Industrial relations & industrial change

Developing new forms of work organisation: the role of the main actors

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Employment & social affairs

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PREFACE

Emerging forms of work organisation represent an under-utilised resource in Europe, offering the potential for convergence between enhanced organisational performance, employment growth, healthier work and social dialogue. Yet it sometimes feels as though the potential offered by this 'high road' of organisational innovation is scarcely recognised by employers, social partners, policy makers and other actors. In consequence there are serious implications for Europe's ability to achieve its fundamental economic and social goals such as competitiveness, innovation, quality employment, health and social inclusion.

In collaboration with the European Work Organisation Network (EWON)[1], the European Commission asked us to prepare a concise report on the challenges for key actors posed by the emergence of new forms of work organisation. It draws on evidence from a parallel study[2] for DG Research of the European Commission based on an extensive literature review and case study analysis. However it is also based on dialogue with social partners and policy makers in several EU countries.

There are two main parts to the report: the first gives a flavour of how we might experience the uneven emergence of new forms of work organisation in Europe over the next five years – as employees, as consumers and as citizens. The second analyses some of the underlying characteristics, problems and challenges – for policy makers, social partners and other actors.

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Anna noticed that it was another unseasonably warm day as she stepped off the tram a little after eleven. The street leading to her workplace was normally quite busy at that time, but today it seemed even more crowded than usual. Walking past the conference centre on the other side of the street she noticed a small crowd of people queuing to enter. With mild curiosity she read the banner over the entrance: *Partnership for a New Organisation of Work: Ten Years On*. This meant nothing to her, and her mind went back to the appointment at the hospital earlier that morning.

When Anna's son was born eight years ago he had seemed like a perfectly healthy baby. Gradually however Anna and her partner began to worry about his development, and she asked for advice from her doctor. After some months tests at the city's main hospital showed that he was suffering from a fairly rare chronic condition, probably the result of one of those statistically improbable combinations of genes inherited from both parents.

Anna was naturally devastated, but gradually learned that with proper care her son could grow to lead a relatively normal life. However he had needed frequent hospital visits during his first four years, including three fairly major operations. Although her employer was initially sympathetic, Anna felt under increasing pressure at work during this time. During her enforced periods of absence her colleagues would frequently phone in a state of panic asking her how to deal with day-to-day problems. Moreover her department seemed unable to reallocate her work effectively when she was away, so she always returned to a backlog of tasks at times when she already felt exhausted by her parental responsibilities. Eventually Anna left work when her son was two because the conflict between her different responsibilities became unmanageable. She remembered her manager's last words . . . something about all the money they had invested in her training having gone to waste.

She hated those hospital appointments in the early days. Typically she and her son would face a long wait in a corridor before eventually seeing the doctor, an interview which might last for ten minutes or so. During this time the doctor would be continually looking through notes from the different specialists involved in the case, trying to piece the diverse bits of evidence together into a coherent treatment plan. Often, if Anna asked a question the doctor would do his best to reply but said that it wasn't really his field and that she should ask one of his specialist colleagues. Over the years appointments had been made with several specialist doctors, dieticians and other professionals, sometimes leading to different types of treatment. Sometimes however she simply heard no more from them. Certainly Anna never once felt that she heard the whole story about her son's condition, and doubted that the different specialists had ever all met together to discuss his progress.

Things began to change about four years ago. 'Team clinics' had been introduced throughout the hospital as a means of 'improving the patient experience', or so it said on the leaflet signed by the Chief Executive. This

meant that they met the three or four doctors and other professionals involved in her son's treatment all at the same time. Everyone would sit in a circle of comfortable chairs, rather than separated by the doctor's desk as had happened in the previous appointments. They all discussed progress with the treatment, allowing Anna to ask questions whenever she wished. If advice was needed from another specialist they could be called into the meeting or seen shortly afterwards. A shared conclusion would be reached at the end of the appointment. Somebody always checked with Anna that she had understood what had been agreed, and she would receive a written summary by email the same day. Anna's own confidence in the care provided by the hospital increased steadily: it was as though she was part of a team which was planning and delivering the care plan together. But she also noticed that many of the nurses and other hospital staff were much more involved and now seemed to know something about her son's case when she talked to them.

