



European Foundation for the Improvement of Living and Working Conditions

“Work Organisation and Innovation”

Manuel Ortigao
Research Manager

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“Ever tried. Ever failed. No matter. Try again.
Fail again. Fail better. “

Samuel Beckett



- Brief introduction to Eurofound
- Links between quality of work and performance
- Secondary analysis of ECS 2009
- 5th EWCS
- New project – “Work Organisation and Innovation”



What is Eurofound?

- Tripartite EU agency.
- Comparative socio-economic research.
- 20.45 mEUR (2011).
- 115 people in Dublin and in Brussels.
- Established 1975, EC Council Regulation.



Mission statement –

To contribute to the planning and establishment of better living and working conditions through action designed to increase and disseminate knowledge likely to assist this development.

Objective –

Eurofound is a leading knowledge source about socio-economic progress in the European Union.



Research and Communication

- Based on independent comparative research on priority areas in the social and economic fields, jointly defined by the social partners, national governments and the European Commission.
- Work methodology: decentralised research management



- Employment and Competitiveness.
- Industrial Relations and Workplace Developments.
- Living Conditions and Quality of Life.
- Surveys and Trends.
- Observatories.
- Information and Communications.



- **Surveys:**
 - ▶ European Working Conditions Surveys (EWCS),
 - ▶ European Quality of life Surveys (EQLS), and
 - ▶ European Company Survey (ECS).
- **Observatories:** one network for data collection and analysis.

Quality assurance:

essential to ensure confidence in Eurofound's research and results.



Links between quality of work and performance

Study based on 21 case studies in four sectors in six countries

Most companies apply a **bundle** of measures to improve different dimensions of quality of work

Clearest link between quality of work and performance relates to training, skills and employability



Links between quality of work and performance

Improving quality of work and achieving better financial performance are two sides of the same coin

There is a need to disseminate broadly information about these links and thus raise awareness of the broader labour market and business community audiences about it

Opportunity to move social dialogue to next level where quality of work is as important as employment thus contributing to the goals of Europe 2020 strategy



Explore the links between a broad range of workplace practices and sustainable organisational performance

The framework used - AMO model:

“ability, motivation & opportunity”

Consistent evidence that use of HPWP are associated with improved performance outcomes for both the company and employees



The “**A - ability**” dimension relates with the practices that ensure employees are equipped with the skills needed to undertake their jobs

The “**M – motivation**” dimension is required to ensure that employees exert discretionary effort and may be intrinsic, extrinsic and mutual trust based

The “**O – opportunity**” refers to employees’ involvement in the decision making process of the firm, higher level of autonomy over how they do their job



The “employee voice” - the “opportunity” dimension

Social Dialogue defined by the EU as “discussions, consultations, negotiations and joint actions involving organisations representing the two sides of industry (employers & workers)” can occur through employees representatives including unions or more directly through small groups or individual dialogue between managers and employees.

Social dialogue, self managed or autonomous teams are clearly related with the ***opportunity*** dimension in the AMO model



Links between workplace practices and EMPLOYEE outcomes

	Problem with absenteeism	Problem with employee motivation	Problem with staff retention
Need for training checked periodically	-0.12	-0.29	0.00
Proportion of high-skilled workforce >40%	-0.77	-0.35	0.04
Time off for training given	-0.02	-0.07	0.03
Training for new tasks	-0.04	-0.08	0.06
Team working important characteristic	-0.02	-0.13	0.14
Team decides autonomously	-0.14	-0.27	-0.15
Flexible working possible	-0.10	-0.01	0.14
Flexible working time more than 20%	-0.38	-0.12	0.06
Employee representation in place	0.22	0.11	-0.13
Ad hoc consultation in absence of employee representation	-0.01	0.00	0.12

Links between workplace practices and ORGANISATIONAL outcomes

	Higher than average productivity	Increased productivity over last three years	Good work climate	Economic situation of firm good
Need for training checked periodically	0.44	0.46	0.29	0.34
Proportion of high-skilled workforce > 40%	0.28	0.18	0.22	0.13
Time off for training given	0.23	0.33	0.09	0.11
Training for new tasks	0.24	0.36	0.10	0.12
Team working important characteristic	0.45	0.44	0.20	0.12
Team decides autonomously	0.26	0.24	0.17	0.10
Flexible working possible	0.15	0.14	0.00	0.00
Flexible working time more than 20%	0.19	0.10	0.04	0.02
Employee representation in place	-0.06	0.10	-0.23	-0.16
Ad hoc consultation in absence of employee representation	0.19	0.12	0.26	0.16

green: improving outcome, significant 95% red: reducing outcome, significant 95%

High Performance Work Practices with Links to Greatest Number of Performance Outcomes

