Your Guide to Workplace Innovation

European Workplace Innovation Network
EUWIN

Authors: Peter Totterdill, Steven Dhondt and Sylvie Boermans

Internal Market,
Industry,
Entrepreneurship
and SMEs

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Introduction

Workplace innovation is the hot topic!

New technologies change the way we live, consume and meet people. As the Internet has changed our lives, the Industrial Internet is transforming the way we work and produce. The digital revolution is happening. Some sectors experience fast and disruptive changes, others will evolve slowly and steadily. In each case, there is no return. Success in the new industrial revolution naturally requires that our industries use the best available technologies. But technologies alone are not the answer. We need to put more focus on human factors. This is our main resource in Europe and we do not make enough use of it. Workplace innovation not only aims at fostering innovation capacities, it also allows business to remain innovative and adapt to changes more quickly and smoothly.

That is why the European Commission launched the European Workplace Innovation Network, (EUWIN), in 2013. Today we are connected with more than 10,000 companies and other stakeholders, sharing know-how and experience. Our Knowledge Bank is a rich and abundant source of case studies, films, articles and other learning resources.

EUWIN has always taken a practical approach. Therefore we decided to answer the main question related to workplace innovation: "how can we actually do it?" This short guide will give you practical knowledge, inspire you with great case studies, help you to assess current practice in your organisation, suggest pathways to change, and signpost you towards further sources of information and support.

It is built around five challenges:

1. Why workplace innovation is important for your company?
2. How workplace innovation will transform your organisation?
3. Where to begin?
4. What are the 'Elements' of workplace innovation?
5. How to achieve commitment from everyone in your organisation?

Why workplace innovation?	A systemic approach	Starting the change	Guide to the Elements	The process of change

The end results will surprise you! Businesses in every sector and size category throughout Europe report higher performance, better places to work and an enhanced culture of innovation. So start the journey now!

The EUWIN Team
info@euwin.net

1. Why workplace innovation?

The organisation of workplaces plays a vital role in a company's ability to compete and innovate. But what is workplace innovation? In short it can be described as those workplace practices and cultures which enable employees at all levels to use their knowledge, competences and creativity to the full. It builds organisations in which people come to work to do two things: to undertake their functional tasks in the most effective way possible and to improve the business.

Such workplaces are likely to include empowering job design; self-organised team working; open and fluid organisational structures; delegated decision-making and simplified administrative procedures; a coaching style of line management; regular opportunities for reflection, learning and improvement; high involvement innovation practices; the encouragement of entrepreneurial behaviour at all levels; and employee representation in strategic decision-making.

Evidence shows that workplace innovation leads to significant and sustainable improvements both in organisational performance and in employee engagement and well-being.

The productive organisation
There is a lot of evidence relating to the impact of workplace innovation practices on productivity, manufacturing quality, customer service, financial performance and profitability, and a broad array of other performance outcomes.

- One of the most significant studies, the Employee Participation and Organisational Change survey of 6000 workplaces in Europe, confirms that direct employee participation can have strong positive impacts on productivity, innovation and quality. Of firms which implemented semi-autonomous groups, 68% enjoyed reductions in costs, 87% reported reduced throughput times, 98% improved products and services, and 85% increased sales.

- A representative sample of around 400 Finnish manufacturing firms with more than 50 employees found that innovation practices such as employee involvement and labour-management cooperation are positively correlated with firm productivity. Research among 650 Dutch SMEs also indicated that companies with workplace innovation initiatives achieve higher productivity and financial results compared with other firms.

- Another study based on over 900 Dutch companies of different sizes in different sectors demonstrated that factors including participative and dynamic management practices, flexible organisation and smarter working lead to better performance in relation to turnover, profit, market share, innovation, productivity, reaching new clients and reputational capital.

- Extensive Swedish surveys found a very clear link between flexible, empowering forms of work organisation and performance: flexible organisations were more productive (+20-60%), showed a much lower rate of personnel turnover (-21%), and a lower rate of absence due to illness (-24%) compared with traditionally organised operational units.

- A review of some 60 American articles shows that the magnitude of the impact on efficiency outcomes is substantial, with performance premiums ranging between 15% and 30% for those investing in workplace innovation.
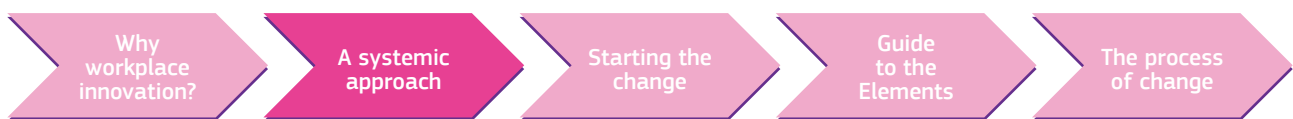
High performance and good work: mutually supportive, not a trade-off
Empowering work practices such as self-organised teamwork do not just enhance productivity Workplace innovation also increases employee motivation and well-being, playing a particularly important role in reducing stress, enhancing job satisfaction and mental health, and improving retention.

An evaluation of 470 workplace projects undertaken in Finland between 1996 and 2005 shows that improvements in quality of working life have a strong association with improvements in economic performance, and indeed may actually enable them. Findings suggest that participation is the main driver of this convergence between economic performance employee well-being.

Likewise a German study examined companies in the production, trade and services service where positive improvements were made in physical workload, sickness absence, ergonomics, work organisation, safety, style of leadership, and stress management. Managers in these companies reported improved performance across a range of indicators, resulting both from a decrease in absenteeism and an increase in social and vocational competences.