Anna soon arrived at the converted factory which now housed the offices of the utility company where she had worked for the past three years. Although she still needed to take substantial amounts of time off to look after her son, she had begun to feel as though she was losing the skills and experience she had acquired over twenty years of working life and had been keen to return to work. Unlike her previous company, Utilco was well known locally as a good employer and consequently attracted some of the most able workers in the city's tight labour market. It had been one of the first to recognise the need to develop and retain older employees as the number of school leavers began to fall. More importantly from Anna's perspective, it had collaborated with a national carer's organisation to develop an exemplary approach to the employment of people with family responsibilities.

She had elected to be employed on an annualised hours contract, enabling her to work almost full time but in ways which struck the best balance between her personal needs and the needs of her company's customers. Last year she had to take nearly three weeks off work when her son was admitted to hospital for an operation, but she gradually made the time up over the next few months. Sometimes she was even able to put in a few extra hours when there was a rush on. This was made much easier by the company's active encouragement of teleworking. All employees were allowed to work from home where appropriate, using the laptops provided by the company. Utilco also agreed to pay the connection charges to link their employees homes to broadband networks, giving much more efficient access to the company's databases. From the company's perspective it provided a very tangible demonstration of their commitment to family-friendly working practices (though cynics pointed out that it also proved to be a very effective way of reducing absenteeism). The company even received a 'green commuting' award from the local authority for the contribution of the teleworking initiative to reducing traffic in the city centre.

While some of Anna's colleagues had been slow to take advantage of teleworking at first, others had embraced it enthusiastically. Indeed some people were working from home three or four days a week on a regular

basis. After a while this began to cause some real problems, not least for Anna herself. Some members of her team were becoming far too detached, missing out on the day-to-day buzz of ideas and information being exchanged. When they did come in to the workplace, Anna had to spend considerable amounts of time briefing them on what had happened in the last few days. Other team members complained to her that these individuals were 'never around when there's a problem'.

Anna discovered that other service managers were experiencing the same problems in their teams, and she decided to raise this at the next meeting of the Innovation Forum. IF had been set up at the time of the major restructuring two years ago, initially as a short term measure to ensure that employees could contribute ideas to the organisational changes which the company was facing. However it had proved its worth so effectively that it was now established as a permanent arena for discussion between management and the workforce. It's slogan *Reuniting customer satisfaction and job satisfaction* was prominently displayed at the top of all the posters used to invite employees to take part in its various activities. IF meetings were always lively, bringing together a wide cross section of managers and employees, including of course the trade union representatives.

IF agreed – after a very long discussion – that there was indeed a problem. Teleworking brought benefits, both to employees and the company, but taken to extremes it would cut people off from each other. Anna and Ahmed Hassan, one of the trade union stewards, were asked to prepare recommendations for the next meeting. Anna and Ahmed spent a lot of time talking both to managers and to employees about possible solutions. Ahmed also spoke to his full-time official who eventually discovered that a code of practice had been agreed by the European trade union and employers' organisations as far back as 2001, though it hadn't been very well publicised. Anna and Ahmed's main recommendation – that teleworking should be limited to two days a week except in cases of special need – was eventually accepted by IF and, in turn, adopted by management. IF also urged that teleworkers should be included in team meetings wherever possible, and that they should be kept up-to-date using both electronic communication and personal briefings.

She climbed the four flights of stairs to her office ('it's the only way I ever keep fit' she told a colleague breathlessly as they passed each other at the third floor). It was nearly the end of the month and her first task that day was to identify her preferred working hours for the coming four weeks in the roster book. Utilco had to provide its customers with a 24 hour service seven days a week, and this could be difficult to reconcile with family friendly working practices. Before Anna joined the company, working hours were allocated by supervisors who paid very little attention to individual needs or preferences. Indeed the supervisors themselves seemed to regard rostering as a personal prerogative, often allocating 'good' shifts to favoured employees and allocating less sociable shifts as a form of punishment to those perceived as troublemakers. Ahmed told Anna many stories about how he had to intervene almost every month to help his members who were given impossible shift patterns. Sometimes

he even had to point out that the supervisors had failed to provide adequate cover for shifts.

Anna joined Utilco a few months after it had introduced its family friendly policies. The flexibility she enjoyed came as a great surprise and relief to her after her previous experiences, but one day during lunch she began to hear a different side of the story. 'Its alright for the likes of you', said Maria, a colleague whose children had left home some time ago, 'wandering in here whenever it suits you. But what about the rest of us on proper working hours who have to pick up everything they leave behind? And we always get to work the shifts nobody else wants'.

