

# WORKPLACE INNOVATION IN EUROPEAN COUNTRIES

WORKPLACE INNOVATION AS A FORM OF SOCIAL INNOVATION IN THE WORKPLACE



  
**EUROPEAN CENTRE**  
FOR SOCIAL WELFARE POLICY AND RESEARCH

*International seminar series:*

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Seminars that are organised by the European Centre*

**TNO** innovation  
for life



Peter Oeij, TNO, Netherlands

European Centre for Social Welfare Policy and Research  
July 12, 2016, 16.30-18.00  
Berggasse 17, 1090 Vienna, Austria



## CONTENT OF MY TALK

- › 1. WPI: theory and how organisations are designed
- › 2. WPI practices
- › 3. WPI Research: in 51 European companies
- › 4. Why do companies apply WPI?
- › 5. How do companies implement WPI?
- › 6. Conclusion from the research
- › 7. Why is WPI 'social'?
- › 8. Implementing WPI: 'social' or not?
- › 9. WPI and social innovation: what is it and how can we make WPI 'social' ?

# Third European Company Survey – Workplace innovation in European companies



This item is available in other languages:



Workplace innovation (WPI) refers to practices that enable employees to participate in organisational change in such a way as to improve the quality of their working life and organisational performance. This report examines the motives behind the adoption of WPI and describes its implementation across companies in Europe. It analyses the impacts of WPI from the perspective of the different players – organisation, management, employees and employee representatives – in 51 companies across 10 EU Member States. The analysis reveals that while there is significant variation in the types of WPI practices in companies, the process of why and how these practices are implemented shows considerable similarity. While the reasons for introducing WPI are mainly related to enhancing efficiency, competitiveness and innovation, one positive result seems to be to strengthen the position of employees and employee representatives. As a result, WPI outcomes often lead to both enhanced economic performance and a better quality of working life for all concerned. An executive summary is available - see Related content.

- Technical annex (PDF 1.4 MB)
- 51 company case studies

Authors:

Oeij, Peter; Žiauberytė-Jakštienė, Rita; Dhondt, Steven; Corral, Antonio; Totterdill, Peter; Preenen, Paul

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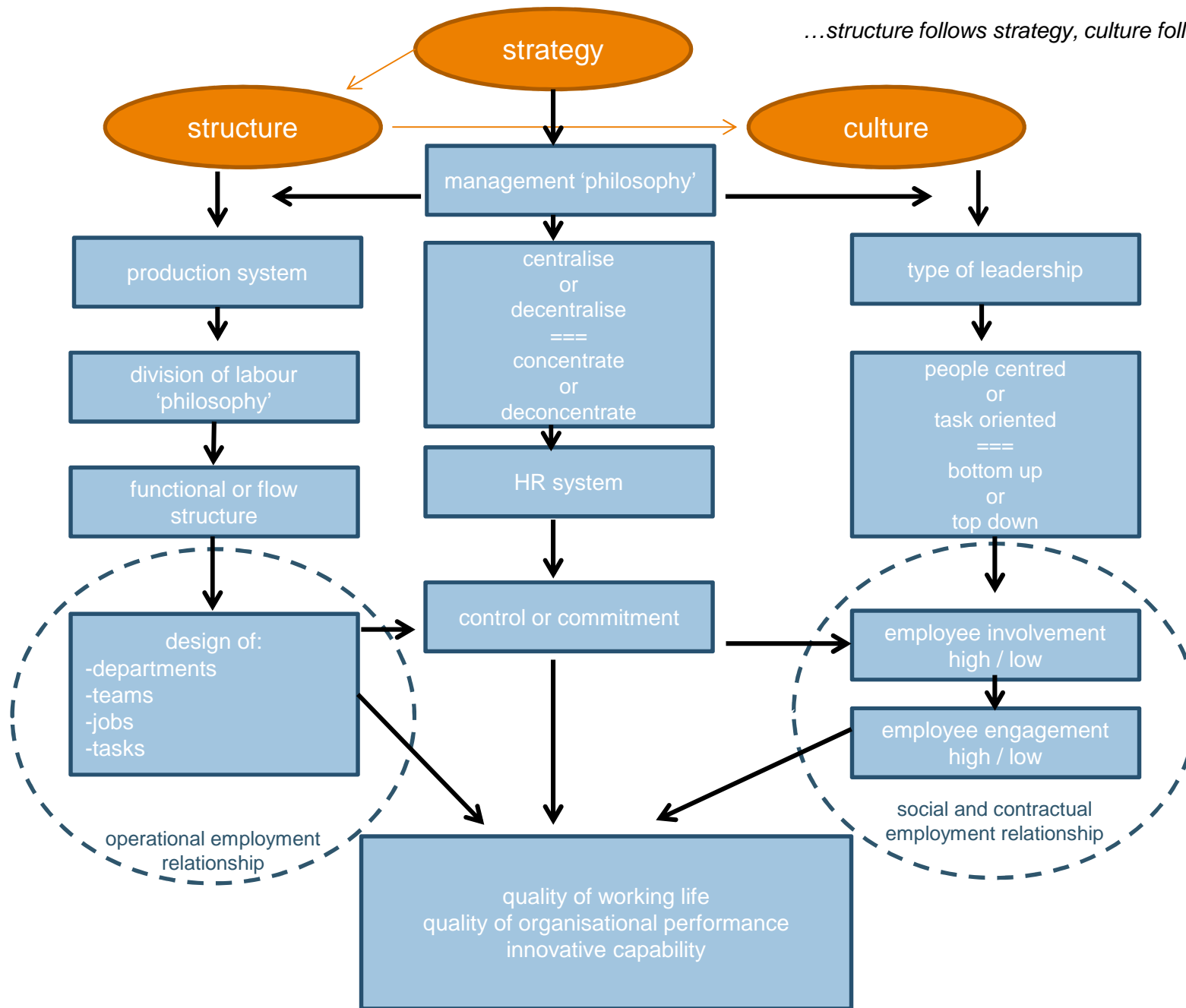
1. Report
2. Technical report
3. 51 company case studies

