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## Workplace innovation as social innovation in European companies

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**Abstract:** This paper discusses the implementation of workplace innovation (WPI) in European companies. Based on a 51-case study research in 10 EU Member States this article addresses four questions: 1] Why do companies apply workplace innovation; 2] What are different motives for management, employees and employee representatives to implement WPI; 3] What are important leverage factors for the implementation of WPI; and what is known about the (expected) effects according to management, employees and employee representatives? Results show that successful WPI is an interplay of management driven business goals and employee driven quality of work goals. Companies differ in their implementing strategies but constructive cooperation between management and employees is a key success factor for successful WPI. The article closes by addressing the question why WPI is a special type of social innovation. It shows that WPI is a kind of social innovation, where the purpose of improving businesses converges with the idea to alleviate social issues related to quality of work and employment. While workplace innovation is strongly related to the organisational level, showing it as a type of social

innovation broadens its view to the societal level.

**Keywords:** workplace innovation; implementation; European Union; European Company Survey; social innovation.

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## 1 Introduction<sup>1</sup>

Workplace innovation (WPI) is generally beneficial for both business performance and the quality of jobs. Redesigning organisations and work processes matter for better performance and jobs in general (e.g., Bloom and van Reenen 2010; Boxall, 2012; Boxall and Macky, 2009). The benefits of WPI have been documented for both employees and organizations and in a range of organizational and national contexts. For example, WPI has been linked to both improved individual level outcomes such as indices of quality of working life and improved organizational performance (Eeckelaert et al., 2012; Ramstad, 2009), quality of working life (Kalmi and Kauhanen, 2008), better organisational performance (Dhondt and van Hootegeem, 2015; Oeij et al., 2011; Oeij and Vaas, 2016), and applicability in SMEs (Oeij et al., 2014). Hence, companies that care about their performance and employees should adopt and implement WPI.

In fact, WPI might be more relevant than ever in the current times of ongoing change and competition, and against the growing experience that many companies focus too much on technological and business (model) innovation alone to face today's demands (Dhondt et al., 2015). Competitiveness is not realised through merely stimulating new technological developments and cost-cutting efficiency policies but needs to go hand in hand with WPI (Pot, 2011; Pot et al., 2012; Pot et al., 2016). Despite these positive results of WPI less is known how different European companies implement WPI in their own practices and why they do so? In this contribution our central question, therefore, is: *Why and how do*

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*companies implement WPI?* To address this question we will use data from a Eurofound study (Oeij et al., 2015a) that investigated the implementation of WPI in 51 companies across Europe. We will first describe the concept of WPI. Subsequently, the Eurofound study's results are presented, including three company case examples of the implementation of WPI. We end with a conclusion and implications for policy and practice.

In addition to our discussion of WPI at organisational level, we seek to relate WPI with social innovation, which refers to 'novel combinations of ideas and distinct forms of collaboration that transcend established institutional contexts with the effect of empowering and (re)engaging vulnerable groups either in the process of innovation, or as a result of it' (Van Bree et al., 2016: 4). In this paper, social innovation refers to quality of work, and the vulnerable groups are in this case employees and labour market participants (including job seekers and unemployed). Therefore one can speak of social innovation of work and employment (Eeckelaert et al., 2012). This specific branch of social innovation states that improving the quality of work is beneficial for employees and job seekers in terms of their employability and empowerment (Pot et al., 2012; Totterdill and Exton, 2014). Thus, WPI and social innovation together help businesses and societies fostering welfare and well-being. Truly innovative?

## **2 The concept of WPI**

In this article we use the following definition of WPI: 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 (Oeij et al., 2015a: 8, 14). This conceptualisation of WPI implies that one needs to look at the organization as a whole and consider the reciprocal effects of strategy, structure and culture, if they are to reap the benefits associated with WPI (Howaldt et al., 2016). For instance, hierarchical organisational structures may lead to more directive leadership styles and Human Resource Management (HRM) practices that focus on a clear division of labour and control, whereas less hierarchical structures may lead to leadership styles and HRM practices that are geared at promoting employee involvement, engagement and commitment (MacDuffie, 1997; Pot, 2011). Therefore, to fully understand WPI, it is essential to not only focus on certain types of HRM practices and their consequences, but to also take into consideration the organisational structure and the management philosophy underlying strategic choices (Dhondt and Oeij, 2014; Howaldt et al., 2016; Murray-Karanika and Oeij, 2017).

