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Research project: Third European Company Survey – Qualitative follow-up interviews on the development of workplace innovation in companies

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Abbreviations used in the report

ECS	European Company Survey
EUWIN	European Workplace Innovation Network
fsQCA	fuzzy set qualitative comparative analysis
HCM	high-commitment management
HIWP	high-involvement work practice
HPWP	high-performance work practice
HRM	human resource management
QCA	qualitative comparative analysis
R&D	research and development
SME	small and medium-sized enterprise
WPI	workplace innovation

Country codes for the 10 EU Member States cited in this report

BG	Bulgaria
DE	Germany
DK	Denmark
EL	Greece
ES	Spain
IE	Ireland
LT	Lithuania
NL	Netherlands
PL	Poland
UK	United Kingdom

Executive summary

Introduction

A workplace innovation (WPI) is a developed and implemented practice or combination of practices that either structurally (through division of labour) or culturally (in terms of empowerment of staff) enable employees to participate in organisational change and renewal and hence improve the quality of working life and organisational performance. This report looks at reasons for enabling WPI, along with its adoption and implementation, and the impacts of it from the viewpoints of the organisation and management, employees and employee representatives. From the database of the third European Company Survey (ECS 2013), some 51 companies were selected from 10 EU Member States in which case studies were undertaken.

Policy context

In light of the Europe 2020 Strategy, which aims at achieving smart and inclusive growth, the European Commission views WPI as an important driving force for the European economy. Specifically, the Commission sees WPI as a motor for innovation and competitiveness, and as a way to transform workplaces to make better use of human talents and skills. However, there is a need for greater clarity about what policymakers can do to stimulate WPI and therefore it is important to gain an understanding of why and how WPI is implemented by the companies looked at in this study.

Key findings

Using qualitative comparative analysis (QCA), the study identifies WPI innovation practices, the motives for their introduction, the process of implementation and impacts. It also tries to identify paths that companies take to realise WPI.

Types of practices

Among the 51 cases, five practices were distinguished overall; three were WPI-related:

WPI-structure: these are practices related to teamwork, job design, organisational restructuring, etc (14% of all practices)

WPI-culture: theseinclude practices that enhance communication, knowledge sharing, employee participation, employee-manager dialogue, management-employee representation dialogue (20% of all practices)

WPI-mixed: these are combinations of the above practices (19% of all practices)

Two non-WPI practices were distinguished: HR practices – the largest category of all practices (39%); and other practices , such as technology-related interventions (8% of all practices). Most companies in this study combine different practices in order to simultaneously improve the quality of organisational performance and the quality of work. A minority of practices is directed exclusively at improving either quality of performance or quality of work.

Reasons for introducing WPI practices

To get a better understanding of WPI, the study explored (with managers, employee groups and employee representatives) the reasons companies introduce WPI practices. From the organisation perspective, it is primarily done to: improve efficiency; gain competitive advantage; and enhance innovative capability.

From the perspectives of managers and employees, economic and business goals remain the predominant reason but learning and development opportunities and performance are also considered important reasons for introducing WPI practices.

Five paths to WPI

The research identified five paths that companies have taken towards WPI practices. The analysis of case descriptions reveals a process model that companies apply when implementing WPI practices. In practice, quite a variety of WPI practices emerge. Overall, it seems that companies differ in the types of WPI practices they implement, but the process of why and how these are implemented shows considerable similarity. The five paths applied by companies that have implemented WPI practices are:

Path 1 – Top-guided WPI: This relates to companies in which employees perform innovative behaviour. The initiative for WPI practices is top down; however, employees engage in a participatory implementation process for change and renewal.

Path 2 – Autonomy-driven WPI: This concerns companies whose employees have in the past participated in developing the organisation's model. Employees in these companies have proven that they have job autonomy in combination with the presence of employee participation. The establishment itself has the latitude to make its own choices, which means it is

not dependent on a mother company. These companies show hierarchical levels – that is, a certain division of labour.

Path 3 – Integral WPI: This path is taken by companies where WPI forms an integral part of work practices. These companies also have latitude to make their own choices, but show a preference for limiting the division of labour. Moreover, the implementation process of WPI is a bottom-up initiative. Their employees display innovative behaviour.