<http://www.eurofound.europa.eu/nl/publications/report/2015/working-conditions/third-european-company-survey-workplace-innovation-in-european-companies>

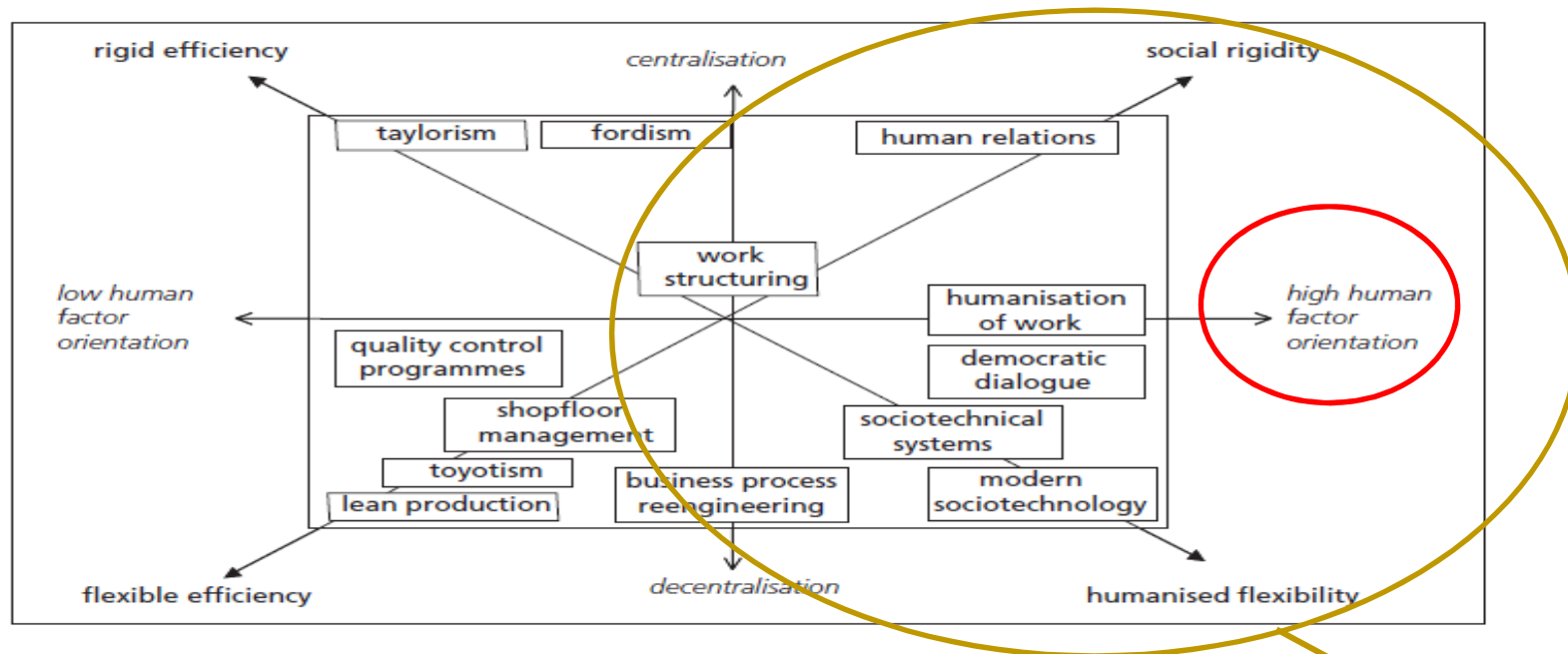
# **1 WORKPLACE INNOVATION (WPI): THEORY AND IMPLEMENT- ATION**

## WORKPLACE INNOVATION: DEFINITION AND PRACTICES

- › A workplace innovation (WPI) is a developed and implemented practice or combination of practices that **structurally** (division of labour) and/or **culturally** (empowerment) enable employees to participate in organisational change and renewal to improve quality of working life and organisational performance.
- › 'structure orientation':
  - › structure work organisation and job design; provide employees with structural decision latitude or control capacity; can stimulate employee-control or autonomy, and provide voice (operational employment relations).
- › 'culture orientation':
  - › provide opportunities for employees to participate (e.g., in) organisational decision-making; dialogue and collective bargaining: can stimulate commitment and provide voice (social / contractual employment relations).



**Figure 2 Theoretical organisational concepts and business practices positioned in the decentralisation – human factor orientation model**



European Foundation for the Improvement of Living and Working Conditions

'desired' WPI-practices

New work organisation, working conditions and quality of work: towards the flexible firm?