She had thought about this carefully over the next few days. Gradually Anna decided that Maria had a point: working hours had become a matter of individual preference, but they were also a team issue. As Maria had pointed out in her belligerent way, the problem wasn't just about how shifts were allocated but about how work was balanced within the teams. Anna thought about the number of times she had left work in a rush, saying to one of her colleagues "Oh I'm so sorry . . . I know I said I would do this but I have to be at the school by four . . . it really does have to be done today, would you mind very much . . ." On the whole people were fairly accommodating, but she could see that it created a degree of unfairness. She raised this at the next team meeting to see what the others thought.

"When everyone was working on regular shifts we knew where we were" Maria said. There were formal handovers between shifts so that the new shift knew what had happened and what was likely to come up. That way we could plan our work properly".

"Now you don't know where you are", she continued. "More than half the team are working so-called family friendly hours. People are coming and going at all time. You suddenly find that something needs doing but the person who should be doing it is about to leave so you have to pick it up yourself."

"Yes but it's not fair to blame people working flexible hours. They're just trying to do the best for their families", somebody said. "It's up to management to sort out bottlenecks".

"There's never a bloody manager around when you need one" said Maria. "They're always in meetings. They tell you how things should be done but aren't there to sort things out when their way doesn't work".

"Look Anna, your problem is that you think like a manager – that it's your responsibility to plan everything perfectly", somebody said. "Actually we know best – we know the day-to-day needs of the job, we know our own needs and we know each other. Managers keep trying to second guess what's best".

"So what are you saying?" replied Anna, slightly wounded.

"Keep out of it. Let us do it" someone else cut in. "Let us take responsibility ourselves for organising how the work is done – who does what and when".

Anna saw that a lot of people in the room were nodding assent, but that quite a few were silent. The discussion continued for some time, with a number of people expressing doubts that things would ever change. One of Anna's first major responsibilities as a service manager was to steer her department towards greater autonomy, enabling team members to deal directly with day-to-day customer relations, quality issues and suppliers without recourse to management. Anna was unprepared for the speed at which things were beginning to move but saw that the flexible working issue had inadvertently provided a route towards the eventual goal of autonomous teamworking. If the team could gain confidence with issues like rostering and day-to-day work planning, then they could prove to be stepping stones towards even more significant changes. Eventually Anna agreed to let three members of the team put together a proposal for the next meeting. If it had everyone's support, then they could try it on an experimental basis.

That was nearly two and a half years ago. Anna reflected that the experiment had not been without difficulties, and there were times when she had to hold her nerve to see it through. Certainly the initial proposal was revised several times before they could make it work properly, but that process of trial and error was a great learning experience for everyone in the team. At times she had felt a certain panic at losing control – after all she was accountable to her manager for ensuring that the service was provided without interruption. It was also strange, and a little threatening, to see her subordinates coming up with so many ideas about something which had been *her* area of responsibility.

Things had moved on a lot since then. Not only had the experiment been successful but teams throughout the company had been encouraged to take up the approach and adapt it to their own circumstances. But it hadn't worked everywhere, at least not at first. Some of her counterparts in other departments resented the loss of authority that came with self-managed teams, perhaps fearing that their own jobs were under threat now that there was no longer a need for day-to-day policing. Indeed some front-line managers confessed that they were actively undermining the teams' autonomy, trying to make sure that the new system didn't work. Anna, for her part, had actually become very comfortable with her new role. Rather than spending her time chasing progress and making herself unpopular, she could now concentrate on more interesting issues like service improvement and team development.

She recorded her own preferences in the roster book. "Anna! Remember we're meeting for lunch today." It was Ahmed, interrupting her as she completed her entry in the roster book. Anna had wanted to speak to him before the IF meeting that afternoon about a proposal from the HR department. Apparently they wanted to select a cross section of the workforce as 'Inspirers', trained to stimulate new thinking and creative

ideas amongst their peers. Anna often found it useful to test out such ideas informally with Ahmed before having to react to them at meetings.