Path 4 – Employee-driven WPI: This path represents companies that facilitate employee participation in developing the organisation's model. The implementation process is a participatory, bottom-up initiative. These organisations have latitude to make their own choices.

Path 5 – Innovative behavioural-driven WPI: This path is followed by companies whose employees have not participated in developing the organisation's model. Nonetheless, employees show innovative behaviour, and the organisation is characterised by a preference for limiting the division of labour.

All five paths result in WPI; however, they vary since each path is a different combination of factors. Moreover, while organisations have room for making strategic choices, this does not mean that 'anything goes'. The company cases indicate that while there is variation of WPI practices within paths, there is similarity in that all seem to combine practices of WPI-structure, WPI- culture oriented and HR-related.

Process model and impacts

The implementation of WPI practices seems to follow a generally applied pattern. WPI practices were introduced primarily for economic reasons; however, in order for their implementation to be successful, it is essential that employees play a central role in it. The majority of respondents agreed that the three factors that facilitated implementation were: employee involvement; top-management commitment; and leadership. The impacts on the organisation (as perceived by managers, employees and employee representatives) are employee engagement, sustainability and high performance. Learning opportunities, voice, and challenging jobs are cited as the impacts on employees. Having a stronger employee voice, a sustainable organisation and equality and fairness at the workplace level are some of the impacts on the employee representation.

Policy pointers

Companies are urged to give greater prominence to WPI alongside the prominence given to economic and technical innovation and research programmes and initiatives. To achieve this objective, policymakers and companies need to:

- encourage continued agenda-setting at European level to increase the implementation of WPI practices within enterprises;
- enhance communication and information about the opportunities of WPI;
- encourage sectoral-level approaches with low thresholds for companies, mobilising sector and cluster organisations to play a role;
- encourage existing public programmes that support business and companies to adopt WPI;
- develop training programmes on the issue for both employers and employees;
- stimulate discussion and further research to formalise the ('sensitising') concept of WPI and its monitoring;
- develop diagnostic and intervention tools for companies to assess their situation and take steps towards more substantial WPI practices;
- facilitate the integration of WPI in innovation in general;
- promote WPI at national and regional level, particularly for small and medium-sized enterprises (SMEs);
- encourage the topic of WPI to become part of accredited education programmes in management, business, HR and (work and organisational) social sciences;
- stimulate EU Member States to increase employee participation and employee representation as it is beneficial for business and the quality of working life;
- support research on WPI to optimise greater strides towards WPI for sectors, occupational professions and SMEs;
- create 'Forums on the Workplace of the Future', with a strong focus on worker participation, work organisation and job design in securing innovative, productive and healthy workplaces;
- boost the participatory role of employees in designing and implementing the WPI practice, and the dialogue with employee representatives regarding changes and the company's future (participation and dialogue);
- develop fundraising for innovation programmes (research and development for practice) that include WPI.

Introduction

Introduction

This report explores workplace innovation (WPI) practices across a number of EU Member States based on qualitative follow-up interviews of the third European Company Survey (ECS 2013).[1] An overview of the results of the third ECS is published in Eurofound (2015), which reports on the incidence of practices of work organisation, human resource (HR) policies, employee involvement and social dialogue.

The current study builds on the Eurofound 2015 report. From the sample population, 51 companies were selected and follow-up interviews were held examining their workplace practices from the perspective of WPI. The applied case-study approach provided in-depth, qualitative information about the establishments' WPI practices. The motivations and actions of different actors (employees, representatives and managers) were investigated, as were the ways in which these actors contribute to developing and implementing WPI practices. Possible outcomes and effects of WPI practices, such as company performance and quality of work, were examined as well. The report intends to provide policymakers at European and national levels with insights into those WPI practices that benefit both companies and employees.

The applied working definition of WPI practices is: a developed and implemented practice or combination of practices that structurally (through division of labour) and/or culturally (in terms of empowerment of staff) enable employees to participate in organisational change and renewal to improve the quality of working life and organisational performance.