Source:  
Eurofound, 2002

# 2 TYPES OF WPI PRACTICES: EMPIRICAL FINDINGS



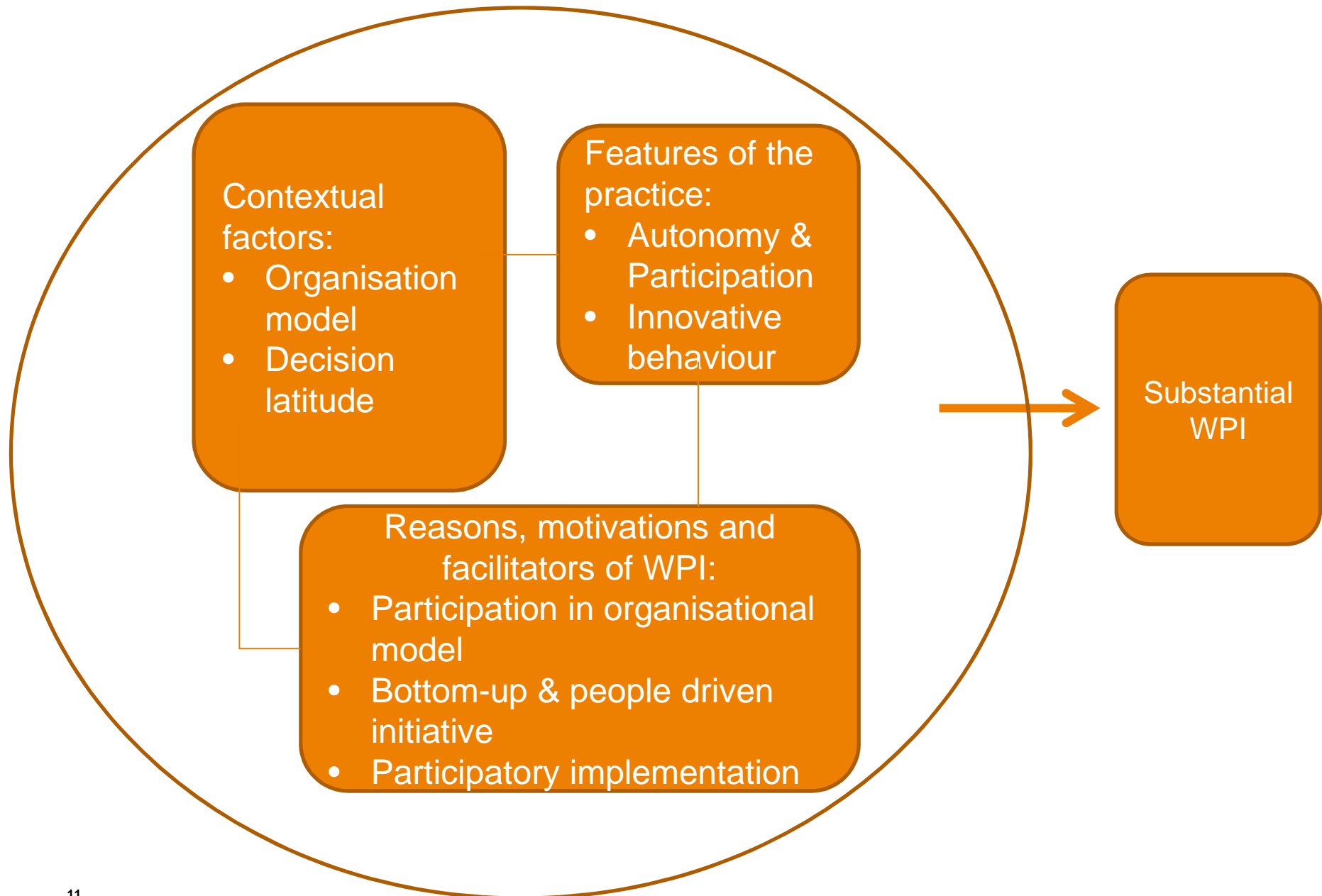
## TYPES OF PRACTICES APPLIED AND DRIVERS (PERCENTAGES)

	not HPWP	HPWP					
	WPI						
	WPI-structure	WPI-culture	WPI-mixed				
Drivers	WPI-structure	WPI-culture	WPI-mixed	Total WPI	HR	Other	Total
Quality of Performance	2%	1%	4%	7%	4%	4%	14%
Quality of Work	3%	4%	4%	11%	7%	1%	18%
Both: Quality of Work and Performance	9%	16%	1%	36%	29%	4%	69%
Total	14%	20%	19%	53%	39%	8%	100%
N	23	34	32	89	65	14	168

# RESEARCH. FIVE PATHS TO WPI: QCA ANALYSIS

# Conditions

# Outcome



## Configurations explaining Substantial WPI

DECLAT - Decision latitude of the organisation ORGMOD - Organisation model INNOBEH - Innovative behaviour of employees AUTPAR - Autonomy & Participation PARTMOD - Participation in organisational model BOTUPIN - Bottom-up and people driven initiative CONOR - Participatory implementation	Causal conditions							Consistency
	ORGMOD	DECLAT	INNOBEH	AUTPAR	PARTMOD	BOTUPIN	CONOR	
Path								
1 - Top-guided WPI			●			○	●	+
2 - Autonomy driven WPI	○	●		●	●			+
3 - Integral WPI	●	●	●			●		+
4 - Employee driven WPI		●			●	●	●	+
5 - Innovative behavioural driven WPI	●		●		○			+/-
	Contextual factors		Feature of WPI		Adoption and implementation aspects			

“●” - causal condition is present, “○” - causal condition is absent (negated).

Model consistency is .811. (+).

## Configurations explaining Substantial WPI

DECLAT - Decision latitude of the organisation ORGMOD - Organisation model INNOBEH - Innovative behaviour of employees AUTPAR - Autonomy & Participation PARTMOD - Participation in organisational model BOTUPIN - Bottom-up and people driven initiative CONOR - Participatory implementation	Causal conditions							Consistency
	ORGMOD	DECLAT	INNOBEH	AUTPAR	PARTMOD	BOTUPIN	CONOR	
Path								
1 - Top-guided WPI			●			○	●	+
2 - Autonomy driven WPI	○	●		●	●			+
3 - Integral WPI	●	●	●			●		+
4 - Employee driven WPI		●			●	●	●	+
5 - Innovative behavioural driven WPI	●		●		○			+/-

Path1 'Top-guided WPI' states that companies with the characteristics of innovative behaviour, the absence of bottom up initiatives (i.e. the presence of top down initiatives), and a participatory implementation process in conjunction, are members of the set Substantial WPI. A more complete name is 'Top-guided, participative and innovative WPI'

“●” - causal condition is present, “○” - causal condition is absent (negated).

Model consistency is .811. (+).