2. Workplace innovation is transformative

Why workplace innovation? → **A systemic approach** → Starting the change → Guide to the Elements → The process of change

The benefits of workplace innovation are only fully realised when workplace innovation practices run throughout the entire organisation. One of the most significant obstacles to achieving high performance and fantastic places to work is partial change – a failure to recognise that organisations consist of interdependent parts that either nurture or obliterate innovative ways of working.
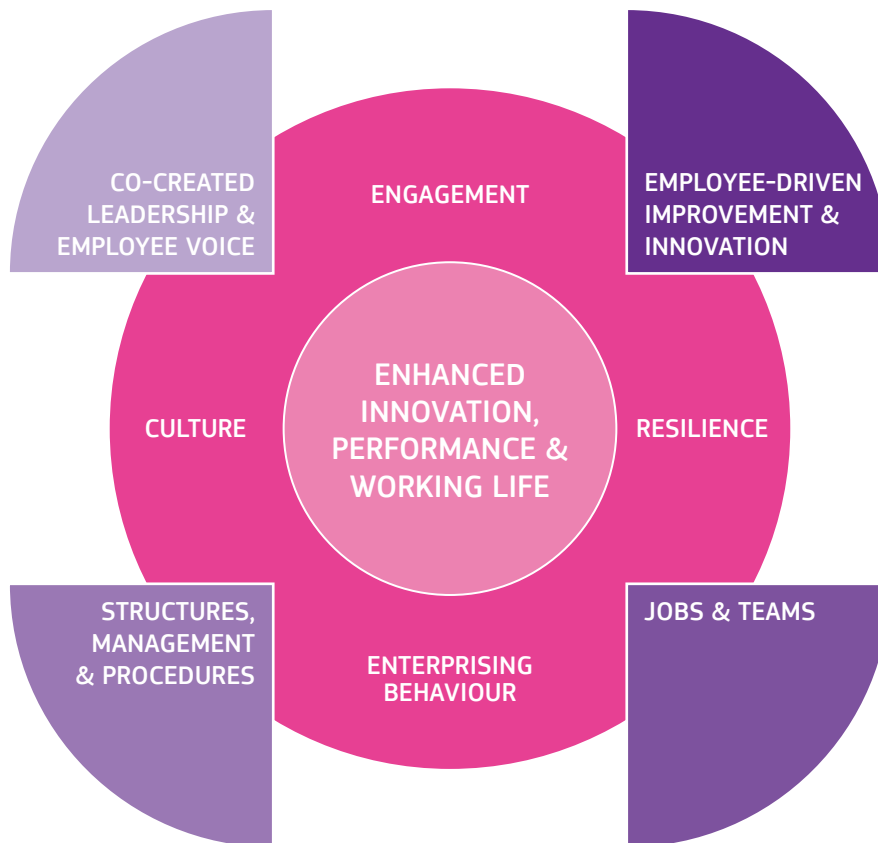
Transformative changes in performance and working life can be achieved when boards, senior teams, line managers and employee representatives share a common understanding of workplace innovation and a commitment to making it happen.

High performance and great jobs are not the product of a simple initiative or a leadership development programme. They are only found when four basic building blocks are in place:

Element 1	Empowering jobs and self-managed teams.
Element 2	Flexible organisational structures, people-centred management practices and streamlined systems and procedures based on trust.
Element 3	Systematic opportunities for employee-driven improvement and innovation.
Element 4	Co-created and distributed leadership combined with 'employee voice' in strategic decision-making.

These four Elements come together to form a system of mutually reinforcing practices and create surprising synergies. The Fifth Element represents the enterprising behaviour, the culture of innovation, the high levels of employee engagement, and the organisational and individual resilience which flourish only when the other four combine to shape experience and practice across the whole organisation.
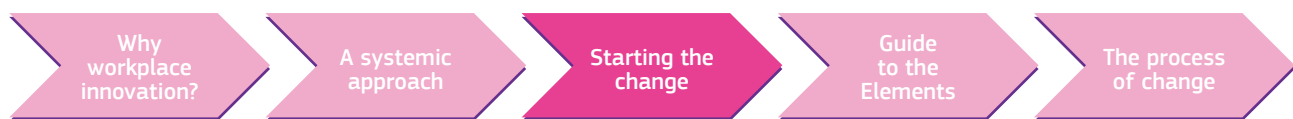

CO-CREATED LEADERSHIP & EMPLOYEE VOICE

ENGAGEMENT

EMPLOYEE-DRIVEN IMPROVEMENT & INNOVATION

CULTURE

ENHANCED INNOVATION, PERFORMANCE & WORKING LIFE

RESILIENCE

STRUCTURES, MANAGEMENT & PROCEDURES

ENTERPRISING BEHAVIOUR

JOBS & TEAMS

THE FIFTH ELEMENT

So if it's that good, why isn't everyone doing it?

Great question! We know that only a minority of European managers are making full use of these evidence-based practices. For example, only around a third of European workers are employed in jobs that allow them to use discretion and judgement in how they undertake their tasks, though the variation between individual countries is massive.

Long-established ways of doing things are, of course, a powerful force for inertia. Change can be disruptive even when we know that current ways of working are inefficient or prevent us from taking full advantage of new opportunities. Some managers are simply resistant to the idea that employees should be empowered to play a wider role in decision-making.

3. Where do we start?

Why workplace innovation? → A systemic approach → Starting the change → Guide to the Elements → The process of change

Another great question! And the answer will be different for every organisation, each with its unique history, relationships, challenges and opportunities.

A recent in-depth qualitative investigation into fifty leading companies in Europe identified at least five distinct pathways towards workplace innovation. No matter how different the pathways to workplace innovation, the end result was always better workplaces and stronger company performance. And the starting point always lies in listening to employees.