Case studies and the ECS

The ECS is a telephone survey of establishments in Europe with 10 or more employees, among virtually all economic sectors, in the 28 EU Member States (EU28) as well as Iceland, Macedonia, Montenegro and Turkey. From a total of 30,000 establishments ('companies' in this report), 1,284 were selected based on their score on a specially constructed WPI Index. This WPI Index score was constructed with ECS variables that are indicators of WPI (see the Methodology in the Technical annex, which is available separately). A selection grid broken down by pre-selected Member States, company size class and ranking on the WPI Index resulted in a listing of companies. A total of 51 cases were incorporated into the study according to the following regional breakdown:

- Continental and western Europe – Denmark, Germany, Ireland, the Netherlands, UK – 22 cases;
- Southern Europe – Greece, Spain – 12 cases;
- Central and eastern Europe – Bulgaria, Lithuania, Poland – 17 cases.

The sampling of countries was based on instructions in the tender specifications – to achieve a certain degree of variation in WPI across Europe – and is based on the wider regional grouping (seven groups) employed in an earlier report on work organisation (see Eurofound, 2013). The aim of the sampling was to ensure variation in terms of context, culture, institutions and entrepreneurial behaviour.

Three interviews were held in each company – wherever possible, with a manager (mostly a director or HR manager), a group of employees and an employee representative. For each case, a coding matrix was completed: this comprised an interview guide in which all the answers were incorporated in a systematic manner, and which could be used for statistical analyses. A mini-case study report (2–3 pages) was produced as well.[2]

Purpose of project and research questions

The project aims to explore the determinants and effects of WPI on the basis of 51 cases in the 10 aforementioned countries. The overall objectives of this project are to:

- collect in-depth, qualitative information on companies' practices regarding WPI;
- provide information on the motivations and actions of different workplace actors (employees, representatives and managers) and how they contribute to outcomes in terms of participation and performance;
- provide policymakers at European and national level with insights into workplace practices that benefit companies' performance and quality of work;
- explore the link between specific workplace practices and organisational outcomes.

The research seeks to answer the following questions.

- Which kind of organisation is the research dealing with and what is the overall situation of the organisation? Aspects to be studied are sector and size, national and cultural background, and European region.

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[1]   Further information on the ECS is available at http://eurofound.europa.eu/surveys/ecs.

[2]   This is available upon request from Eurofound.

- What type of WPI is applied? Aspects to be studied are the kind of practices that have been implemented and whether clusters of practices ('bundles') have been applied or not.
- What are the main motivations and drivers for WPI? Aspects to be studied are the reasons and drivers for companies to adopt WPI practices, and the motivations and actions of different workplace actors (employees, representatives and managers).
- What is the method of adoption and implementation of WPI? Aspects to be studied are how companies adopt the WPI practices, their process of implementation, and the role of different actors in implementing WPI practices.
- What is the impact of WPI? Aspects to be studied are the link between WPI practices and organisational outcomes, and impacts and results in terms of company performance and employees' quality of work.[3]

The basic conceptual framework is given in Figure 1 below and will be discussed later.

Figure 1: Conceptual framework
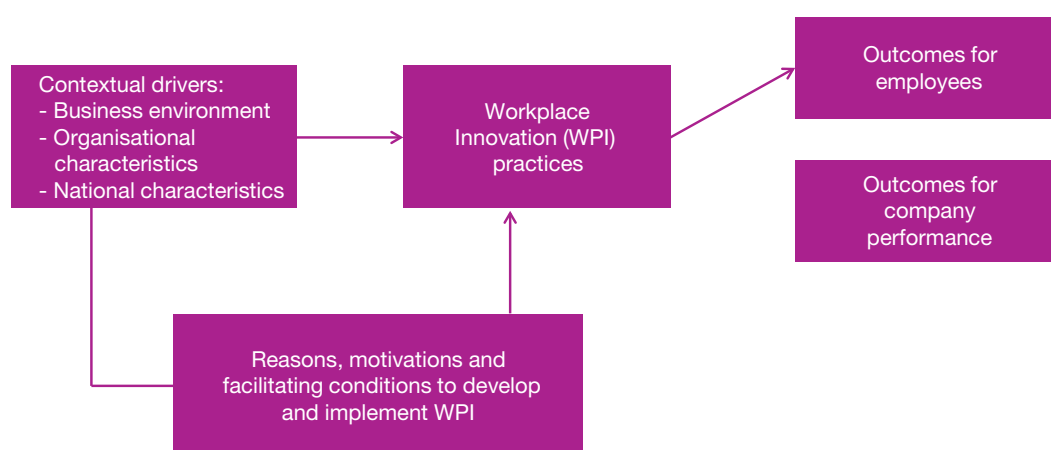
Previous Eurofound research

Eurofound has published two previous studies looking at WPI – *Work organisation and innovation* (Eurofound, 2012) and the *Third European Company Survey – Overview report* (Eurofound, 2015).