However as they walked to the canteen together Ahmed seemed preoccupied. "We've got builders in at home" he said, "installing a new bathroom. Can you believe it? Yesterday the joiner came, but according to my wife he said he couldn't finish the job until the electrician came to run a wire one metre along the wall. I could have done that myself, but the joiner said he wouldn't dare do work that belonged to another trade. Trouble is, the electrician can't come for another two days!"

"I can remember working in a factory like that when I was younger" said Anna. "Come to think of it, some of our suppliers still work like that".

"I know" said Ahmed. "There's talk that the company may be thinking of dropping some of its suppliers because they're so prone to delays. The union's upset because it would affect its members in those companies, but I can see why the managers are getting so worked up about it".

"Not just managers" said Anna. "You should hear my team talk about the company which supplies parts for the relay station. Its such an old-fashioned system they have there: long, computer controlled production lines which take ages to reset whenever we ask for an urgent order. The company seems to think its our fault when we want short production runs. Apart from anything else I'd hate to work there – the people on the lines look so fed up". Anna thought it surprising that a company could have survived so long with such an outdated approach to the way in which work was organised. People these days were far less prepared to accept boring, monotonous work, and it was being suggested that the new Health and Safety legislation might even outlaw such repetitive work. And surely it was in the employer's interest to allow everyone to use their initiative in preventing or solving problems?

Over lunch Ahmed told Anna that teams in another part of Utilco had helped suppliers to introduce a more responsive approach to production. Apparently it had been part of an EU funded project led by a body called the National Centre for Workplace Innovation. NCWI, which was partly owned by the trade unions and the employers' organisations, had been concerned for many years that most companies lacked adequate knowledge of how to modernise the way that work was organised. So when the EU launched it's *Modernising Work Organisation* programme in 2005, NCWI were amongst the first to bid for funds, securing further support from the government. They'd managed to pull together a team of people from universities and business support organisations to help eight Utilco suppliers change the way they work.

"Is that anything to do with the event at the conference centre I noticed this morning?" asked Anna. "It is" replied Ahmed, "and I'm speaking at it tomorrow! I had a phone call from the European Commission in Brussels who thought our experience with NCWI would make a good case study".

"Cool!", said Anna. "Will it make any difference?"

"Don't know" Ahmed replied, "but it will be a good chance to share ideas with other people facing the same issues. Anyway there's a free dinner afterwards".

Ahmed went on to explain Utilco's role in the NCWI project. Some of the Utilco team members had thought that they were being sent in as experts, telling the supplier companies how they should change based on their own experiences. In fact it worked rather differently. NCWI had involved management and employees throughout the eight companies, advising them not to look for some wonderful blueprint that they could just copy. Rather they were told that change would be a very messy process, involving lots of trial and error.

"Just like it was here" said Anna.

"Exactly" said Ahmed. He said that NCWI had trained the managers and employees in the eight companies as researchers, who would go and interrogate their counterparts in other companies to find what they could learn from their experiences.

"When they came to Utilco they asked a lot of quite difficult questions about why we adopted the approach we did, what went wrong, what we would do differently next time and so on. It made us think quite hard about some aspects of what we did in that part of the company, and even led us to change some of our ideas".

"That kind of opportunity would have been pretty useful for our department when we were changing" said Anna. "It would have really helped me to learn from other people's mistakes . . . I felt I was in the dark quite a lot of the time". Anna remembered just how hard it had been, and how unsupported she had felt . . . and how she eventually realised that senior managers were just as uncertain about what to do as she was.

"What I'm going to say in my presentation", Ahmed continued "is that it works best when you get to see a few different examples. You can then pick the bits which suit your own circumstances as well as learning the lessons from other people's mistakes. That doesn't mean you get it right first time of course . . ."

"No, you have to learn from your own mistakes as well . . . which can be pretty painful" Anna mused.

"Exactly. In fact you never really finish it at all. The more you change the more you learn . . . and that just makes you dissatisfied with your original ideas. Once you start involving people in really thinking about how they work then ideas keep coming thick and fast. You've always got to be willing to think again."

Some of the companies involved in the NCWI project had developed very successful approaches to change. In the best cases, teams on the shopfloor seemed to take complete responsibility for an order, from the

time it was placed right up to its delivery. Team members would now liase directly with customers. They would also liase with their counterparts up and down the supply chain to help solve problems and encourage continuous innovation in both products and processes. Management also saw the production teams as a resource to improve the quality of more strategic decisions affecting the company and had introduced comprehensive consultation procedures.