## Configurations explaining Substantial WPI

		Causal conditions						Consistency
		ORGMOD	DECLAT	INNOBEH	AUTPAR	PARTMOD	BOTUPIN	
DECLAT	- Decision latitude of the organisation							
ORGMOD	- Organisation model							
INNOBEH	- Innovative behaviour of employees							
AUTPAR	- Autonomy & Participation							
PARTMOD	- Participation in organisational model							
BOTUPIN	- Bottom-up and people driven initiative							
CONOR	- Participatory implementation							
Path								
1 - Top-guided WPI				●			○	+
2 - Autonomy driven WPI		○	●		●	●		+
3 - Integral WPI		●	●	●			●	+
4 - Employee driven WPI			●			●	●	+
5 - Innovative behavioural driven WPI		●		●		○		+/-
Path 2 'Autonomy driven WPI' states that companies with four characteristics in conjunction are members of the set Substantial WPI, namely those where <u>employees participated in developing the organisation's model</u> , employees have <u>job autonomy in combination with employee participation</u> , where the <u>organisation itself has decision latitude to decide about own choices</u> , and where the organisation is <u>not featured by a preference for limiting the division of labour</u> . A more complete name is 'Autonomy fuelled survival driven WPI'								

“●” - causal condition is present, “○” - causal condition is absent (negated).

Model consistency is .811. (+).

## Configurations explaining Substantial WPI

<div>DECLAT ORGMOD INNOBEH AUTPAR PARTMOD BOTUPIN CONOR</div> <div>- Decision latitude of the organisation - Organisation model - Innovative behaviour of employees - Autonomy &amp; Participation - Participation in organisational model - Bottom-up and people driven initiative - Participatory implementation</div>		Causal conditions						Consistency	
		ORGMOD	DECLAT	INNOBEH	AUTPAR	PARTMOD	BOTUPIN		CONOR
Path									
1 - Top-guided WPI				●			○	●	+
2 - Autonomy driven WPI		○	●		●	●			+
3 - Integral WPI		●	●	●			●		+
4 - Employee driven WPI			●			●	●	●	+
5 - Innovative behavioural driven WPI		●		●		○			+/-
Path 3: Integral WPI' states that companies with four characteristics in conjunction are members of the set Substantial WPI, namely those where employees show <u>innovative behaviour</u> , where the <u>implementation process is a bottom up initiative</u> , where the <u>organisation itself has decision latitude to decide about own choices</u> , and where the organisation is featured by <u>a preference for limiting the division of labour</u> . A more complete name is 'Innovation and quality driven innovative WPI'									

“●” - causal condition is present, “○” - causal condition is absent (negated).

Model consistency is .811. (+).

## Configurations explaining Substantial WPI

DECLAT - Decision latitude of the organisation ORGMOD - Organisation model INNOBEH - Innovative behaviour of employees AUTPAR - Autonomy & Participation PARTMOD - Participation in organisational model BOTUPIN - Bottom-up and people driven initiative CONOR - Participatory implementation		Causal conditions						Consistency	
		ORGMOD	DECLAT	INNOBEH	AUTPAR	PARTMOD	BOTUPIN		CONOR
Path									
1 - Top-guided WPI				●			○	●	+
2 - Autonomy driven WPI		○	●		●	●			+
3 - Integral WPI		●	●	●			●		+
4 - Employee driven WPI			●			●	●	●	+
5 - Innovative behavioural driven WPI		●		●		○			+/-
Path 4 ‘Employee driven WPI’ states that companies with the characteristics of <u>employee participation in developing the organisation’s model</u> , where the <u>implementation process is a bottom up initiative</u> , and also a <u>participatory implementation process</u> , and where the <u>organisation itself has decision latitude to decide about own choices in conjunction</u> , are members of the set Substantial WPI. A more complete name is ‘Self-autonomous and employee driven WPI’									

“●” - causal condition is present, “○” - causal condition is absent (negated).

Model consistency is .811. (+).



## Configurations explaining Substantial WPI

DECLAT - Decision latitude of the organisation ORGMOD - Organisation model INNOBEH - Innovative behaviour of employees AUTPAR - Autonomy & Participation PARTMOD - Participation in organisational model BOTUPIN - Bottom-up and people driven initiative CONOR - Participatory implementation		Causal conditions						Consistency	
		ORGMOD	DECLAT	INNOBEH	AUTPAR	PARTMOD	BOTUPIN		CONOR
Path									
1 - Top-guided WPI				●			○	●	+
2 - Autonomy driven WPI		○	●		●	●			+
3 - Integral WPI		●	●	●			●		+
4 - Employee driven WPI			●			●	●	●	+
5 - Innovative behavioural driven WPI		●		●		○			+/-
Path 5 'Innovative behavioural driven WPI' states that companies with three characteristics in conjunction are members of the set Substantial WPI, namely those where <u>employees have not participated in developing the organisation's model</u> , where <u>employees show innovative behaviour</u> , and where the <u>organisation is featured by a preference for limiting the division of labour</u> . A more complete name is 'Innovative and quality driven WPI'									

“●” - causal condition is present, “○” - causal condition is absent (negated).

Model consistency is .811. (+).

## CONCLUSION

- › 1] 5 paths in data; but more paths will exist in practice;
- › 2] some paths offer more chances than others; 'not anything goes';
- › 3] companies combine different workplace innovation practices;
- › 4] there is 'no one best way of organising': organisations can choose their own paths.