The study *Work organisation and innovation* was based on case-study research in 13 EU Member States. In this study, WPI was conceptualised under the restricted label of high-performance work practices (HPWPs). According to the findings, pressure to improve performance was the main driver for WPI. The research showed that this was particularly true in the context of the current economic crisis, as well as being due to the need to meet the challenges posed by demographic change and increased competition. Some companies adopted a dual approach to WPI, consisting of a top-down decision to innovate, followed by a bottom-up implementation approach. The case-study evidence in the research suggested that the presence of social dialogue and the involvement of worker representatives make a valuable contribution to the implementation of HR innovations. It was found that WPI, under the label

of HPWPs, led to increased knowledge sharing and problem sharing and solving. Innovatory practices involving lean management, teamworking, flexible working practices, workplace redesign and employee involvement were most commonly associated with positive features – such as increased company productivity, greater organisational commitment, improved service quality and, to a lesser extent, reduced customer complaints. Lean management, teamworking and flexible working also contributed to reduced operational costs.

The *Third European Company Survey – Overview report* illustrated separate aspects of work organisation and company practices in HR management, employee participation and social dialogue (Eurofound, 2015). Significantly, the report made a comprehensive overall classification of companies by examining how practices across these areas relate to each other. This resulted in five overarching groups defined by the ways in which they combine certain workplace practices into 'bundles' as follows:

- 'Interactive and involving' (12% of all 'establishments') – joint decision-making on daily tasks, moderately structured internal

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3   Quality of work and quality of working life are interchangeably used in this report.

organisation, limited investment in human resource management (HRM) but extensive practices for direct participation;

- 'Systematic and involving' (30%) – top-down decision-making on daily tasks, highly structured internal organisation, high investment in HRM, extensive practices for direct and indirect participation;
- 'Externally oriented' (25%) – high levels of collaboration and outsourcing, top-down decision-making on daily tasks, moderately structured internal organisation, moderate investment in HRM, and little direct and indirect participation;
- 'top-down and internally oriented' (21%) – top-down decision-making on daily tasks, little collaboration and outsourcing, highly structured internal organisation, moderate investment in HRM, and moderately supported direct and indirect participation;
- 'Passive management' (12%) – top-down decision-making on daily tasks, moderately structured internal organisation, hardly any HRM, and little direct and indirect participation.

According to the latter study:

> The five groups differ most in the degree to which they structure their internal organisation, with 'Systematic and involving' and 'Passive management' at the two extremes of the spectrum. The second most important indicator for the overall classification is practices with regard to direct employee participation: the 'Interactive and involving' and 'Systematic and involving' groups are both substantially different from the other three groups on this indicator. … Three out of the five types that have been distinguished show quite a close resemblance with approaches to work organisation and human resource management.

(Eurofound, 2015, p. 125)

Establishments in the 'Interactive and involving' and 'Systematic and involving' groups score best on establishment performance. Establishments in the 'Interactive and involving' group score best on workplace well-being. Both groups differ, but have in common a favourable environment for direct employee participation.

These studies give an insight into how bundles of workplace practices are related to clusters of organisations (the five overarching groups) and how these relate in different ways to performance and well-being as outcomes. The present study goes one step further by investigating what kind of workplace practices were implemented by 51 companies that participated in the ECS.[4] Most importantly, the study tries to identify if different combinations of certain variables can still lead to WPI, following the general notion that renewal may take different roads.