Employee surveys are a powerful mean of gaining an overview of what is working and what needs to be fixed, but they don't provide solutions. Yet those being surveyed will have many of the insights and answers necessary to take the next steps. Survey results are best shared with all employees and used to stimulate reflection and dialogue across the organisation. Senior managers demonstrate distrust and feed rumour when they hold on to survey results and worry about sharing them.

Open and inclusive dialogue between managers and employees at every level is indispensable. Be imaginative in the way you stimulate the sharing of ideas and experience. Openness may not come easily, especially when people have not been asked for their ideas previously, and they may need reassurance. Trust and confidence are essential.

Facilitated peer group discussions involving employees at every level can illuminate the causes of deep-seated problems and point the way towards solutions. Managed well, these discussions begin a process of involvement which moves seamlessly from analysis to action.

EUWIN's Knowledge Bank offers an amazing range of films, case studies, articles and statistics that can inspire sceptics and champions alike. Many companies have started on the journey of transformation because they have been stimulated to challenge the status quo by experiencing the effects of workplace innovation in other organisations.

Sometimes the answer is to start with a problem. How can we find the root causes of recurrent obstacles to high performance or employee engagement? An example? The following inventory of challenges is drawn from our experience of working with companies at the starting point on their journeys towards workplace innovation:

Starting the Journey: which are your most pressing issues? Score each issue: 1 = No Problem / 10 = Severe Problem		Score
ELEMENT 1: JOBS & TEAMS	Frequent delays caused by breakdowns and bottlenecks	
	High levels of employee turnover and/or sickness absence	
	Minor problems are escalated to senior level	
	Poor team cohesion	
	Persistent quality problems	
	TOTAL SCORE FOR ELEMENT AND DIVIDE BY 5:	
ELEMENT 2: STRUCTURES, MANAGEMENT & PROCEDURES	Line managers lack team leadership skills	
	Ineffective performance management / appraisal system	
	KPIs/targets drive out opportunities for learning and improvement	
	Departmental/organisational boundaries delay decisions and inhibit innovation	
	Work gets held up by poor co-ordination between departments	
	TOTAL SCORE FOR ELEMENT AND DIVIDE BY 5:	
ELEMENT 3: EMPLOYEE-DRIVEN IMPROVEMENT & INNOVATION	We lack a culture of innovation	
	There are opportunities to improve or innovate but we rarely get around to pursuing them	
	Employees are frustrated that they have no outlet for their ideas	
	We need more effective ways of engaging employees in innovation & improvement	
	Employees are afraid or unwilling to challenge established practices	
	TOTAL SCORE FOR ELEMENT AND DIVIDE BY 5:	
ELEMENT 4: CO-CREATED LEADERSHIP & EMPLOYEE VOICE	There is a gap between senior management and front line staff	
	We don't share information with employees unless it is absolutely necessary	
	Senior managers micromanage the work of others rather than empowering them to take decisions	
	Decisions affecting the work of employees are taken without involving them	
	Our culture inhibits change	
	TOTAL SCORE FOR ELEMENT AND DIVIDE BY 5:	

How to use your results

Sum up your scores and divide as shown, giving you a figure for each of the four Elements. Then ask other colleagues to complete the exercise and compare the results. This will provide you with a strong indication of what is happening in your organisation.

The outcomes provide a great starting point for dialogue and shared reflection involving people throughout the organisation as well as your immediate colleagues:
- Which is the Element with most pressing issues? Select the highest of the four figures. Do you all agree that this represents the highest priority? If so, where do the root causes lie?
- Have you scored over 5 for more than one of the Elements? If so it's very likely that you will also have a high score for some of the others too because different aspects of workplace practice are interdependent. For example, failure to stimulate and use employees' ideas for innovation and improvement may mean that performance measures and line management behaviour are driving out opportunities for reflection, shared learning and creative thinking.

If all four scores are below 5, you have some assurance that all is going well. It is important to recognise and celebrate your good practices if you want to maintain and develop them in the future. Are these practices and the positive aspects of your organisational culture well enough embedded to survive changes at senior level, new owners or challenging external circumstances?

We have only discussed a small selection of possible issues here and it will be important to provide opportunities for people throughout your organisation to raise their own concerns.