The workplace innovation's 'structure orientation' contains practices that structure work organisation and job design (Oeij et al., 2015a; de Sitter et al., 1997). As described, these practices concern the division of labour, the division of controlling ('managing') and executing tasks, and provide employees with structural decision latitude or control capacity (Dhondt et al., 2014). This means that employees are structurally given influence about their work, management, production system, and organization through,

for example, co-creation in work design, employee budget or planning control, self-organizing and self-steering teams. Such an approach goes beyond HR-dominated streams (such as High Performance Work Practices and High Involvement Work Practices - discussed in Oeij et al., 2015a), as its root causes lie in the choices made about how to design the production system and work organisation. Structure-oriented practices can stimulate employee-control or autonomy, and provide a ground for voice of employees (and employee representatives). These are crucial for individual level motivation and innovative behaviour (Preenen et al., 2016; Preenen et al., 2015).

The workplace innovation's 'culture orientation' contains practices that provide opportunities for employees to participate in various ways, for example, in organisational decision-making through dialogue (Oeij et al., 2015a) and are focused on enhancing employee engagement and participation. An example is visits of higher management to the shop floor in order to have a dialogue with the employees. It not only concerns employees, but it could include employee representatives as well, as in the case of social dialogue and collective bargaining. Culture-oriented practices can stimulate commitment and provide employees (and employee representatives) with voice (Totterdill and Exton, 2014).

### **3 The Eurofound study**

The Eurofound study '*Workplace innovation in European companies*' (Oeij et al., 2015a; Oeij et al., 2015b) is a multiple case study among 51 companies from 10 EU Member States. Its purpose, among others, was to explore why and how companies apply WPI in order to offer policy makers in Europe recommendations for how to pursue and stimulate WPI across Europe.

#### *Sampling*

In order to achieve some variation across Europe the companies were divided according to the following regional breakdown (Eurofound, 2013): Continental and Western Europe (Denmark, Germany, Ireland, the Netherlands, United Kingdom - 22 companies), Southern Europe (Greece, Spain - 12 companies), and Central and Eastern Europe (Bulgaria, Lithuania, Poland - 17 companies). The companies were selected from the European Company Survey 2013 (ECS survey) database comprising about 30,000 companies (Eurofound, 2015). For this purpose a WPI-index score was constructed to rank all companies in terms of their WPI-features (Dhondt et al., February 2014; Oeij et al., 2015b). The top 5% of the companies in the ranking were selected; this means that, according to the ECS-survey data, these companies are mature in terms of WPI-features. The final cases were selected through direct contacts with the companies explaining the purposes of the project, and varied in sector, and size as follows: *Company size*: SMEs 50-249 employees (27 companies) and large companies with 250 employees or more (24); *Branch*: industry/manufacturing (21); commercial services (14); social services (16).

### *Methods and fieldwork*

In each company face-to-face or group interviews were intended with a manager, a group of employees, and employee representatives to get an extensive and broad picture. These were always persons who were involved and knowledgeable of the WPI practices to be studied. (However, for diverse reasons (usually operational difficulties during the field work), in five companies it was impossible to talk to employees and in 16 companies no employee representatives were available.)

The fieldwork was carried out by nine European research institutes using a standardized methodology and formalized questionnaires about the how and why of WPI use (see, Oeij et al, 2015b). All in all about 200 people were interviewed, following specific questionnaires for each interviewee category (in total, 3 questionnaires per firm). The information gathered was imputed into a data file and each case was described in a mini-case study report (2-3 pages)<sup>2</sup>. In each company, specific WPI practices were identified (up to 168 practices in total).

Subsequently, using Qualitative Comparative Analysis (QCA), the questionnaires were analysed, studying the ‘conditions’ within these companies that explain the presence of substantial WPI practices. These conditions together constitute ‘configurational paths’ that can be regarded as implicit strategies applied to be or become a WPI company. Case study reports were used to assess whether types of WPI practices could be distinguished. Qualitative information from interviews was used to get a richer description of contextual factors, drivers and motivations, ways of developing and implementing WPI, and the impacts of WPI. It enabled an in-depth analysis of the companies and their WPI practices<sup>3</sup>.

## **4 Results of WPI implementation in practice**

### *Why do companies want to implement WPI?*

To see why companies introduced WPI-practices a distinction was made between two drivers or targets, namely to improve the quality of performance of the organisation or to improve the quality of working life and employee engagement. The analysis of the questionnaires completed in the case studies showed the existence of a third category as well that combined both drivers. Although economic reasons drive the decision to introduce WPI, most practices identified in the case studies (69%) are eventually targeted to both goals, the enhancement of company’s performance and quality of working life, while the remaining practices are approximately equally divided into those that focus on quality of working life (18%) and quality of performance (14%) (Table 1).