Certainly the NCWI project had been of tremendous benefit to Utilco, improving quality and reliability. The suppliers themselves had noticed a difference – in reduced staff turnover and sickness rates as well as in reduced customer complaints. But Ahmed was quick to point out that success hadn't come easily. Indeed some of the companies were showing signs of falling back into their old ways. One company, which Ahmed knew well, started off full of enthusiasm. Self-organising teams were set up and started to tackle some long-standing reliability problems. But after a year or so, disputes started to become common on the shopfloor. Teams accused managers of interfering too much and not respecting their areas of autonomy. Managers accused the teams of inflexibility, not being willing to respond to unforeseen demands. Some teams broke up quite acrimoniously. The last time Ahmed had visited the company teamworking was still in evidence – but in name only. Line managers had reasserted their authority over planning and scheduling, and morale had fallen to rock bottom. Ahmed often worried about how innovative changes could be sustained, even in Utilco. Sometimes it seemed as though you were struggling against the tide – fighting against a culture of control established by generations of managers. Even when you made progress the gains seemed to hang on a thread – it would only take the loss of one or two key people to set everything back to square one.

Anna went on to sound Ahmed out about the Inspirers proposal. The Union was fairly positive about the idea, though wanted to be closely involved in monitoring its impact. But it was now nearly two o'clock, and time to go to the IF meeting.

IF meetings were usually well attended but this one was exceptionally full. Before the main agenda there was to be a special announcement about the future of the company from the Managing Director, who was already sitting at the head of the table, looking serious.

"Colleagues" she said. "As you know I have important news about the future of Utilco. From next Monday the company's new owner will be Rontility, a major American supplier based in Phoenix".

Anna and Ahmed looked at each other. "Oh God" said Anna, "what does that mean for everything we've been trying to do here?"

EMERGING FORMS OF WORK ORGANISATION IN EUROPE

Anna's story is real. Though set in the future it is based on actual experiences from European workplaces, describing the uncertainty, difficulties and opportunities posed by the emergence of new forms of work organisation. It shows that work organisation affects people not just as employees but in all aspects of their lives.

Of course Anna, Ahmed and their colleagues never talk about 'work organisation' and as a concept it might not mean very much to them. Rather work organisation is something that they do - as actors who continuously reflect on and help to change the structures and practices in their company. They are, in fact, experts in work organisation – combining their close knowledge of *Utilco* with learning and action. They have learnt that there are no quick fixes and no blueprints: workplace innovation is a messy process which involves considerable trail and error. Moreover it never finishes - there are always new lessons and challenges. Even hard-won achievements may be wiped away by external events. But there are important stakes to be fought for, both in terms of the success of the organisation and the quality of working life of its employees.

By 2007, of course, a clear policy framework had emerged both at EU level and in the individual member states. How did this came about? The challenge now for European policy makers and social partners is to help the present day Annas and Ahmeds in their task of modernising work organisation. What can be done to improve their chances of success over the next five years?

Definitions

The first requirement is to establish a clear and usable definition of 'work organisation'. Experience suggests that it is commonly used as an umbrella term covering many types of work practice both inside and outside the workplace. In our view this is unhelpful, diverting attention from the core focus on *workplace innovation*. While we have not attempted a rigid definition we have focussed on *those factors in the work environment which determine the extent to which employees can make full use of their competencies and creative potential, thereby promoting job satisfaction and personal development.*

This importance of this 'high road' approach is that it seeks to identify the potential for 'win-win' outcomes – the scope for convergence between organisational performance, employment and quality of working life. This stands in stark contrast to 'low road' approaches driven by short-term cost considerations. The 'high road' offers several potential advantages:

- Improving organisational performance and competitiveness through successful innovation in products, services and processes. Benefits identified from case study evidence include enhanced rates of innovation, greater responsiveness to customers, improved productivity, better quality, cost reduction and lower staff turnover.

- Higher rates of innovation in products and services leading to economic growth and new job creation.

- The enlargement and enrichment of jobs, allowing employees more control over their working environment and greater opportunities for innovation, enhancing learning, workplace health and quality of working life. Increased competencies resulting from such jobs enhance the employability of individual workers in increasingly volatile labour markets.

