**The Fifth Element**

This interpretation of Workplace Innovation highlights the challenges faced by those orchestrating events and projects. It exposes scope for misunderstanding between partners whose background assumptions are very different. There have been creative attempts to build a common structure which all can recognise. At this point we could say that "The Fifth Element" is seen as the tip of a potential iceberg of shared firm ground, with four pillars. Icebergs can melt.

I had some initial epistemological doubts regarding the introduction of Workplace Innovation and "The Fifth Element" as, for example, a stated means of tackling problems of the health of older workers, in the EU WORKAGE project. The core argument is that enlightened management practice benefits workers of all ages. Here, instead of reflecting on past experience, we are suggesting that partially articulated concepts can be used to solve practical problems of which we may know little. It could be wiser to say that there could be active interventions which could then be described in terms of Workplace Innovation. This, however, means missing out a detailed account, in advance, of proposed interventions.

As long as the Workplace Innovation conversation does not include policy makers, little will change. They usually stay at a safe distance, treating the workplace as a "black box". If they fund the inputs for work, they want to evaluate the outputs.

**EJWI**

The European Journal of Workplace Innovation (EJWI) could help EUWIN participants to develop an understanding of management and intervention. EJWI could highlight links between management and Action Research, thus relegating social scientific detachment to the dustbin of history. At the same time, this could help to mainstream Action Research, moving on from a disparate archipelago of groups and agendas.

As an open access online journal hosted by the University of Agder, EJWI can contribute to practice, as well as to research at the Department of Working Life and Innovation.

EJWI could include reports from EUWIN events. Links could be made with the new and rapidly growing EUWIN Knowledge Bank of company cases. Readers may learn little from documented cases if they are not themselves involved in practical change projects, with which they can make comparisons. There will be calls for tight definitions, in a world of "family resemblances". I recommend using cases as reference points, and prioritising the use of case studies written from inside. Thus we will see the meaning of the words, in their use.

Each EJWI number can be a tool for Workplace Innovation. Access is free and open. Interactive debate is needed, which goes beyond the formal structure of a conventional academic journal. The Workplace Innovation Forum welcomes contributors! Contributions for the Workplace Innovation Forum should have a maximum length of 1500 words.

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