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<sup>2</sup> All cases can be found on the Eurofound website at: <https://www.eurofound.europa.eu/workplace-innovation-in-european-companies-case-studies>.

<sup>3</sup> An elaborate description of the fieldwork and methodology can be found in Oeij et al., 2015b which can be downloaded from the Eurofound website.

**Table 1** Types of practices applied and drivers (percentages)

<i>Drivers</i>	<i>WPI</i>			<i>Total WPI</i>	<i>HR</i>	<i>Other</i>	<i>Total</i>
	<i>WPI-structure</i>	<i>WPI-culture</i>	<i>WPI-mixed</i>				
Quality of Performance	1,8	1,2	3,6	6,5	3,6	3,6	13,7
Quality of Work	3,0	3,6	4,2	10,7	6,5	0,6	17,9
Both: Quality of Work and Performance	8,9	15,5	11,3	35,7	28,6	4,2	68,5
Total	13,7	20,2	19,0	53,0	38,7	8,3	100,0
N	23	34	32	89	65	14	168

(Source: Oeij et al., 2015b: 21).

Table 1 presents a total of 168 WPI-practices that were identified in the selected companies. Half of these practices (53%) are either focusing on WPI-structure elements (14%), WPI-culture elements (20%) or are a mixture of structure and culture practices (19%). Quite a high proportion of practices are assessed as exclusively HR-practices (39%), which we see as too limited to qualify as a genuine WPI-practice. The practices in this category are ‘typical’ or ‘traditional’ HR-practices in the field of, for example, personnel recruitment, training, competence development, performance appraisal, working conditions, remuneration, flexibility and health, risk and safety measures. The category ‘other’ (8%) comprises examples of cost-effectiveness, efficiency improvement and ICT-practices that neither qualify as WPI.

Table 2 provides some concrete examples of the 168 practices identified. The complete list of practices (including HR-practices) can be found in the Annex to the report (Oeij et al., 2015b).

**Table 2** Examples of WPI-practices

<i>Types of practices</i>	<i>Examples (*)</i>
WPI: structure orientation	<p>Educational organisation (BG-EDUC-UNI-S): Self-managing teams is a system for organising day-to-day duties and activities. This approach ensures that the team members will have sufficient flexibility to decide how to implement their tasks taking into account their own capacities and time schedule.</p> <p>Research organisation (ES-SCI-ENVIRONM-L): Minimising organisational levels and enhancing autonomous teams is done by ensuring that there are no more than two hierarchical levels between the lowest and the highest levels. This also facilitates the existence of self-managed working teams that have the freedom to organise themselves.</p> <p>News &amp; Journalism organisation (NL-INFO-NEWS-L): Job enlargement by expanding sales jobs with account management tasks; also cross functional teams were installed to realise innovation projects across departments</p>
WPI: culture orientation	<p>Museum (DK-ART-MUSEUM-S): Partnership with unions. New projects and organisational changes are debated in a joint committee with union representatives, OHS representatives and management representatives. This committee is initiating new practices such as training and support for new</p>

<i>Types of practices</i>	<i>Examples (*)</i>
	<p>employees.</p> <p>Energy company (BG-ENER-GAS-S): The Knowledge Management System, OGpedia, is a voluntarily developed IT-based information sharing measure. All employees can share and gain new knowledge.</p> <p>Postal organisation (LT-SERV-POST-L): “Loyalty Day” aims to enhance communication and knowledge sharing between managers and first line workers. Managers voluntarily visit workers on their working site and gather information about specific processes and possible issues. This raises sustainability, efficiency and good organisational communication.</p>
WPI: mixed	<p>Research organisation (ES-SCI-WORK-L): Flexitime practices allow workers to have a say on their working times: they can adjust their starting and exiting hours, also ad-hoc exits (with manager’s permission) are allowed.</p> <p>Financial service company (EL-FIN-BANK-L): An initiative for personal development: every year teams of 1-2 people take part in a challenge defined by the top leaders. In this way ideas can be passed from young talents to the top management. Young talents are supported by coaching sessions and assessment tools, they gain experience.</p> <p>Pet food processor (DE-AGRO-PETFOOD-S): Overall Competences: Ready to do any job in the production line, an overall qualification was given to the production staff, enabling the employees to take over every job in the production. After the mechanisation of production most of the employees had the chance to upskill and take over a skilled workers’ task.</p>

(\*) Company codes are indicative of country, branch of activity and size (small 50-250 and large 250+) and used to ensure anonymity (Source: Oeij et al., 2015a: 25-26).