Data analysis

For this study, 51 cases studies were undertaken. The information gathered was imputed into a data file (the 'coding matrix') and each case was described in a mini-case study report (2–3 pages). In a first step, an expert evaluation was made to assess the 'substantiality' of WPI practices in the cases. Substantiality of WPI can either point to recent, distinctive WPI practices that align with the working definition of WPI, or to a WPI 'maturity-level' of the company as a whole. The latter covers companies with WPI practices that fit with the definition, but that may have introduced them earlier and can now be viewed as 'WPI mature'. This expert evaluation resulted in assigning the cases to 'sets' of cases with different levels of 'substantial WPI'. Using qualitative comparative analysis (QCA) subsequently, an analysis was made of the 'conditions' within these companies that explain the presence of substantial WPI practices. These conditions together constitute 'configurational paths' that can be regarded as implicit strategies applied to be or become a WPI company. Qualitative information from the interviews and case study reports were used to assess whether types of WPI practices could be distinguished. These strategies and types can be related to the theoretical notions discussed later. To get a richer description of contextual factors, drivers and motivations, ways of developing and implementing WPI, and the impacts of WPI, an in-depth analysis was conducted of the companies and their WPI practices.

Structure of report

This report is divided into five chapters. Chapter 1 examines more closely the concept of WPI and places it within the context of current literature and policy at European level. Chapter 2 provides a description of the sample of 51 case studies and the 168 WPI practices implemented by these companies. Chapter 3 presents the QCA analysis, which results in five paths that companies choose to arrive at WPI. Examples of cases and what they do are discussed. Chapter 4 analyses the reasons, motives, leverages and impacts of WPI practices. Chapter 5 provides a summary and comments on the study and outcomes, presenting a process model that describes the mechanism of initiation, design and implementation of WPI practices in the companies. The chapter ends with conclusions and policy implications of the study.

Details of the project team are given in the annex to this report. A separate Technical annex contains four elements: research methodology (including information about the fieldwork and analyses), tables used in the research, full list of WPI practices and separate references list (for technical annex).

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4   This study was carried out in parallel to the Eurofound 2015 study.

Understanding WPI

Understanding WPI

WPI – setting boundaries

WPI is a relatively new, broad and still rather imprecise concept (European Commission, 2014). Herbert Blumer (1954) contrasted 'definitive' concepts with 'sensitizing concepts'. The latter do not involve using 'fixed and specific procedures' to identify a set of phenomena, but instead give 'a general sense of reference and guidance in approaching empirical instances'. The two terms, workplace and innovation, are interpreted in various ways. Although workplaces are usually restricted to establishments,[5] in this study the workplace is defined as both the immediate working environment and the organisation as a whole. This ranges from a single work station where employees carry out their direct tasks to a multilayered organisation of which employees are members through the employment relationship. Still, the workplace can be very broad and, for example, involve the combination of 'work organisation', 'labour relations' and 'network relations' (that is, relations with parties outside the organisation) (Eeckelaert et al, 2012). Alternatively, in another example, it can refer to an alchemic combination of 'work organisation', 'structure and systems', 'reflection, learning and innovation', and 'workplace partnership' (Totterdill, 2015; Totterdill and Exton, 2014).

This section clarifies the way in which the sensitising concept of WPI encapsulates both structural and cultural aspects of work organisation. Structural aspects refer to the production system and the design of organisational departments, teams and jobs. Cultural aspects point to behavioural phenomena such as cooperation and communication as well as enabling certain behaviours, attitudes and motivations.

There are clear links between studies on WPI and using the concept of HPWPs. This explains why some researchers have decided to regard HPWP as the equivalent of WPI (for example, as in Eurofound, 2012). As will be discussed further, this notion is too limited: WPI can be expanded to include production management and operations management as well. However, viewing HPWP and WPI as common concepts is understandable as HPWP studies try to gather evidence that certain practices, and 'bundles' of practices, are beneficial to the business performance of companies. HPWP studies are both troublesome and attractive. They are troublesome because they seem to include almost anything that is included in human resources management (HRM) as well as employment relationships and industrial relations. So, for example, the division of labour ranging from job design to labour market

recruitment policies, remuneration and working conditions, and employee representation can all be part of such a definition. On the other hand, HPWP studies are attractive because they seem to cover the most important ingredients of most conceptual definitions of WPI – namely, the role of an involved and committed workforce, and how this affects organisational performance.