'High road' approaches to work organisation also provide important preconditions for dealing with wider priorities – social inclusion, an ageing workforce and increasing cultural diversity for example.

Critically these outcomes cannot be achieved by training and technology alone. Returns on investment in skills development or technological innovation are rarely realised in full unless they are accompanied by appropriate organisational changes.

**Focussing on workplace innovation: some principles**

Drawing on our analysis of research and case study evidence, as well as on dialogue with a wide range of actors, we have identified some core principles for workplace innovation. Sustainable, 'win-win' approaches to work organisation are most likely to be achieved when:

1. Employees are regarded as active partners, treated as responsible people who will react constructively and who want to contribute to the full extent of their individual capabilities.

2. The workplace has developed a culture which values participation and involvement, with a work environment in which everyone contributes for the benefit of the organisation as a whole.

3. Participation and involvement at the workplace level are linked to the development of new competencies. Sometimes this means finding ways of utilising existing skills more effectively, but very often new investment in training will be required. Learning should become an integral part of job performance.

4. When organisational innovation is initiated in the workplace, employees can see immediately that it is directly related to the achievement of transparent performance measures.

5. New forms of work organisation are explicitly informed by a win/win perspective. This means that the worker must be able to recognise and influence the potential for improvements in job quality and working life.

6. Employees have some control over their work environment, including the ability to strike a balance between routine tasks and more demanding roles.

Changing workplaces

We can identify three key arenas of learning and innovation characteristic of the 'high road', posing real challenges and choices for each organisation:
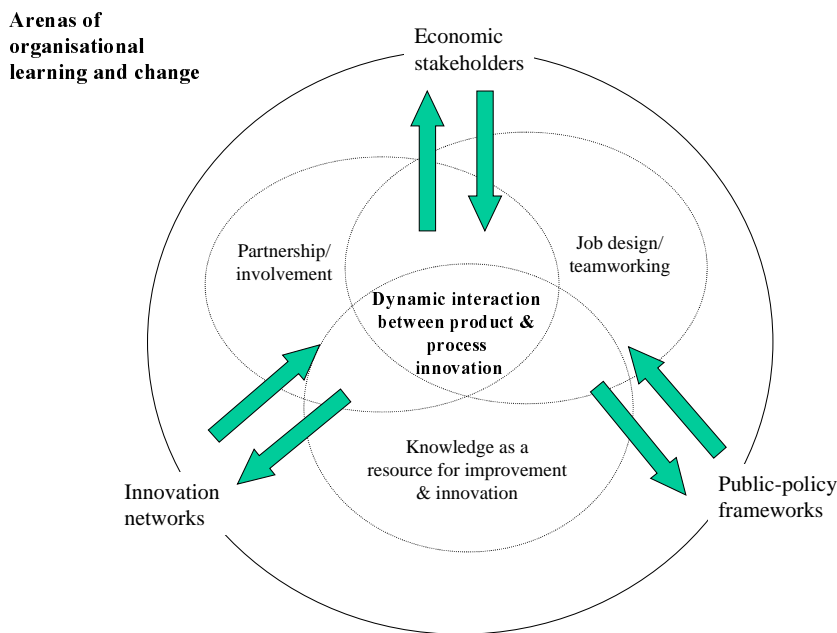
- Knowledge, innovation and creativity are both valued and placed close to the heart of the work process at all levels of the organisation.

- Partnership and dialogue establish the preconditions for a workplace environment in which the instigation and ownership of innovation are widely distributed.

- Teamworking becomes a defining characteristic of all aspects of work, both routine and developmental. In this sense, it emerges less as a formulaic model than as an approach to work organisation which broadens job design and challenges both hierarchical and horizontal demarcations in order to optimise levels of agility and innovation. It also provides the day-to-day context for enhancing quality of working life.

However this analysis simply maps the processes of learning and change which 'high road' organisations are forced to address: it is not a recipe. While notions of 'best practice' are pervasive, the supposition that there can ever be 'one best way' of organising work – even in a particular sector - remains problematic. It is also inconsistent with the many observations that innovation and creativity are the key to sustainable change - 'best

practice' on the other hand largely relies on mimicking the innovations of others.

We stress that workplace innovation cannot be defined in terms of blueprints to change discrete aspects of an organisation. Although the traditional way to accomplish change is to apply a predetermined set of rules to specific problems, it is now increasingly argued that this approach has emerged as a roadblock rather than a motor for change. Rather it is important to understand the complex learning paths which characterise change in real situations. We should therefore be critical of the common perception found within management texts that change is rational and incremental, and therefore amenable to the use of normative change models.