The consequence of the impression, that most WPI-practices seem both directed at economic goals and better work, is that not only economic goals are achieved, but also more employee engagement and regularly a better quality of working life as well. Workplace innovators are almost naturally bonding with employee interest and there is an agreement among managers, employees and employee representatives on what has priority and what is less important, as we will show soon.

Returning to the mentioning of different paths leading to becoming a mature WPI-company, all companies in their paths applied more than one WPI-practice, often a combination of structure oriented, culture oriented and HR-measures. This may be an indication that ‘bundling’ measures matters, as is proposed in the HPWP-literature. No conclusions about combinations of WPI-practices can be drawn, however, as there is quite some variety of WPI-practices within paths (Oeij et al., 2015a).

Now let us look closer at the motives, leverage factors and impacts of WPI, before we turn to the ‘how’ question. The opinions of managers, employees and employee representatives have been compared and much agreement was reported<sup>4</sup>.

<sup>4</sup> The drivers are derived from the WPI-practices that are implemented by the companies; the motives are part of the interview checklists that were applied (for more details see the Technical report, Oeij et al., 2015b).

*What are motives to implement WPI?*

Although companies did choose varying paths to WPI and selected different (combinations of) WPI-practices, the reasons why they initiate WPI conversely reflect much commonality. The analysis carried out (both quantitative and qualitative) show that there is a dominance of economic oriented motives (Table 3). However, many companies understand that achieving economic goals largely depends on the role that employees play, so that WPI appears as a precondition to reach other economic and managerial goals. In this sense, from the viewpoint of the ‘organisation as a whole’, the most prominent three general motives identified by the three groups of interviewees (managers, employees and employee representatives) for initiating a WPI implementation, were efficiency improvement, to gain competitive advantage and to enhance innovative capability.

Apart from looking at motives for ‘the organisation as a whole’, the investigation of ‘motives’ was also approached as possibly desired impacts for each group of stakeholders separately (management, employees and employee representatives) (Table 3). It proved that motives for WPI implementation from both the managers’ and employees’ perspectives overlap<sup>5</sup>, and, moreover, show resemblance with the general reasons to initiate WPI<sup>6</sup>. The three most salient motives are economic and business goals, learning and development opportunities, and performance.

Motives that are related to quality of organisational performance were regarded as more prominent than the ones related to quality of working life according to all three actor groups.

**Table 3** General motives for the implementation of WPI

... for the ‘organisation as a whole’	Manager	Group of	Employee
		Employees	Representatives
Percentage of companies			
To improve efficiency	80	80	74
To gain competitive advantage	78	58	65
To enhance innovative capability	75	58	65
To become an attractive employer	57	53	44

<sup>5</sup> Statistical results (based on McNemar tests) indicated that there are no significant differences in how frequently managers, employee groups and employee representatives selected the top-3 motives (economic and business goals, learning and development opportunities, performance).

<sup>6</sup> All three groups indicated the improvement of efficiency as the most important motive for the “organization as a whole”, while gaining competitive advantage and enhancing innovative capability were the second two most important motives. No differences were found among the three groups in the frequency of selecting the improvement of efficiency. Managers’ selected gaining competitive advantage more often than groups of employees and employee representatives (respectively p=.049 and p=.039); managers also selected enhancing innovative capability more often than employee representatives (p=.039). Here and in other comparisons attention should be given to the multiple data missings among employee representatives (>30%).



To enable the acceptance by employees	37	31	47
To enable the embedment of new technology and ICT	37	33	35
To improve industrial relations with unions	18	9	47
<i>... from managers' and employees' perspective</i>	<i>Manager</i>	<i>Group of Employees</i>	<i>Employee Representatives</i>
	<i>Percentage of companies</i>		
Economic and business goals	94	89	88
Learning and development opportunities	78	71	74
Performance	61	62	59
Public goals	31	33	32
Flexibility	31	42	38
Shareholder interests	25	24	29
Labour market position	25	18	35
Balance private-work life situation	25	24	32
N of respondents	51	45	34

(Source: Oeij et al., 2015b: 27)

#### *What are important leverage factors for the implementation of WPI?*

Leverage factors are actions, measures or means that drive the successful implementation of WPI-practices. The most important three leverage factors for WPI implementation are employee involvement, top management commitment, and, at a distance, leadership or the involvement of a powerful person. Again this was reported by all three groups of interviewees (Table 4)<sup>7</sup>. While reasons and motives to start WPI point to business related arguments, employee involvement seems a sine qua non when it comes to adoption and implementation.