The following pages show how the workplace innovation practices related to each Element address the root causes of problems such as these, directly improving both performance and working lives.
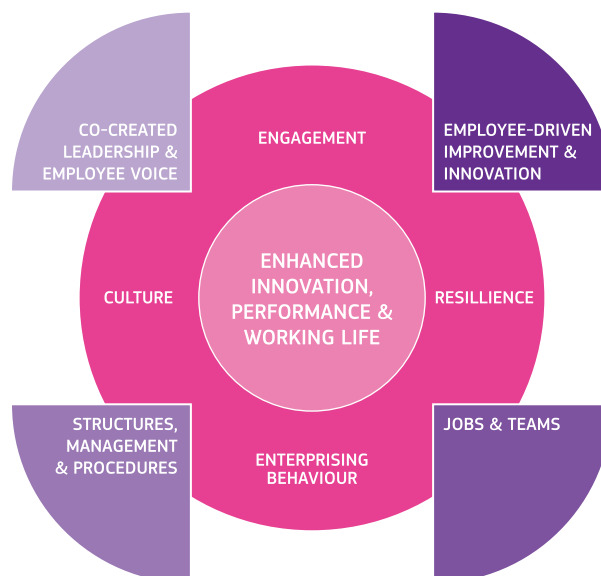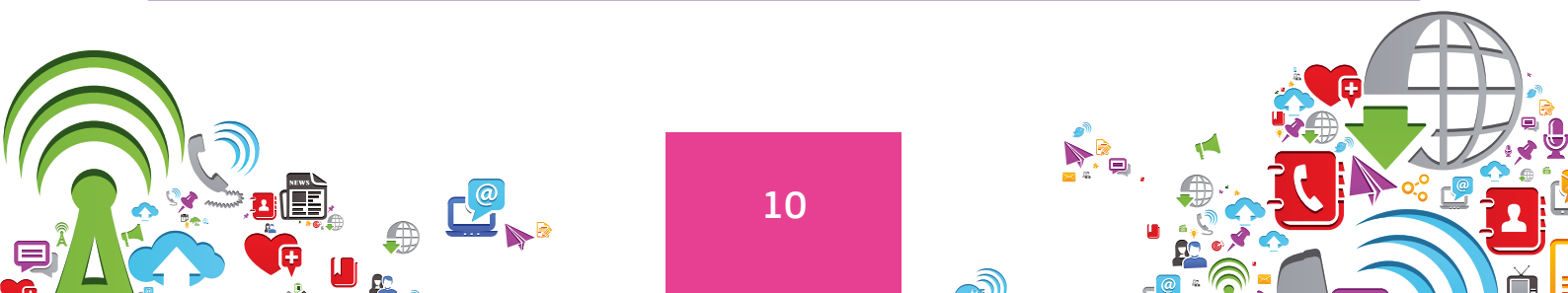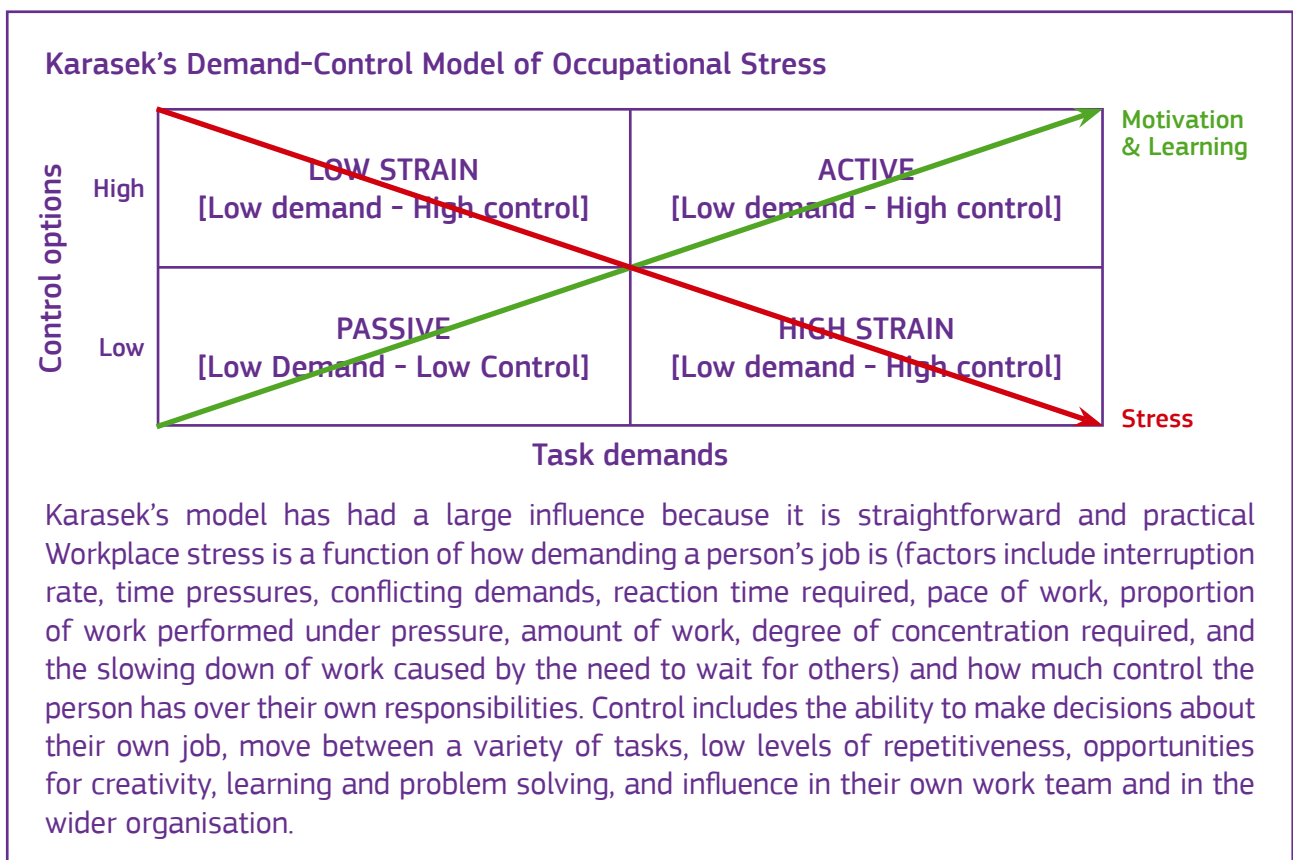

THE FIFTH ELEMENT

4. Guide to the Elements

The Fifth Element highlights the interdependence between bundles of workplace practices represented by the four Elements. Each Element does not exist in isolation but is influenced, for better or worse, by the extent to which the principles that underpin it are aligned with those of the others.

The First Element: Jobs & Teams
Employee participation and the ability to work without close supervision are highly cherished: architects, midwives and refuse collectors perform their jobs well because they make on-the-spot decisions based on background knowledge and experience of 'what works'. They avoid delays caused by unnecessary referral to managers or manuals.