To understand the still quite extensive range of issues within HPWP, Boxall and Macky (2009) identified two categories. One is concerned with high-involvement work practices (HIWPs). The other concerns employment practices relating to high-commitment management (HCM). 'Work practices' deal with work organisation and job design that enhances employee involvement, while 'employment practices' concern employment relations that enhance the commitment of employees. Contrasting different HIWP approaches, there are practices where managers try to control decisions and those where employees are more responsible and involved in decision-making. Similarly, contrasting the employment practices that improve commitment, there are practices that seek little enduring employee commitment and those that seek a much longer, more motivated attachment to the organisation. Control can be seen as an indicator of the division of labour – that is, the division of control capacity (de Sitter et al, 1997) and decision latitude or job autonomy (Theorell and Karasek, 1996). Conversely, commitment can be understood as the way in which people relate to each other in organisations. Such relational factors can be distinguished according to three components of the employment relationship – the operational relationship, the contractual relationship and the social relationship. The operational relationship is equivalent to the division of labour (task and job design) and associates with 'control'. The contractual relationship is associated with the terms of employment, such as remuneration, working time and (numerical) flexibility. A central notion of the social relationship is how people deal with each other as human beings – for example, showing mutual respect and granting each other trust and personal space. Control and commitment are two sides of the same coin in the sense that together they constitute how human resources are 'mobilised', not managed, to achieve an organisation's goal (de Sitter, 1995; Korver, 2006). However, it is helpful to disentangle them to get a better understanding of WPI practices. It is important to note that HPWP does not pay attention to the design of production systems that have 'root-cause' consequences for autonomy of employees (MacDuffie, 1997).

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[5]   The reason is that decisions of mother companies can influence the design of workplaces' satellite establishments.

The two branches of HPWP – HIWP and HCM – also lack important aspects compared with WPI. The latter is rooted partly in a special approach to production management systems (for goods or services), which organises production in 'flow structures' (Christis, 2010; de Sitter et al, 1997). Flow structures of production oppose functional structures. Functional production structures divide, in a Tayloristic sense, management tasks and executing tasks at all organisational levels. Orders run through the organisation that have to be (partially) processed by different departments, each of which performs specialised operations on each separate order. Such organisations are organised in silos, feature centralised support departments and employ employees who perform specialised operations. In such organisations, coupling between orders, operations and tasks are tight and inflexible. At shop-floor level, however, employees may stand next to one another in adjacent work stations, perform the same operations and yet have nothing to do with each other or anyone else, as each employee is working on separate orders. In a flow structure, by contrast, management and executing tasks are not (so rigorously) divided. In such structures, employees are responsible for preparatory tasks (for instance, work planning, material planning, resources planning) and support tasks (for example, quality control, maintenance, internal logistics). Control or management tasks are decentralised, which implies that employees have an adequate overview and the authority to intervene in the production process if necessary. Flow structures provide employees (and often related teams) with a high level of autonomy, not only in their jobs, but also in organising the work processes in relation to adjoining teams and departments, even outside the company if needed (see, for example, Dhondt et al, 2014). Flow structures enhance both autonomy and the motivation of employees to play a role in innovation (Christis, 2010).[6] WPI thus implies a capability approach, which aims to improve the innovative and competitive capability of the organisation as a whole by enhancing the capabilities of each organisational member.[7] The opportunity to learn new skills interplays with the opportunity to cooperate in solving new issues and finding new ways to continuously improve.
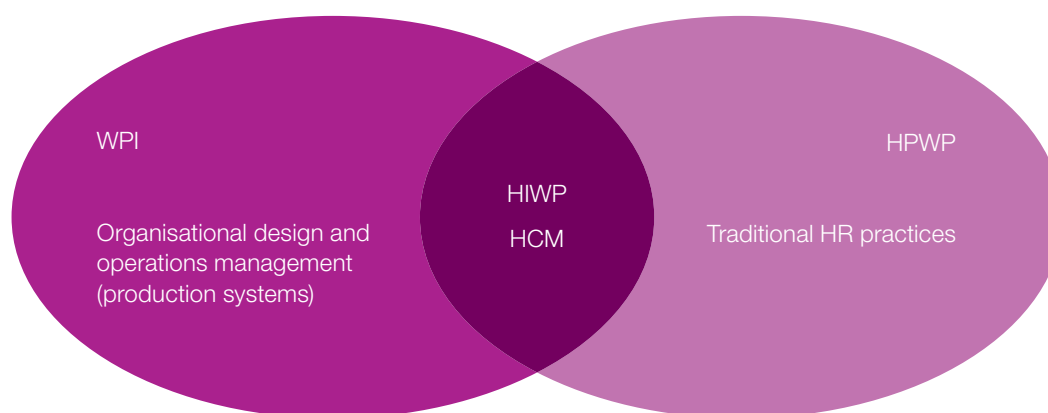
Figure 2: Demarcating WPI