**Table 4** Leverage factors for WPI implementation

	<i>Manager</i>	<i>Group of Employees</i>	<i>Employee Representatives</i>
	<i>Percentage of companies</i>		
Employee involvement	82	84	88
Top management commitment	80	69	68
Leadership, powerful person	67	56	65
Organisational, non-conflictive climate	49	42	50
Resources, enough money and people	33	38	29
Time, no interference from reorganisation	18	20	24
N of respondents	51	45	34

(Source: Oeij et al., 2015b: 27)

<sup>7</sup> Statistical (McNemar) test indicated that there are no significant differences in how frequently managers, employee groups and employee representatives selected the top-3 leverage factors (employee involvement, top management commitment, and leadership, powerful person).

*What are the impacts or expected impact of WPI?*

Impacts of WPI-practices, like drivers, can be divided into effects for organisational performance and for the benefits of employees. Four types of impacts are researched: impacts for the organisation, for management, for employees, and for employee representatives. Table 5 presents the top three-to-five for each type.

For the organisation, according to managers, employees and employee representatives, employee engagement was the most important outcome of WPI followed by long term sustainability<sup>8</sup>, and, with some distance high performance, better customer focus/client focus, efficiency, and profitability. For employee representatives notable outcomes were also the establishment of good work and more positive employment relations. Remarkable maybe, but according to employees establishing good work is ranked lower than efficiency, profitability and high performance (not visible in Table 5, see Oeij et al., 2015b; 28-29).

The most important impacts of WPI for ‘managers interests’ are efficiency and sustainability; for ‘employees interests’ are learning opportunities, voice/participation, and challenging and active jobs; and for ‘employee representatives/union interests’ is employee voice.

**Table 5** Impacts of WPI

	<i>Manager</i>	<i>Group of Employees</i>	<i>Employee Representatives</i>
	<i>Percentage of companies</i>		
<i>for the organisation</i>			
Employee engagement	82	78	85
Longer term sustainability	73	64	62
High performance	67	56	59
Establishing good work	63	47	62
<i>for managers/managers’ interests</i>			
Efficiency	73	64	74
More sustainability	71	60	62
Competitiveness	65	53	59
Innovation/innovation capability	61	47	59
Satisfied client, customer	61	53	59
<i>for employees/employees’ interests</i>			
Learning opportunities	71	67	59
Voice, participation	59	56	59
Challenging, active jobs	57	64	44
Healthy work	43	49	56

<sup>8</sup> McNemar Tests also indicated that there are no significant differences in how frequently managers, employees and employee representatives selected the two top outcomes (employee engagement and longer term sustainability), so there is agreement among groups.

	<i>Manager</i>	<i>Group of Employees</i>	<i>Employee Representatives</i>
	<i>Percentage of companies</i>		
<i>for employee representatives/union interests</i>			
Employees voice	79	67	85
Sustainable organisation	56	33	50
Equality, fairness	35	33	41

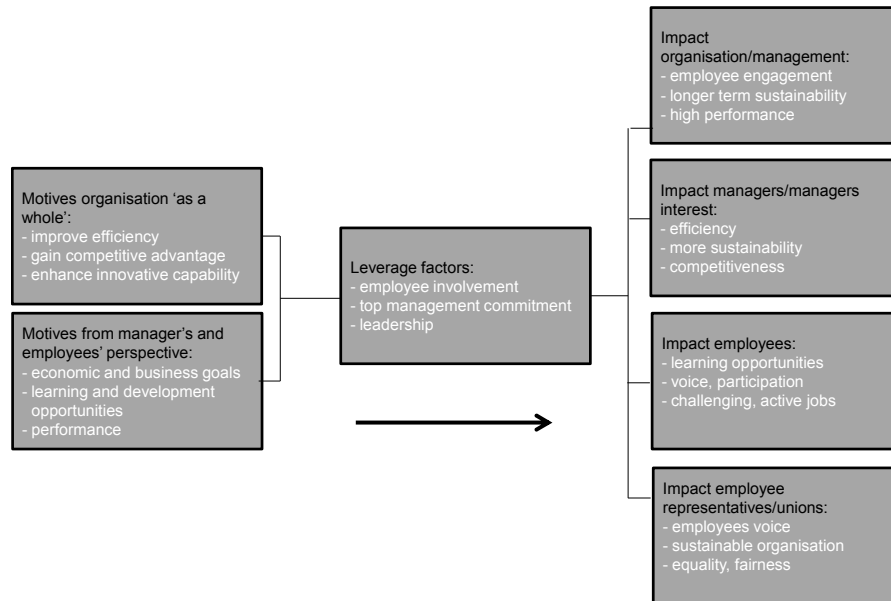
(Source: Oeij et al., 2015b: 28-29)