In the best cases they make time to learn and to reflect on what is working well and what should be changed. This generates steady flows of improvement and innovation. Allowing employees discretion in scheduling their own work and controlling its pace also minimises physical strain and psychological stress.

Karasek's Demand-Control Model of Occupational Stress

Control options	Task demands	
High	**LOW STRAIN** [Low demand – High control]	**ACTIVE** [Low demand – High control]
Low	**PASSIVE** [Low Demand – Low Control]	**HIGH STRAIN** [Low demand – High control]

Motivation & Learning

Stress

Karasek's model has had a large influence because it is straightforward and practical Workplace stress is a function of how demanding a person's job is (factors include interruption rate, time pressures, conflicting demands, reaction time required, pace of work, proportion of work performed under pressure, amount of work, degree of concentration required, and the slowing down of work caused by the need to wait for others) and how much control the person has over their own responsibilities. Control includes the ability to make decisions about their own job, move between a variety of tasks, low levels of repetitiveness, opportunities for creativity, learning and problem solving, and influence in their own work team and in the wider organisation.

Of course individual jobs cannot just be examined in isolation. The ability to share problems and solutions with colleagues, to learn and reflect together, to provide and receive support in challenging times and to celebrate successes plays a vital role in engagement, well-being and performance. Team working lies at the heart of this equation.

Many organisations claim that their people work in teams. But are those teams simply groups of people who sit together and report to the same manager, but rarely co-operate with each other? Some work psychologists call these pseudo teams.

Real teams consist of people sharing challenges and opportunities in ways that break down barriers and demarcations, and where they generate ideas for improvement, innovation and growth using the insights that day-to-day work experiences give them. Self-managed teams empowered to plan and organise their own work are more productive, whether in factories or offices. They also offer much better places to work.

What are 'good' teams?

- Good teams are clear about their shared tasks, and about precisely who is part of the team. Once teams grow larger than 8-10 members it becomes difficult to maintain cohesion.

- They are clear about the skills the team needs to achieve its purpose.

- The team is empowered to make appropriate choices about recruitment, and recognizes the important of recruiting people who are good at collaboration and sharing.

- Team members need to understand clearly their roles and the roles of other team members, so there is no ambiguity about who is responsible and accountable for each task.

- Good teams set themselves clear, challenging and measurable objectives every year. The aim is not just to get the job done but to achieve significant improvements and innovations. Progress towards achieving these objectives forms an important part of regular team meetings.

- Well-functioning teams assess and seek to improve their effectiveness in working with other teams inside (and sometimes beyond) the organization.

- Teams with a supportive, humorous and appreciative atmosphere deliver better results and their members are significantly less stressed. They are more optimistic, cohesive and have a stronger sense of their efficacy as a team.

- Teams must also meet regularly and have useful discussions, enabling them to reflect on how well they work together and how to improve. Teams that regularly change ways of working are not only more productive but also more innovative than teams that don't. 'We haven't got time' is therefore an unacceptable excuse. Such teams are also better able to respond to work pressures and adversity by innovating rather than feeling overwhelmed and helpless.

[Adapted from Michael West, Effective Teamwork]
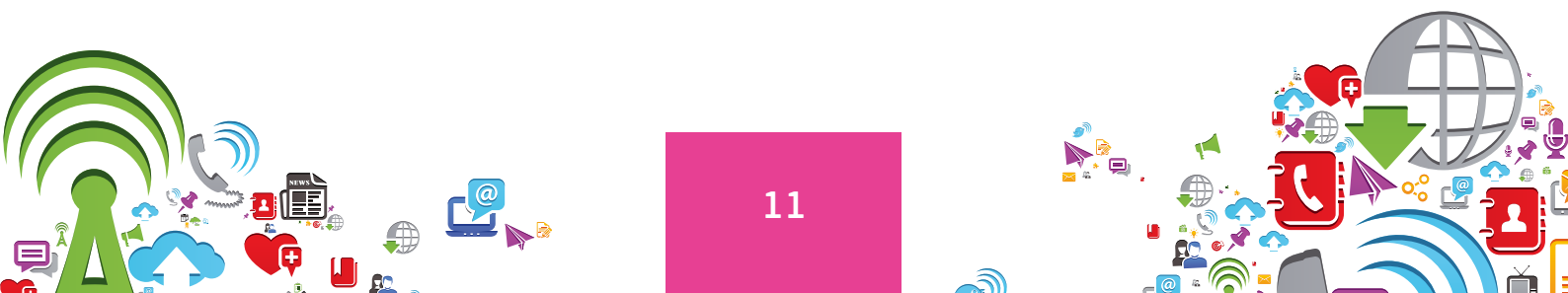
Resources for Element 1: Job Design and Team Working

Some of the principles discussed in this section can be explored further in UK WON's resource paper on job design available here.

Ederfíl Becker in the Spanish Basque Country created a management model based on self-organisation in which trust, empowerment, communication, transparency and employee voice set the lines of action of its daily operations. Read EUWIN's case study and watch the short film.

At Bombardier in Bruges, team working was implemented to shorten communication lines, to increase the sense of ownership at the shop floor level, to avoid disturbances in the production flow, and to enhance the problem-solving capacity on the shop floor. Read the case study.

Thebe is a Finnish healthcare company that has decided to put professionals at the heart of its strategy and allow them to manage care themselves through self-managed teams.
Read the case study.

The Second Element: Organisational Structures, Management and Procedures

Truly innovative workplaces recognise the need for a consistent approach to empowerment, learning and development running through every aspect of corporate policy from reward systems and performance appraisal to flexible working and budget devolution.