Change is a dynamic and uncertain process which emerges through the interplay of many factors. Organisational innovation is a gradual, reflective process which engages employees throughout the organisation. Perhaps one of the most important resources for change is the development of a culture of exploration, negotiation, experimentation, critical appraisal and redesign over many cycles. An innovating organisation must recognise that setbacks are inevitable and that a 'blame culture' only stifles experimentation.

Organisations do not, however, exist in a vacuum. The learning organisation is good at networking; it is close to all its stakeholders; it accumulates, distributes and uses knowledge effectively from a wide variety of sources. Successful workplace innovation will typically involve external knowledge and support. Social partners, business support organisations and researchers may all help to resource change. Internal solutions may be inspired by critical appraisal of different models of leading-edge practice in external organisations, while opportunities for peer-exchange and review may also alleviate some of the 'loneliness' of the organisational innovator. Comparing divergent options for change can play a key role in organisational learning and innovation.

Problems of dissemination

Although demonstrable benefits can be achieved through the modernisation of work organisation, the process of change is hard to achieve. Ample case study evidence is available to demonstrate conclusively that all organisations face very real obstacles in designing, implementing and sustaining change.

An extensive body of research suggests that the spread of successful organisational innovation in these arenas remains weak in Europe. This can be explained by a number of mutually reinforcing factors including:

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

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

- countervailing trends in the design and application of new technologies;

- limited distribution of the competencies associated with new forms of work organisation within the workforce.

Challenges

Modernising work organisation in Europe can't be achieved by a few simple policy measures. Rather it poses far reaching challenges for individuals and institutions alike:

1. **For the individual –** seeking opportunities for acquiring and developing the technical and non-technical skills associated with new forms of work organisation.

2. **For employers and employees –** accepting that change is inevitable, messy and uncertain, and that it requires considerable learning and experimentation. However it also offers real scope for 'win-win' outcomes.

3. **For trades unions and employers organisations –** broadening their roles as proactive, knowledge-rich sources of animation and support for the modernisation of work organisation.

4. **For intermediate bodies –** such as universities, regional development agencies and business support organisations – creating capacity and expertise in the field of work organisation and playing a proactive role in distributing knowledge, establishing new resources and building networks.

The European Agenda

Actions by public policy makers and social partners are of proven value in overcoming these obstacles through, for example:

(a)   the provision of knowledge-based services and other publicly provided forms of support as a means of raising awareness and resourcing workplace innovation;

(b)   the creation of opportunities for networking and peer exchange between companies as a means of learning through shared experience;

(c)   the capture and dissemination of knowledge and experience from workplaces across Europe to help understand emerging trends and to inform learning and dialogue;

(d)   the widespread provision of support for action research to pilot innovative approaches to change, especially in new contexts;

(e)   the creation of development coalitions at regional, national and transnational levels to close the gaps between key actors and stakeholders with an interest in work organisation;

(f)   the provision of access to training capable of building the competencies associated with new forms of work organisation.

In recent years a number of exemplary initiatives have been developed to address these issues in some member states; the *New Work Organisation in Ireland Programme*[3] and the *Finnish Workplace Development Programme*[4] are amongst several frequently quoted examples[5]. Typically these programmes combine several of the elements listed above, involving close co-operation between public policy makers and social partners in both their design and delivery. An increasing body of evidence demonstrates the effectiveness of such targeted intervention, not only in supporting change in the individual workplace but in raising awareness and disseminating knowledge more widely.

However such policy initiatives remain scarce amongst the member states of the EU. Even where they exist, the scale of funding rarely matches the scale of the problem. Policy makers and social partners in many European countries have yet to recognise work organisation as a significant factor in the achievement of major economic and social goals.