### *Summary*

When we summarize why companies implement WPI, what they see as most important leverage factors, and which are the (expected) impacts of WPI for the organisation, managers, employees and employee representatives, it becomes clear that there is much commonality in the answers from the three different respondent groups. Given that economic goals are triggering the initiation of WPI and that employee involvement is a key factor in the introduction of WPI, it is intriguing to see how much accord emerges among all stakeholders. All three actors regard:

- employee engagement, longer term sustainability and high performance as the most important impacts for the organisation;
- efficiency, more sustainability and competitiveness as the most important impacts for the managers;
- learning opportunities, voice/participation and challenging and active jobs as the most important impacts for employees;
- employees voice as the most important impact for employee representatives.

In the process of introducing the WPI-practices in many instances, the eventual impacts improve the economic performance, employee engagement and quality of working life. Figure 1 captures these findings.

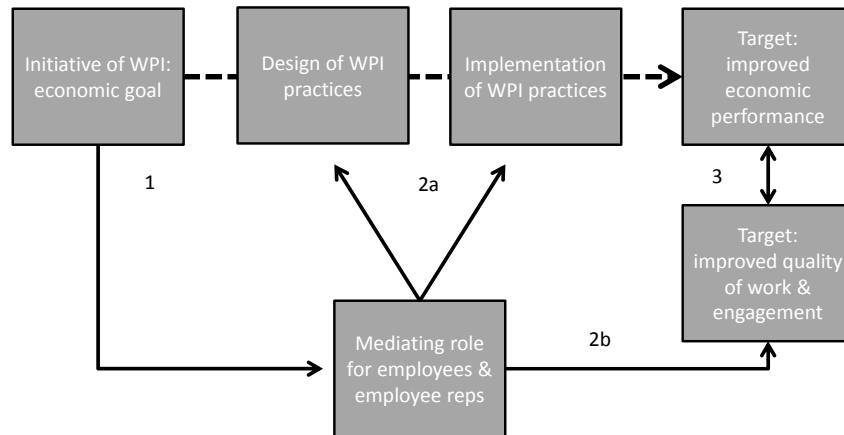


**Figure 1** Agreement about the main motives, leverage factors and impacts of WPI according to three respondent groups (managers, employees, employee representatives).

### *How do companies implement WPI?*

Now that we know what are the motives and leverage factors of WPI let us have a look at the ‘how’ issue. The process of initiation, adoption and implementation of WPI-practices reveals a common pattern. As described, companies chose paths that differ but conversely within companies there is agreement among managers, employees and employee representatives about why to introduce WPI, how to do it, and what impacts are desired. The research suggests that often the initiative for WPI lies with management, and that the main motive is economic. Once this decision is taken employees roll in to help design and implement the intervention. Consulting employee representatives is common among those companies who advocate communication and employee interests. Be reminded that our sample is from the companies who score the highest on WPI. Many of these companies are WPI-mature and from the case studies we learned that they have come this far after many years. The way that WPI-practices get implemented seems to reveal a generally applied pattern (Figure 1):

1. The initiative of a WPI often has an economic purpose and very often it is dominant (see 1 in Figure 2), although in many cases WPI-practices are not purely targeted at economic goals alone. Often they are combined with or embedded in organisational, job and HR-related measures.



**Figure 2** Pattern of implementing WPI-practices (Oeij et al., 2015a: 59).

2. Once the WPI-initiative is uplifted into a measure or set of measures employees - and often employee representatives - play an important role in (co-)designing and developing the WPI-practice and its implementation (see 2a the Figure 2). Management realises it is often impossible to get WPI implemented without the engagement of employees. As employee participation in the design and implementation phase is inescapably connected to employee engagement and possibly improved quality of working life (as a result), there is an immediate link with employee-favourable targets (see 2a in Figure 2).
3. The target of improved economic performance is often not a direct effect of the implemented WPI-practice but in most cases influenced and supported by employees and employee representatives. When economic targets are achieved, it may well coincide with the target of improved quality of working life and employee engagement. Vice versa, an improved quality of working life and employee engagement can contribute to improved economic targets (see 3 in Figure 2).