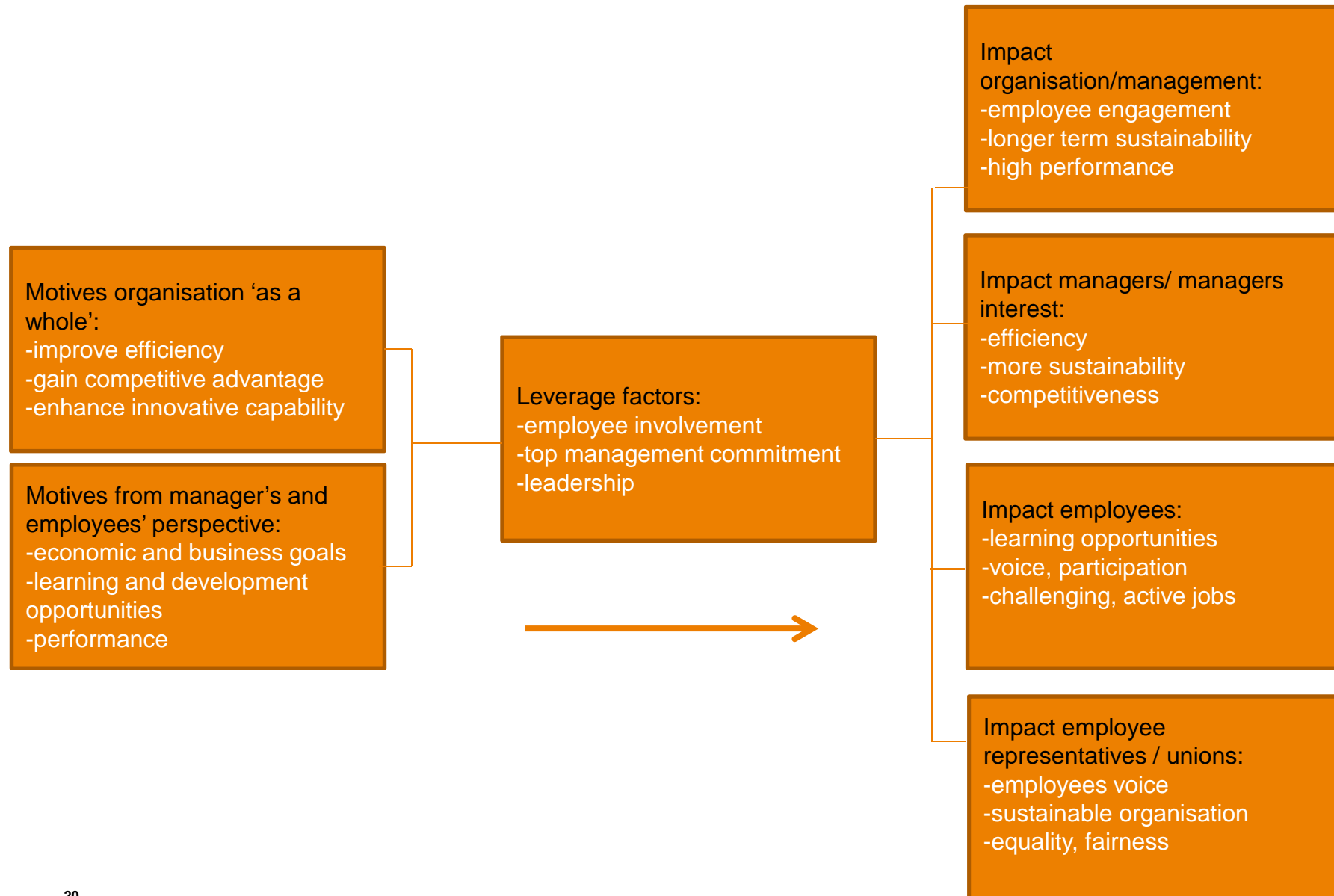
**4 WHY**

**COMPANIES**

**ADOPT WPI**

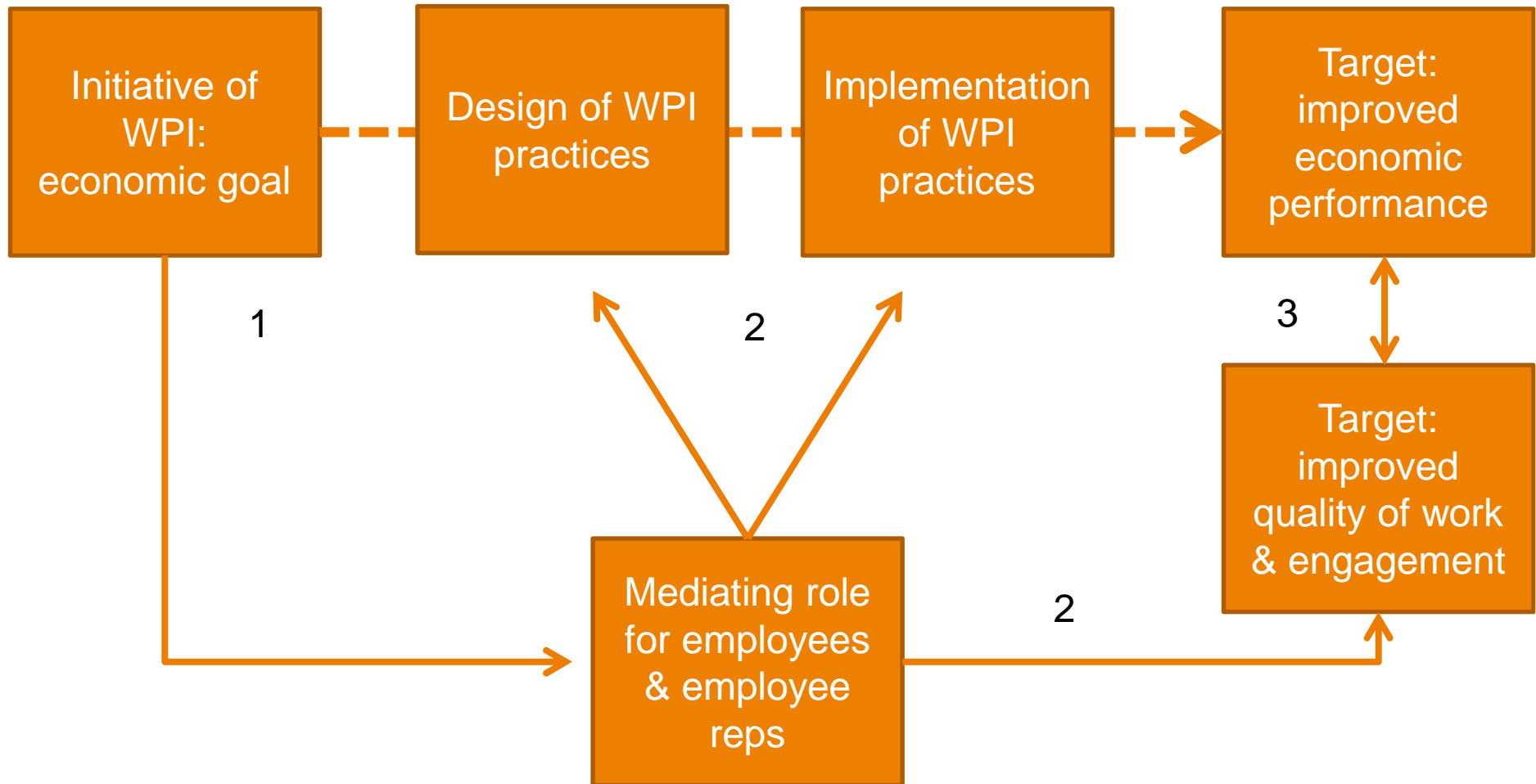
**PRACTICES**

# AGREEMENT MANAGERS, EMPLOYEES AND EMPLOYEE REPRESENTATIVES



# **5 IMPLEMENT- ING TYPES OF PRACTICES: HOW DO COMPANIES PROCEED?**

# PATTERN OF IMPLEMENTING WPI-PRACTICES (PROCESS MODEL)



**6**

# CONCLUSIONS

## CONCLUSION (1)

### Results

- There are more paths to WPI, but some give better chances over others (NOT 'anything goes').
- Since there is organisational choice, the process matters much: hence important leverages are:
  - employee involvement,
  - top management commitment,
  - and leadership / powerful person.
- Maybe regardless the precise content of WPI-practices, employee involvement implies WPI aligning with employee (reps) interests;