HPWP	Performance outcomes
Autonomous teamworking	X
Teamworking an important characteristic of the workplace	X
Need for training checked periodically	X
Proportion of high skilled workforce more than 40%	X
Time off for training given	X
Training for new tasks	X
Flexible working available	X
Flexible working taken up by at least 20% of staff	X
Ad hoc consultation of employees in the absence of formal employee representation	X



- Field work took place from Jan – Jun with almost 44.000 workers interviewed in the EU27 plus 7 other countries from a working population of over 250 million.
- Some key findings are related with an increase of services jobs versus manufacturing, increase of workers with temporary versus permanent contract, increase of anxiety over job security
- Regarding working time there is a decrease in the average length of the working week, with less people working long hours, standard working hours being still the norm, and work-life balance is still a concern for many
- More workers have access to training than ever, although permanent and higher hierarchical benefit more from it



Three new questions have been added to the 5th EWCS in order to measure workplace innovation as follows:

- You are consulted before targets for your work are set
- You are involved in improving the work organisation or work processes of your department or organisation
- You can influence decisions that are important for your work



Some conclusions from these 3 questions

The incidence:

- Males and middle aged (35 to 49) are more exposed to these practices;
- Managers by far are more exposed to such practices, followed by professionals and technicians, being operators the least exposed;
- Education, health and financial services report higher level whereas transport report the lowest;
- Workers with permanent contract report a higher level;
- Finland, Ireland, Norway, Netherlands show a more frequent presence of these practices while Turkey, Greece, Italy, Bulgaria, Germany, France and Spain show a lower frequency



Links to working conditions

- It seems to exist a relation between the implementation of these workplace innovation practices and improvement working conditions but
- More research is needed to confirm this and under which circumstances such a process can occur

Links to commitment

- Working in teams with autonomy for deciding about divisions of tasks, timetables and leading the team promotes commitment and consequently higher performance



2012 and onwards

- Secondary analysis of 5th EWCS on several topics including “Work Organisation in Europe”
- The 3rd ECS in 2012 will have a specific focus on “workplace innovation”, along with “role of social dialogue” and “sustainable employment”



“Work Organization and Innovation”

New project





Europe 2020

*Flagship initiative
"Innovation Union"*

*Opinion doc
from EESC*

INNOVATION

Pact for the euro

*Close productivity gap
with NA and Asia*

*Foster competitiveness
Foster employment*





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EESC – OPINION DOCUMENT

Innovation ability and success of organisations

external

Customer satisfaction profitability competitiveness



Improved productivity and quality of working life



Innovations (products, services, working methods)

internal



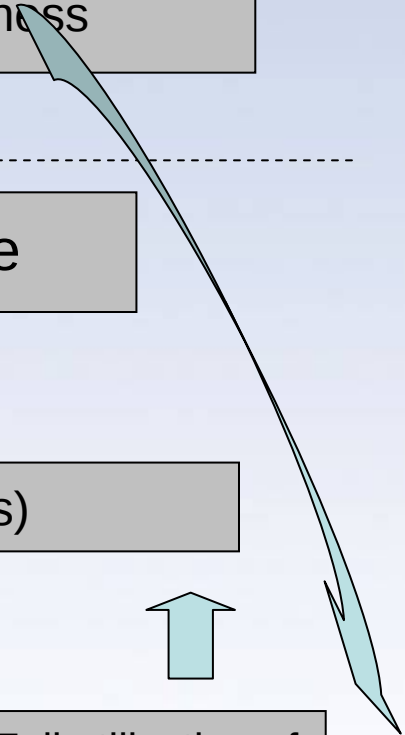
competences
(knowledge and
skills)



Staff's commitment and
motivation, leadership



Full utilisation of
technologies



Study and document the links between *Work Organisation Innovations* and improved performance outcomes for companies while employees' working conditions must remain the same or improve.

Special focus on *Employee Driven Innovations*



OECD OSLO MANUAL (2005)