Therefore it can be concluded that (initial) reasons and motives for WPI are mainly economic. Then, as a next phase, concrete WPI-practices are designed and implemented. Here, it becomes apparent that employees get to play a major role. The most important leverage factor for adoption and implementation is namely employee involvement. And again managers, employees and employee representatives seem to look through the same lens. Engagement of employees is a necessary condition for WPI.

### *Three company examples of the WPI implementation process*

It was found that companies adopt and implement WPI in their own specific way. Three outspoken examples from the United Kingdom, Denmark and Lithuania are presented to show the uniqueness of the WPI process (Oeij et al., 2015a: 53-54). From the UK an example is presented that shows how leadership enables employee participation, while the Danish example mirrors a stepwise approach that was agreed with unions. The

Lithuanian case exemplifies the taking up of dialogue between management and employees, which is relatively new to the region.

*Examples of the WPI implementation process:*

**UK example: Leadership**

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

**Danish example: Partnership with unions**

Service organisation (DK-SERV-PARK-S): Organisational changes are discussed by the manager and the union representatives. They have a partnership and value each other’s opinions. The manager explains: “It is nice to have representatives who are not afraid to step up against me in a constructive dialogue”. The implementation approach was that 1) management took initiative, 2) external consultants supported the process, 3) ‘experiments’ were conducted (a work gang tested new meeting practices or the like), 4) ‘invitation’ to the same knowledge for all (training) and 5) implementation of the practices, but not necessarily in the same way everywhere. No evaluation was done but adjustments were made along the way. Both management and employees believe that it is important to design the process in a manner that creates ‘enthusiasts’ amongst the employees. The union representative explains: “It gives a huge boost to the company that we work together to create a great workplace. . . . That’s what made us ‘the best workplace’ (a Danish award) in 2004”. The employees believe that, even though management determines the direction, they have to have the trust to be able to discuss it: “It should be perfectly legal to say our outspoken opinion to our manager – and it is. There may well be disagreement, but you have to be able to discuss things” (employee).

**Lithuanian example: Dialogue with personnel**

Hotel (LT-ACCOM-HOTELS-S): The WPI practice, Think Guest Feedback, consists of regular middle management meetings where middle managers from all *departments* (Front Office, Reservations, Conference Hall, Lobby, Restaurant, Sky Restaurant, Room Service, Marketing and others) regularly meet and review Hotel ratings in dedicated social media platforms. They discuss particular guest feedback cases and joint actions that could improve guest stay experience (and feedback as a result), together brainstorm

on how guest feedback could be stimulated and collectively addressed, take important information back to the teams of their departments for further action, produce minutes of their observations and recommendations to top management on improvement of various hotel operational aspects and share experience with each other. Think Guest Feedback involves, for example, prompt reaction to guest feedback (especially when negative) before they leave the hotel, and constant organisational learning from any mistakes made. It implies staff empowerment, not only that they could solve emerging problems straight away, but that each of them could feel like owners of the business and be proactive in preventing negative guest experiences. Mutual trust, goodwill and respect across departments (not to solve your own issues at other's costs) and between all levels of organisational management were stimulated. According to the Director General, the initiative is still very new, but after a few months, it is already showing benefits.

These examples show differences in the interplay between management, employees and their representatives. Yet, they agree in the sense that cooperation between actors is fundamental to improve the business.

## 5 Conclusion of the research

As said in the introduction WPI practices associate with better organisational performance as well as more social outcomes such as employee engagement. Yet, quite little is known about why exactly and how companies implement WPI across Europe.

The general view that emerges from the research can be captured in a few lines (Oeij et al., 2015a: 62). The initiative to start WPI practices usually comes from the management or ownership of the company. However, these managers/owners have understood that the role and participation of the employees and their representatives is crucial for WPI to be a success and in the end for the companies' performance and sustainability. The reasons behind the management's decision to implement WPI practices are mainly related to efficiency, competitiveness and innovation enhancement. In a number of cases, the management decision to implement WPI is triggered by factors such as:

- a situation of crisis or difficulties in the company's performance that requires significant changes to survive and remain competitive in a changing and globalised market, where the traditional products/services and ways of working need to be revised and adapted in order to satisfy the requirements of increasingly exigent and sophisticated customers;
- sometimes, the former is also combined with a take-over from (or merger with) another (multinational) company which brings in new forms of work organisation and new work practices, systems, etc. that involve workplace innovation. In these cases there is a kind of 'WPI know-how transfer' from the headquarters to the subsidiary.