Many organisations appear to be structured around 3 assumptions:

1. Hierarchies are just common sense: you need somebody to be in charge.
2. People at the front line are of lower status and less motivated so they cannot be trusted to make decisions or manage their own work.
3. Other ways of organising may be fine for some companies but they will never work here.

Of course some demarcations may be necessary, reflecting different bodies of expertise and knowledge. Yet management layers inevitably put distance between decision-making and the front line, dis-empowering and diminishing the voice of those at the lower levels as well as creating an implementation gap. Hierarchy breeds caution amongst managers, encouraging decisions to be delegated upwards with consequent loss of productivity and responsiveness. Such vertically organised structures create silos and add to the difficulties of building bridges between functional specialisms. This often causes frustration in resolving day-to-day issues and can have a particularly negative effect on the capacity for innovation.

Conversely businesses with flat structures have either no management layers or a very short chain of command. The aim is often not to erase hierarchies entirely but to allow organisations to form hierarchies naturally. Different groups within organisations can intertwine in ways that help everyone understand other people's jobs, professions, specialisms, priorities, problems and vision.

Flat organisations rely on a decentralised approach to management and require a high degree of employee involvement in decision-making. Control in flat companies lies in mutual agreements between self-managing, self-organising and self-designing teams. Employees take personal responsibility for satisfactory outcomes., facilitating information sharing, breaking down divisions between roles and sharing competencies. Team or organisation-wide reward systems are deployed rather than those which focus on individual tasks or performance, and they are designed to incentivise the supply of good ideas.

Getting rid of annoying processes

- How much control is actually necessary? Are the risks of loosening control greater than the (real and opportunity) costs of spending senior management time on relatively trivial issues?

- Is the formal appraisal interview a 'tick box' exercise? Or is it a milestone in a continuous coaching conversation with a line manager who understands how to help each individual develop and deliver their best performance?

- Are there established procedures for shared learning from mistakes and failures in an open and blame-free way?

- Is the importance of shared learning, reflection, improvement and innovation recognised in the organisation's system of KPIs, targets and incentives?

Yet even within more flexible structures, mistrust and dis-empowerment can be embedded in the systems and processes that shape decision-making, resource allocation and standard operating procedures. They can reflect a culture of centralised control and micro-management. Truly innovative workplaces recognise the need for a consistent approach to empowerment, learning and development running through every aspect of corporate policy from reward systems and performance appraisal to flexible working and budget devolution.

One special consideration is that in redesigning your organisation, you need to take legal and financial constraints into account. For example, public institutions may need to meet their transparency and accountability obligations in new ways when the decentralise decision-making to front line teams (and there are some great examples on our Knowledge Bank showing how this can be done in practice). Likewise financial constraints may hinder workplace innovation, though there is often a surprising amount that can be achieved with little additional cost. On the other hand, there are many examples in the Knowledge Bank to show that initial investments in time and expertise can achieve substantial and sustainable returns.

In UK company Bristan, high levels of employee engagement are built on a culture of trust and leadership reflected in day-to-day management behaviour. Read the Bristan case study.

Cougar Automation in the UK is a powerful example of strengths-based management in a medium-sized advanced manufacturing company.

By removing functional boundaries and designing work spaces that encourage people to collaborate, INET-logistics in Austria has empowered its employees with high levels of discretion in their day-to-day work. See EUWIN's case study and short film.

Ricardo Semler, author and business manager, is celebrated as a role model of a Chief Executive who breaks all the traditional rules and succeeds, massively. Semco in Brazil is an example of a "radical form of corporate democracy" that aims to distribute decision-making authority out to everyone.

Breaking away from a traditional hierarchy is difficult for public sector organisations but it formed an essential element in the goal of making the British Geological Survey a more innovative and responsive organisation. Its matrix structure has created a culture in which employee-led improvement and innovation are valued at every level.

The Third Element: Employee-Driven Improvement and Innovation

A knowledge economy is one firmly rooted in innovation, popularly associated with R&D, ICT investment and high-profile entrepreneurs. However this association can be misleading. Much of the innovation in products, services and processes that leads to enhanced business competitiveness and performance is generated by interaction, dialogue and exploration within the workplace.

Unsurprisingly this is more common in workplaces where employees have greater control over their own work coupled with discretionary opportunities for learning and problem solving.

Systematic opportunities for shared learning and reflection are well embedded in that type of workplace. They allow employees at every level to reflect on what has gone well and what can be improved in the future, to share knowledge and skills gained in the course of recent work experience, and to anticipate and reflect on the impacts of future challenges and change. This can be reflected in times and spaces where people at work can discuss ideas with their co-workers or in their team meetings. Buzz boards enable ideas to be shared and dedicated spaces can enable people to think in different ways together. Meetings in cafés can offer a creative and reflective time away from the immediate pressures of the workplace.

Sometimes it also involves imaginative opportunities to 'think out of the box' by bringing people together across different departments and divisions to share knowledge and experience and to think creatively together. It can be as simple as establishing regular forums that enable people at all levels of an organisation to leave job titles and hierarchies behind, and to explore new ideas through open and free-thinking discussion.

A growing number of organisations provide employees with regular opportunities to join cross functional improvement teams to identify and drive forward product or process changes that would otherwise be lost under the pressure of day-to-day workloads. Time-out sessions, 'down tools weeks' and hackathons, bringing people together who otherwise would not meet, can also become fountains of constructive dialogue and creativity.