- From this follows that quality of performance and of working life can be achieved simultaneously;
- A further effect of this involvement / engagement is that it leads to better operational and social / contractual employment relationships.



# 7 TYPES OF PRACTICES AND ORGANISATION THEORY: WHY IS WPI SOCIAL?

# COMPARISON PRODUCTION SYSTEMS

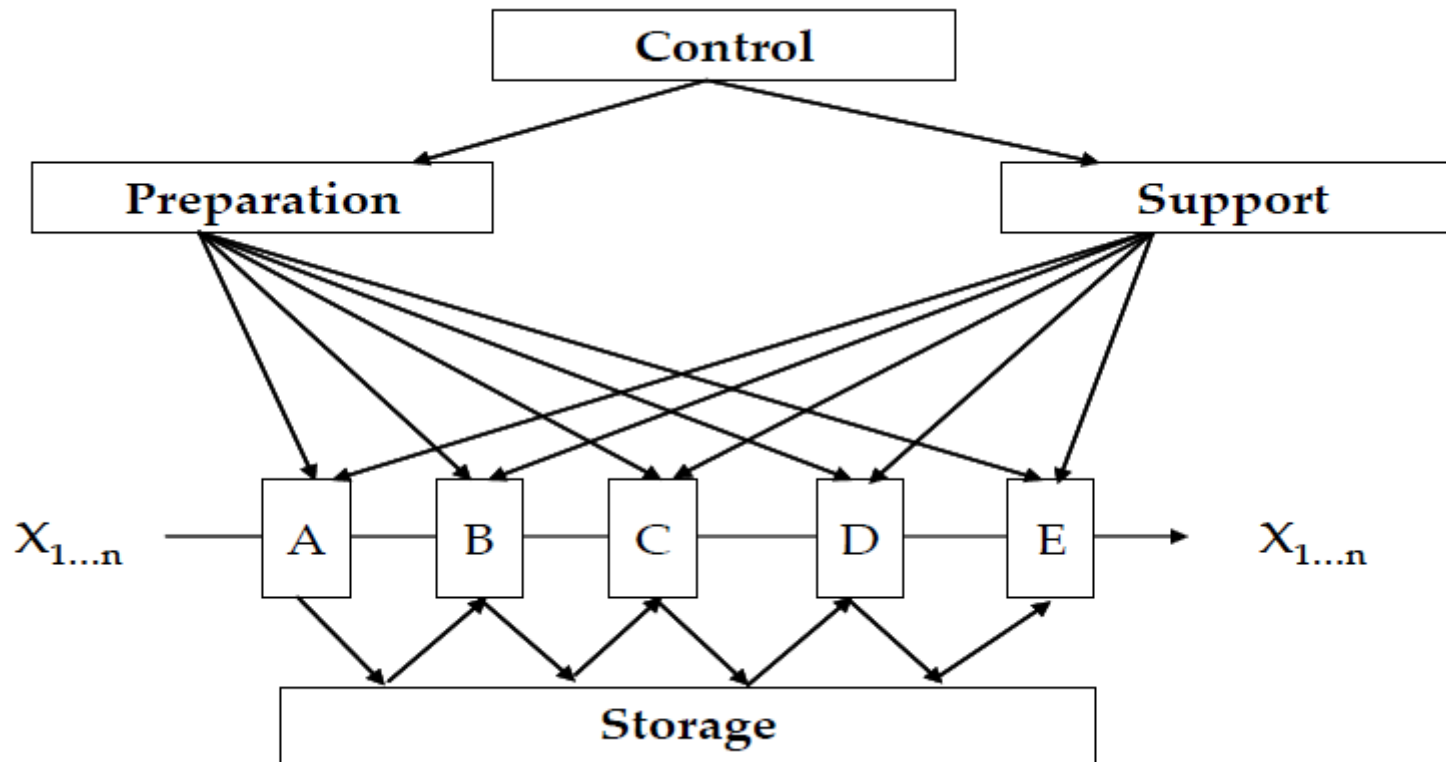
## › **Functional structure:**

- › division of labour into departments, orders and activities
- › high volume production demands efficiency and centralisation
- › stable but rigid in responding to changing circumstances
- › jobs are specialised without much learning opportunities
- › risk for employees: obsolete skills and less challenge