In several of the Eastern European case studies, the privatisation of public enterprises and the associated re-organisation processes have served as a background to the implementation of WPI, seeking greater efficiency and employee involvement that were previously lacking.

Factors related to job quality and good working conditions do not appear as primary reasons or motives for WPI, but more as a pre-condition or a result of WPI. This means that the objective of WPI introduction is not to improve the working conditions or the working environment as such, but that, in order to enhance employee involvement and their contribution to the company's performance and innovation processes, a good set of working conditions is required.

Companies used different paths to arrive at becoming a WPI-mature organisation, meaning they applied different combinations of WPI-practices and stressed different organisational choices (Oeij et al., 2015a). Organisations can choose production systems that enable these results, like flow structures and teams (Achterbergh and Vriens, 2010: 227-280; Christis, 2010), which implies that WPI is related to organisational changes at the 'root cause' of the production process of making products and delivering services (MacDuffie, 1997).

Although companies differ in their implementing strategies, constructive cooperation between management and employees seems a general key success factor for successful WPI as our three case descriptions implicate. Additionally, the way that WPI-practices get implemented seems to reveal a generally applied pattern (Figure 1). Organisations can make strategic choices with their organisational structure. It seems beneficial to the emergence of WPI to strengthen the position of employees and employee representatives: this can help boost WPI-practices, which in turn may improve both economic performance and quality of working life.

## **6 Linking workplace innovation to social innovation**

Social innovation seeks to empower and (re)engage vulnerable groups (Van Bree, De Heide & Dhondt, 2016: 4), e.g., job seekers and unemployed, and often as well targets other labour market participants. Social innovation of work and employment (Eeckelaert et al, 2012) aims to improve the quality of work in terms of more employability and empowerment (Pot, Dhondt & Oeij, 2012; Totterdill & Exton, 2014). Thus, WPI as a type of social innovation helps businesses and societies fostering welfare and well-being (Oeij & Van der Torre, 2016)<sup>9</sup>. In this final Section we focus on making recommendations how this can be achieved.

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<sup>9</sup> This is what we intend to do in SI-Drive. In the European Commission FP7-SSH project "Social Innovation: Driving Force of Social Change" the purpose is to determine the nature, characteristics and impacts of social innovation as key elements of a new paradigm of innovation (strengthen the theoretical and empirical base of social innovation as part of a wider concept of innovation that



The research on workplace innovation showed the importance of participation of employees to arrive at a company's success. Using the talents and voice of employees led to commitment and engagement. Parallel to these developments at organisational level one can design similar developments at societal level seeking societal success. Societal success or public value could be translated as improved social wellbeing and economic welfare. The relationship between the organisational level of workplace innovation and the societal level of the broader category of social innovation is illustrated in the table below, which shows how certain measures of workplace innovation can in a positive way affect the societal level:

<i>Workplace innovation measures/activities at organisational level ...</i>	<i>... affecting social innovation extended at the societal level</i>
	<i>will enable...</i>
-design autonomy and learning opportunities into the work of teams and jobs, and organise for more self-managing behaviour	-entrepreneurial and intrapreneurial behaviour good for business and employability; reduces employment risks
-open and transparent and non-ambiguous communication	-feeling heard, experiencing trust and stimulate non-defensive dialogue; results in better problem solving
-time, space and resources for learning and experimentation	-the stimulation of creating ideas and accepting to make mistakes; results in innovative behaviour
-supportive leadership and genuine care for others	-the reduction of power play and conflict, and result in trust and respect
-a certain level of job security, and honest rewarding/fair pay	-a sense of belonging and enhances social cohesion and better inter-relationships
-constructive labour relations, employment relations and industrial relations	-a business orientation based on common goals and cooperation

The given examples in the table above are not an exhaustive enumeration and they are slightly speculative as they are not based on the presented research. However, they are in line with the main finding of the study, namely that (shared) goals of different stakeholders can converge when the process to develop and implement measures and actions is carried out by stakeholders in cooperation and mutual understanding.

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thoroughly integrates social dimensions). One of the main domains under study is employment. See: 'http://cordis.europa.eu/project/rcn/111472\_en.html' and 'http://www.si-drive.eu/?page\_id=124'.

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