Employee-driven innovation and improvement emphasises the importance of aligning the knowledge and expertise of senior teams with the tacit knowledge and experience of front line workers while recognising and valuing continuing learning. It must also reflect deeper structural practices within each organisation: sustainable and effective employee engagement in innovation and improvement cannot happen in isolation. It must be driven from the top and reinforced by consistent messages from leaders, aligned with organisational structures and procedures, and underpinned by empowerment and discretion in day-to-day working life. Line management culture and performance measurement invariably play a critical role in enabling, or inhibiting, employee driven improvement and innovation.

Resources for Element 3: Employee-Driven Improvement and Innovation

The culture of Cambridge-based Red Gate Software "is permission to fail and expectation of failure, if we are not trying hard enough that's when we don't fail, so let's make sure that we're on the edge and we're trying to push ourselves." Read EUWIN's case study and watch the short film.

At London's Innocent HQ, innovation is an everyday behaviour with employees actively encouraged to suggest ways to improve the business, whether it be new products and business streams or better ways of working.

In the UK's Met Office, a small core of innovators began a process of 'guerrilla' tactics designed to change the culture of a traditional public sector organisation, making innovation part of 'the day job' for everyone.

Polish pharmaceutical manufacturer Polpharma recognises that enabling improvement and innovation requires freedom to act combined with the ability to design the workplace and work environment in ways that employees want.

Employee-Driven Innovation from a trade union perspective: the Danish Confederation of Trade Unions argues that employee involvement in innovation leads to win-win outcomes for workers and business performance.

The Fourth Element: Co-created leadership and employee voice

It is unsurprising that enlightened leadership often plays a key role in driving workplace innovation within enterprises. Leadership theory is highly contested but leadership development has gained increasing prominence through business schools, professional institutions and consultancy.

Early leadership theories were primarily focused on the distinction between "task focus" and "people orientation" and this remains a useful distinction. More recently theories are less concerned with the central, charismatic individual. Rather they focus on leadership as a collective process where leadership is co-created through dialogue with and between employees, and where employees are empowered to take initiative and contribute to decision making. "Shared and distributed leadership" is a key element of workplace innovation because it focuses on releasing the full range of employee knowledge, skills, experience and creativity. It means that workplace culture and practice provide everyone with the opportunity to take the lead in areas which reflect their own expertise or initiative, whether strategic, innovative or operational, while understanding and aligning their actions with those of others.

Leadership is therefore not dependent on individual charisma or authority but creates shared direction and purpose through organisation-wide opportunities for strategic thinking, shared reflection and learning, and employee voice in decision-making.

Co-created leadership........

CO-CREATED LEADERSHIP & EMPLOYEE VOICE

DON'T worry about:

• Charisma
• Personality
• Strategies

DO worry about:

• Self-directed teams
• Line Management culture
• Opportunities for shared reflection & learning
• Strategic thinking
• Employee voice

Source: UK WON

Employee voice describes the alignment of strategic priorities and decision-making at senior levels with the practical knowledge, experience and engagement of employees throughout the organisation. It brings together direct participation through, for example, self-managed teams and improvement groups, with representative participation in the form of employee or union management partnership forums. These represent times and spaces where senior managers and trade unions or employee representatives get together to tackle big issues in a climate of openness and trust.

Partnership between management, employees and trade unions can take many forms, but always requires openness, transparency and two-way communication. At the very least it can be an effective tool for positive industrial relations, minimising conflict and resistance to change.

An important body of research has begun to show that representative partnership structures on their own may have little direct impact on performance or quality of working life. Rather they can exert a positive influence on the development of activities and practices that may do so. In short, they can become the animator and guardian of employee empowerment and engagement.

When partnership arrangements exist alongside the types of participative workplace practices described in the previous three Elements it creates a system of mutually reinforcing practices leading to improved information sharing, greater levels of trust, reduced resistance to change and heightened performance.

Resources for Element 4: Co-Created Leadership and Employee Voice

Workplace partnership and employee consultation can mean more than just good industrial relations. In the UK, Drax Power's 'Working Together' agreement with trade unions combined with a comprehensive consultation programme helps staff understand the major technological changes faced by the plant, builds trust and demonstrates transparency, stimulates employee ideas and creates a more entrepreneurial culture.

Novozymes in Denmark demonstrates that strong partnership between management and unions can transcend traditional industrial relations, empowering front line workers in day-to-day decision-making and actively involving them in improvement and innovation. 'Shop Floor Management' is a way of creating a forum where there is dialogue between employees who are working in the daily operations, the manager and the technical support.


Leadership that articulates clear values and lives by them is recognised as a powerful driver of employee engagement and an enabling culture. Skanska UK has been on a sustained journey of transformation since CEO Mike Putnam's appointment in 2009, distancing itself from traditional industry practices by embracing high ethical principles relating to safety, the environment, transparency and quality.

Becton Dickinson in Ireland offers persuasive evidence that workplace partnership means more than good industrial relations. Unions can play a key role in engaging workers at all levels in innovation and improvement, creating win-win outcomes for employees and their employers.

5. Making it happen
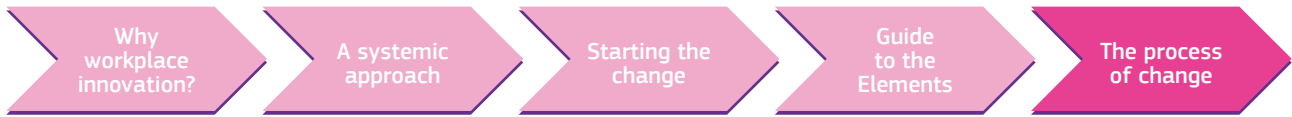
Change is rarely a straightforward linear exercise. It usually involves experimentation, failure and a willingness to see that failure as an opportunity for learning and development. It requires consistency of purpose combined with a willingness to rethink the vision and objectives set out at the start of the journey. The more you try to change an organisation, the more you learn about it. Your understanding of the nature and extent of the change required will deepen as the journey progresses.