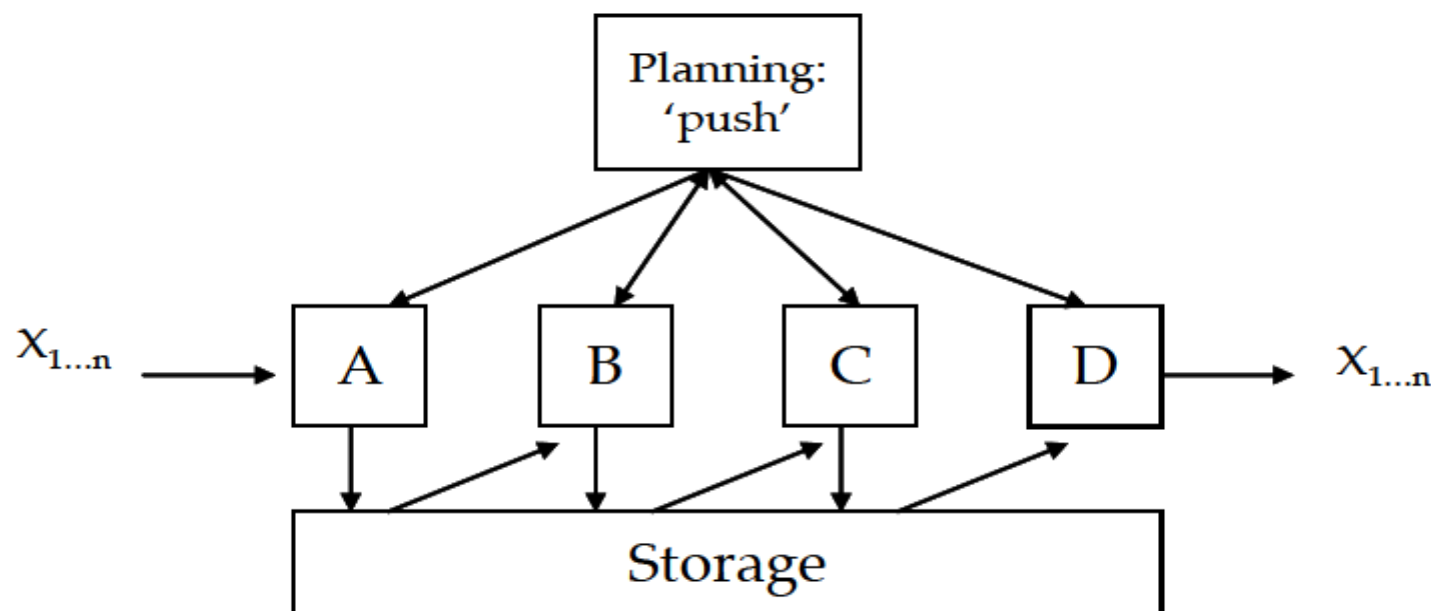
## **Flow structure:**

division of order into streams and bundling activities into teamwork  
small batches demand flexibility and decentralisation  
risky but quickly adaptable to changing circumstances  
jobs are broad with much need to learn continuously  
risk for employees: high work intensification

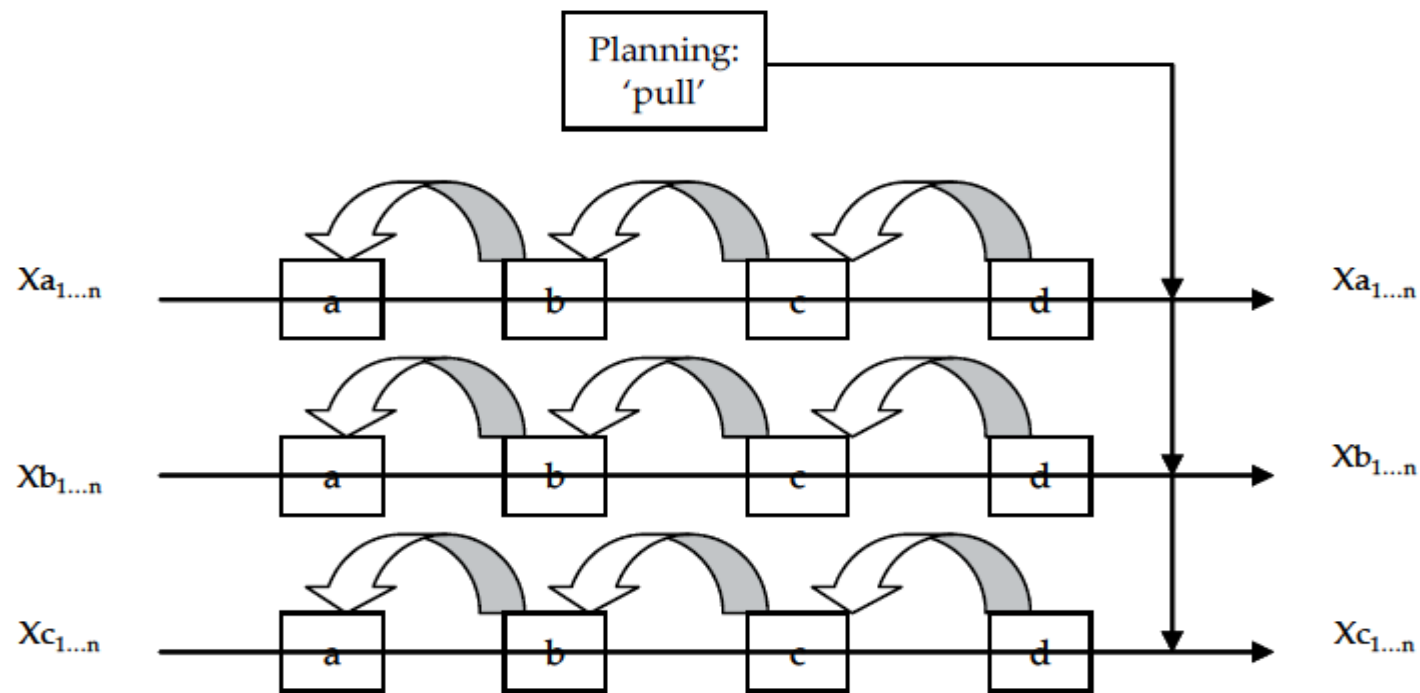
# FUNCTIONAL PRODUCTION SYSTEM (1): DIVIDING THE PROCES INTO STEPS AND ORDERS INTO PARTIAL PROCESSING BY SIMILAR ACTIVITIES