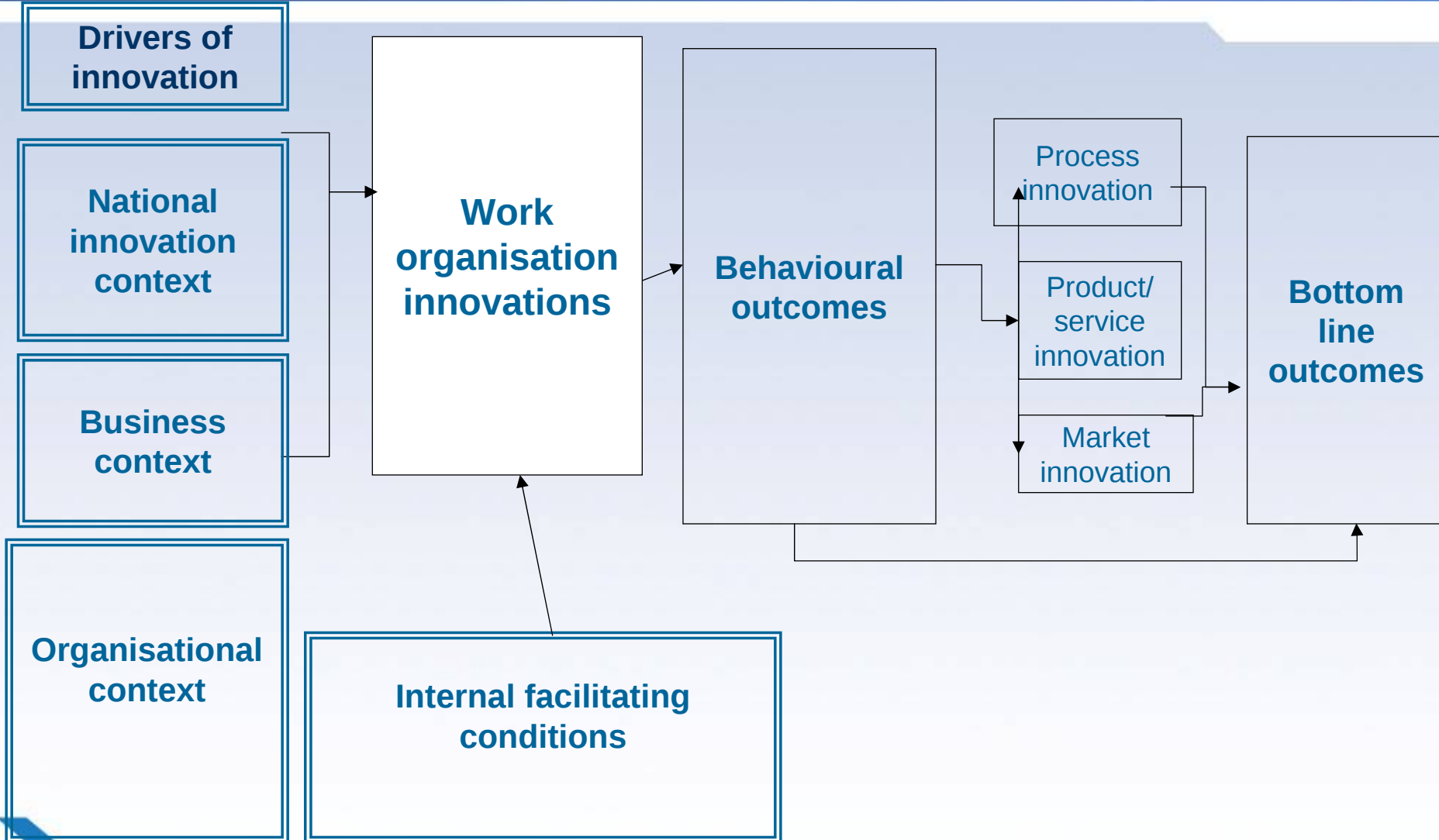
- Product/service innovation
- Process innovation
- Marketing innovation
- **Organisational innovation**



- Concept definition to be adopted for this project
- Description of relevant studies on the topic
- Theoretical formulations produced
- Organizations that have been working on the subject like Cedefop, EC, OECD, Work-in-net, CEN, EACI, Eurostat, etc
- Relevant data from ECS, EWCS and EPOC surveys
- Description of different national or regional or employers' programs aimed at promoting innovation at an organizational level



Conceptual framework



2011

- Contract awarded to external contractor (kick-off meeting 25th July).
- Task 1: develop a theoretical framework comprising a literature review and a concept definition of Work Organisation Innovation.
- Task 2: two pilot case studies: one from the health sector (UK) and one from the manufacturing sector

2012

- 8 to 10 additional case studies

Deliverables: Interim report; draft final report and revised final report



Deliberate changes to the way in which employees undertake their work and refer to any element of people management (...)

Work organisation innovations within scope for study in this project should lead to performance outcomes which are:

- a) **sustainable**
- b) **offer improvements for organisational performance *and***
- b) **benefit workers through improving job quality, satisfaction or/ and well-being**

Innovations which are driven ‘bottom-up’ through suggestions made by employees – **“Employee Driven Innovations”**, rather than ‘top-down’ by managers, have been less well explored in the literature and should constitute the ideal focus of this research study.

Innovations in work organisation which lead to innovation in organisational processes, expansion of products/services and job creation are of particular interest.



Deliberate changes to the way in which employees undertake their work and refer to any element of people management. These innovations may include but are not limited to: *forms of team-based working, group-based reward systems where workers share in organisational profits; flexible working policies; opportunities for learning; mechanisms to give employees greater autonomy, discretion and control over work processes and outputs; employee involvement, communication and representation mechanisms including unionised and non-unionised processes which lead to worker influence over work processes, organisational strategy and creation or adaptation of products/services.*

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Thanks!

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