While member states have an important role to play, attention must also be focused at EU level. European policy makers and social partners also need to understand the nature of workplace innovation and its wider implications for economic and social goals. In particular they need to develop a framework in which activity at the national level is animated and resourced. Critically such a framework can translate the diversity of European experience – in the workplace, at the level of organisational theory and at the policy level – into a common resource for learning and innovation. However despite the publication of the *Partnership for a New Organisation of Work* Green Paper as far back as 1997 there is a significant policy development task ahead if Europe is to realise the full potential offered by new forms of work organisation. For example:

1. Beyond a small number of specific issues such as working time and teleworking, work organisation has not been adequately addressed by the European Employment Strategy (the policy framework which guides action by member states). For example the *Council Decision on Guidelines for Member States' employment policies for the year 2002*

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[3] http://europa.eu.int/comm/employment_social/soc-dial/workorg/ewon/pres_psavtxt.pdf

[4] http://europa.eu.int/comm/employment_social/soc-dial/workorg/ewon/pres_ta_together.pdf

[5] See also http://europa.eu.int/comm/employment_social/soc-dial/workorg/ewon/survey_final.pdf

makes only the vaguest of references to the issues discussed here. It provides no effective guidance on policy measures to close the gap between leading-edge practice and common practice in European workplaces.

2. The European Social Fund (ESF) is rarely effective as a resource for supporting new forms of work organisation. 'The modernisation of work organisation' is defined as an ESF objective by the European Commission but is typically not fully understood by national administrations and is largely ignored in regional development plans and project scoring measures. Moreover the administrative procedures associated with European Social Fund projects are hard to manage and make participation difficult for many enterprises.

3. Europe lacks a system of knowledge management on work organisation. The diversity of European experience offers a potentially powerful learning resource for actors at all levels yet there is no effective mechanism for the sharing of knowledge and experience on a systematic basis. Practitioners in each Member State are continually forced to reinvent the wheel.

What is to be done?

To address the policy gap, members of the EWON group have identified the following themes for dialogue and development involving European policy makers and social partners:

Creating a climate of awareness and concern amongst policy makers and social partners in member states through a proactive and multi-lateral programme of dialogue, dissemination and exchanges of experience.

Generating and disseminating research evidence relating to:
- the benefits of new forms of work organisation;
- the scope for convergence between competitiveness, employment and quality of working life through organisational innovation;
- effective forms of intervention designed to enhance dialogue, creativity, involvement and teamworking, and to reduce monotonous, unhealthy and repetitive work.

Strengthening the work organisation dimension in the Commission's research and development programmes would play a key part in achieving this objective, as would new measures to promote action-research designed to create and disseminate knowledge on a wide scale.

Capacity building, enabling a wide range of organisations to develop the knowledge and resources required to animate, support and sustain new forms of work organisation. This might include:
- the establishment of new centres or institutes hosted by social partner organisations, universities or regional development agencies to deliver knowledge-based business services and action-research programmes;

- the creation of new policy frameworks by national or regional economic development agencies, including the sharing of policy practice between Member States;
- establishing development coalitions between social partner, research, business support and public policy organisations;
- building new and accessible databases of knowledge and experience.

Reforming European Social Fund decision rules, priorities and procedures to encourage more projects which deliver organisation-wide support for change rather than individual training. Particular attention should be devoted to:
- regional, national and sectoral research to identify 'the state of the art' and emerging trends in work organisation;
- support for the introduction of workplace partnership, teamworking, job enrichment, new working patterns and new management practices;
- support for the introduction of new technologies in ways which reflect wider organisational needs and potential;
- the development, piloting and dissemination of innovative tools and resources to support the introduction of new forms of work organisation;
- action-research to generate a better understanding of sustainable change and to develop new change methods;
- building learning networks for the peer-exchange of knowledge and experience between both managers and workforce representatives;
- capturing and distributing experience from ESF-supported projects to build a common pool of knowledge relating to successful change;
- management and trade union education on work organisation and effective change.

Designing and implementing fast-track strategies to support the modernisation of work organisation in applicant countries. Such strategies would create a focus on the production of high value goods and services, rather than the growth of mass production based on the temporary cost advantage enjoyed by prospective new member states.

Finally the Commission needs a strong mechanism to promote new thinking, exchange of experience and dialogue on key policy issues relating to new forms of work organisation. Since the *Partnership for a New Organisation of Work* Green Paper this role has been played by the European Work Organisation Network, representing policy makers and national institutes in member states and the European Economic Area. The need for a creative policy arena has not diminished since 1997; rather the profile, focus and resources for such activities need to be considerably strengthened if European policy makers and social partners are to exercise real leadership in addressing the untapped potential offered by new forms of work organisation.