Figure 2 shows the distinction and overlaps between WPI and the aforementioned practices. WPI overlaps with HPWP: first, there is overlap with high-involvement work practices (HIWPs) regarding the structuring of work and jobs to enhance employee autonomy; second, WPI overlaps with HCM regarding 'culture' aspects, such as participatory employment relations and giving employees voice. WPI differs from HPWP in relation to 'traditional' HR practices, meaning HR measures that are not focusing on employee engagement. Traditional HR practices, for example, include staffing and the administrative role of HR.[8] WPI also excludes measures such as 'traditional' recruitment and selection, training and development, appraisal and performance management, if they do not enhance employee engagement. In addition, WPI differs from HPWP, notably HIWP, regarding the attention paid to the 'structure' aspects of production systems ('Organisational design and operations management' in Figure 2). Choices made in the production system have consequences for job design and quality of work. This in turn affects 'cultural' aspects as well, such as participation and commitment.

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[6]   Production systems that are associated with flow structures are, for example, the Toyota production system/lean production (Womack and Jones, 2005), the Volvo Enriching production system (Sandberg, 1995) and Modern Sociotechnology (de Sitter, 1995; de Sitter et al, 1997; Christis, 2010). These systems are not restricted to goods production: they also apply to service production. It should be observed that the theoretical foundations can differ significantly from practical applications. Lean production, for example, has been critiqued because its application led in many instances to stress cost-effectiveness of production, with higher work intensification as a major negative consequence (see Oeij, et al, 2014; Sandberg, 1995).

[7]   In the management literature, see Helfat et al, 2007.

[8]   Distinguishing four HR roles in building competitive organisations, Ulrich (1997) would see this traditional HR practice as the administrative role – namely, managing the HR infrastructure. The other HR roles are related to strategy, change and increasing employee commitment and capability ('champion').

WPI basically reflects two types of practices – one that relates to structure and control capacity and another that concerns culture and commitment behaviours.[9]

Regarding the second part of the term – innovation – this usually refers to an invention that is being implemented or applied. With regard to products and services, innovation refers to instances where new products and services find a market and are deemed profitable or, in the case of public innovations, are experienced to enhance public value. In terms of WPI, there is a particular usage of the term – that is, its application as a contrasting or complementary term to technological innovation (Pot, 2011). One line of reasoning is that technological innovation may be a necessary condition for change and improvement, but not a sufficient one as long as WPI is lacking. WPI, in this sense, refers to necessary accompanying social and organisational changes that help technological innovation to successfully embed, being applied by employees or taken up by customers, citizens, clients and patients.[10]

Based on the above, this study chose a pragmatic approach to WPI, seeing it as having the following characteristics.

Involves employees: WPI underlines the involvement of employees: when organisations change, renew or innovate, there is a role for employees. However, the exact role that employees play is often not entirely clear. From a theoretical viewpoint, when changes are both developed and implemented solely from the top down, there is no WPI; when changes emerge or are implemented from the bottom up, with commitment from top management, there is clearly WPI.[11]

New to the organisation: WPI practices are new to the organisation: Because organisations across Europe will differ in their WPI 'maturity', the same practices may have been applied elsewhere earlier in time.

Structural and cultural applications: As a consequence of the two workplace practices, WPI practices may be 'structural' and/or 'cultural'. WPI can be related to the design of jobs and work organisation, to organisational behaviour and to supportive policies. 'Structural' means the work system, which includes work organisation as a division of labour. 'Cultural' means enabling employees to participate; this includes enabling leadership styles.

Enables performance and well-being: WPI practices are possible enablers for improved organisational performance and/or improved quality of working life. WPI does not necessarily and causally result directly in improved organisational performance or better quality of working life.[12]

Means, not an end: As an enabler, WPI is a means to achieve desired results. WPI is not a result or goal in itself.

The working definition of WPI practices is: a developed and implemented practice or combination of practices that structurally (division of labour) and/or culturally (empowerment) enable employees to participate in organisational change and renewal to improve quality of working life and organisational performance.