Above all, it means making change happen with people, not to people. They have the knowledge, experience and potential for engagement that can make change happen and make it stick. Here is a simple checklist for change:

Go for it!

- Do the board and senior team understand that change will involve asking difficult questions and challenging established practices? Do you really have their support?

- Have you involved all the relevant stakeholders from the beginning? Does everyone understand how they will contribute to the journey?

- Have you anticipated the potential sources of resistance? What is the best way of dealing with it?

- What are the mechanisms for ensuring good two-way communication throughout the journey? How will you evaluate progress? How will stakeholders be involved in shared learning and in resulting adjustments to change processes and goals during the journey?

- How will you know whether you have succeeded? And how will you celebrate success?

- How will change be embedded and sustained?

Be creative: Little details matter for workplace innovation.

Workplace innovation is also about values, attitudes and behaviours. It can require you, as a manager or employee, to change some of your deepest beliefs about how organisations need to function. You need to be aware of little details that can symbolise 'old school' practices and behaviours that are no longer aligned with the new ways of working. Bring them to the table and find a common solution through openness and dialogue. We have some great examples that can show you the way!

For example:

- Walk the talk: get rid of the reserved parking lot for the CEO! In one of our Belgian company cases, the CEO told us that to make the culture change apparent to all employees he gave up his reserved parking space near the factory building. The CEO is now 'one of us' and makes the long walk from the car park alongside all the other employees.

- Let employees decide how to make management accessible: in a French company based in Normandy, the boss asked the employees to decide where his office space should be and how it should be organised. The boss works for the employees, not the other way around.

- Your building structures behaviour: it is clear that some office buildings strengthen hierarchy and division. Rearranging your office according to work flow rather than function and hierarchy helps to create a new organisation conducive to workplace innovation. Making sure that you have designated areas for team meetings and time outs, as well as incidental spaces for informal discussion, can be crucial in creating productive and innovative ways of working.

Onwards

We hope you have enjoyed the EUWIN Guide to Workplace Innovation and will find it useful in your own organisation. There is so much to gain in terms of improved economic performance and better ways of working!

We cannot offer you a foolproof recipe for transforming your organisation because it just doesn't work like that. You have to be prepared to listen, to involve, to experiment, to take risks and to learn.

It also takes discipline to maintain the momentum on top of a busy schedule. But it is surprising how far you can go once you engage the trust and enthusiasm of people throughout the organisation.

If you need further inspiration, ideas and examples please make full use of the films, case studies, articles and tools in EUWIN's growing Knowledge Bank.

Good luck!
The EUWIN Team

Contacts

Our Ambassadors

Belgium
- Benny Corvers: benny@preparedmind.be
- Mieke Van Gramberen: mieke.vangramberen@flanderssynergy.be
- Geert Van Hootegem: geert.vanhootegem@kuleuven.be
- Claudia Iavorenciuc: claudia.iavorenciuc@edu.vlerick.com
- Kim Milants: kim.milants@cambioworks.be

Bulgaria
- Zoya Damianova: zoya.damianova@online.bg
- Vassil Kirov: vassil.kirov@gmail.com

Estonia
- Tiina Saar: tiina.saar@proekspert.ee
- Marion Raudsepp: Marion.Raudsepp@eas.ee

Finland
- Tuomo Alasoini: tuomo.alasoini@tekes.fi
- William Powell: wpowell@theleadershipadvisor.com

France
- Ségolène Journoud: s.journoud@anact.fr

Germany
- Jürgen Howaldt: howaldt@sfs-dortmund.de
- Friedhelm Keuken: f.keuken@gib.nrw.de
- Ralf Kopp: kopp@sfs-dortmund.de
- Antonius Schröder: schroeder@sfs-dortmund.de
- Kerstin Wolff: wolff@bbbklein.de
- Claudio Zettel: claudio.zettel@dlr.de

Italy
- Volker Telljohann: volker_telljohann@er.cgil.it

Lithuania
- Ramojus Remeiris: ramojus@reimeris.com
- Rasa Rotomskienė: rasa.rotomskiene@lpk.lt

Netherlands
- Tony van Acquoy: tonyvanacquoy@tsif.eu
- Rob Gründemann: robert.grundemann@hu.nl
- Ans Jansen: ansjansena@gmail.com

Norway
- Hans Christian Garmann Johnson: hans.c.g.johnson@uia.no
- Øyvind Pålshaugen: oyvind.palshaugen@afi.no

Poland
- Anna Tarnawa: anna_tarnawa@parp.gov.pl

Portugal
- Irina Saur-Amaral: isaur@ua.pt
- Maria José C. Sousa: Maria-jose.Sousa@universidadeeuropeia.pt

Romania
- Roxana Mocanu: roxana.mocanu@itol.ro

Spain
- Raul Tabarés Gutiérrez: raul.tabares@tecnalia.com
- Alejandra Martinez: alejandra.martinez@bicg.com
- Egoitz Pomares: epomares@sinnergiak.org

Sweden
- Kenneth Abrahamsson: kenneth.abrahamsson1@gmail.com
- Elisabeth Lagerlof: elisabeth.lagerlof@gmail.com

UK
- Rosemary Exton: rosemary.exton@workplaceinnovation.eu
- Peter Totterdill: peter.totterdill@workplaceinnovation.eu