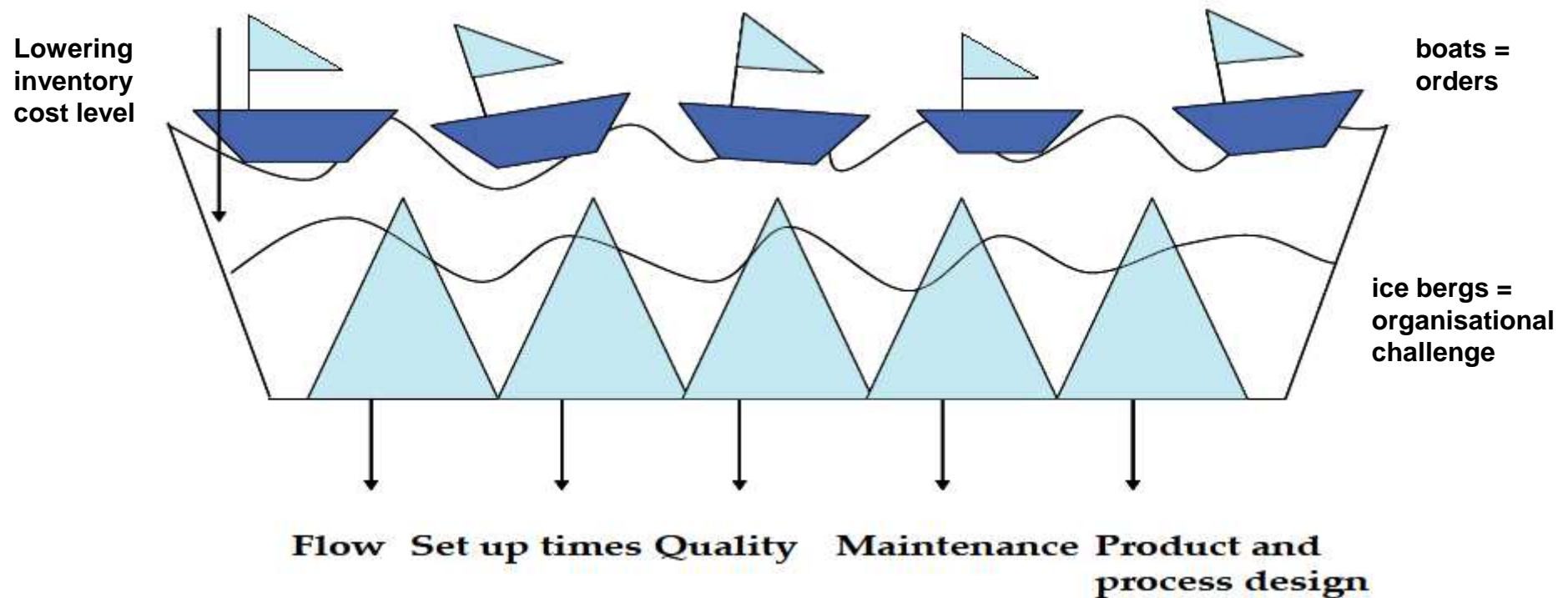
## FUNCTIONAL PRODUCTION SYSTEM (2): ORDERS ARE 'PUSHED' BY CENTRALISED PLANNING FOR EFFICIENCY AND ECONOMIES OF SCALE



# FLOW PRODUCTION SYSTEM (1): DIVISION OF ORDERS INTO SIMILAR ORDER STREAMS THAT 'PULL' RESOURCES: DECENTRALISED PLANNING AND HIGH FLEXIBILITY



## FLOW PRODUCTION SYSTEM (2): LESS INVENTORY COST, SHORTER CYCLE TIMES VIA SKILLED TEAMS WITH DECENTRALISED AUTONOMY



# 8 IMPLEMENT WPI



# MANAGE STRATEGY, STRUCTURE AND CULTURE

## 1. Strategy

- Management philosophy is leading: centralise or decentralise power?
- This leads to a preference to involve employees or not

## 2. Structure (follows strategy)

- The design of the process of making products or services follows centralisation or decentralisation
- is the organisation functional or flow-based?
- do employees have autonomy or are they under control?

## 3. Culture (follows structure and reinforces strategy)

- is leadership style top down or bottom up (centralised or not) ?
- is employee involvement merely 'continuous improvement' and 'quality circles' or do employees co-develop the products and the production process?
- do employees feel involved and engaged or do they more suffer from high workload and pressure?





# Workplace innovation

	Very far from WPI	Very close to WPI
Strategy	Target is purely economical and profit driven; Centralise power and rigid hierarchy	Profit driven but simultaneously improve quality of work Decentralise power and give employees voice in strategy development
Structure	Centralised management, top down steering Functionally organised production with separate responsibilities; limited employee / team autonomy	Distributed management, space for bottom up voice Flow-based organised production with interdependent responsibilities; high employee / team autonomy
Culture	Autocratic leadership Formal roles Many rules and procedures	Democratic leadership More flexible and changing roles Apart from rules and procedures employees have influence to adapt and improve those
	limited innovative capability	more innovative capability and intrapreneurship

# 9 WPI: A FORM OF 'SOCIAL INNOVATION' ?

## IS WORKPLACE INNOVATION A FORM OF SOCIAL INNOVATION?

- › Social innovation is: helping to solve social issues by social means
- › Related to work for example: employment, employability, security, giving employees voice, ensures healthy and safe working conditions
- › Related to organisations for example: innovation that improves quality of work, talent use, sustainability regards environment & resources
- › **More? your creativity needed!**
- › -form small groups
- › -develop ideas, examples
- › -plenary presentation and discussion

› **THANK YOU FOR YOUR ATTENTION**



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for life