In Table 1, which is an elaboration of Figure 1, the following aspects are identified: types of practices; drivers, reasons and motivation; adoption, development and implementation, and facilitators; and impacts and outcomes. Taking the structure and culture orientation as a point of departure, a comparison could be made between HPWPs (including HIWP and HCM), as distinguished by the Eurofound study on work organisation and innovation (Eurofound, 2012), and the concept of WPI as the 'Fifth element' model by Workplace Innovation Limited/UK WON (Totterdill, 2015; Totterdill and Exton, 2014).

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[9]   WPI's 'structure orientation' contains practices that structure work organisation and job design. It goes beyond HPWP and HIWP, as its root causes lie in the choices made on how to design the production system. Structure-oriented practices can stimulate employee control or autonomy, and provide employees (and employee representatives) with a voice regarding the operational side of employment relations. WPI's 'culture orientation' contains practices that provide opportunities for employees to participate in various ways – for example, in organisational decision-making. Culture-oriented practices can stimulate commitment and provide employees (and employee representatives) with a voice regarding the social and contractual side of employment relations.

[10]   The important point here is that new workplace practices may not necessarily be an innovation. New workplace practices can also be improvements and renewals of a more modest kind – 'incremental' innovations. Another line of reasoning is that workplace innovation should contribute to the enhancement of the innovative capability of an organisation. For example, the Netherlands' projects financed by the European Social Fund and European Fund for Regional Development emphasised increasing the use and development of human talents and the innovative power of SMEs (see, for example, Oeij et al, 2014). Most approaches used across Europe place the emphasis on either economic performance (as in HPWP) or on lower employee absence and stress levels along with fewer problems in motivating staff and with low job satisfaction.

[11]   The difficult part is discerning genuine empowerment from 'fake attempts at involvement' (Boxall and Macky, 2009). Since many authors highlight the importance of an empowered, involved or participating workforce, it is regarded as a necessary condition. According to Howaldt, Kopp and Pot (2012, p. 71): 'Workplace innovation represents a *big shift* towards more participation, more decentralization of responsibility, more job autonomy, higher internal and external control capacity, more self-organization and learning opportunities, as well as the fostering or organizational and individual absorptivity of and connectivity to external knowledge and expertise' (italics by the authors).

[12]   However, for most advocates of WPI, a better quality of working life is seen as a necessary outcome. The outcomes of improved organisational performance and quality of working life are not strictly defined, although an often associated outcome related to quality of working life seems to be (at least) employee engagement. This highly disputed term (Wollard and Shuck, 2011) points to worker empowerment and commitment.

Table 1: Comparison between WPI practices and similar approaches

WPI practices	HPWPs*	The 'fifth element' of WPI**
Types of practices		
Structure orientation: • Job autonomy, control capacity, decision latitude • (Autonomous) teamwork, team autonomy • Co-creation, co-design, co-decision-making, participative design • Self-management, self-reliance • Employee budget control • Recruitment and selection by team • Organisational design/operations management for flow structures[13]	• Teamwork/autonomy • Job design	Work organisation: • Job autonomy • Self-managed teams Structure and systems: • Reducing organisational walls and ceilings
Culture orientation • Communication, consultation, voice • Social dialogue • Employee participation • Contributing (innovative) ideas	• Knowledge-sharing • Communication • Employee involvement	Structure and systems: • Supporting employee initiative • Fairness and equality • Trust Learning and reflection: • Continuous improvement • High involvement innovation • Learning and development • Shared knowledge and experiment Workplace partnership: • Dialogue • Representative participation • Involvement in change • Openness and communication • Integrating tacit and strategic knowledge
Other: • 'Traditional'/'ordinary' HR policy • Appraisal interviews/job performance interviews • Personnel surveys	• Training and personal development • Rewards and performance management • Flexible working practices and contracts • Recruitment and selection • Health and safety advice and support	Work organisation: • Integration of technology • Flexible working

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[13] This refers to production systems and is underexposed in the study because studying this topic requires observational analyses of production process layouts and consulting technical managers and engineers. This was not the focus of the research.

WPI practices	HPWPs*	The 'fifth element' of WPI**
Drivers, reasons, motivation		
Organisational perspective:[14] • To improve efficiency • To gain competitive advantage • To enhance innovative capability • To become an attractive employer • To enable acceptance by employees • To enable the embedding of new technology and ICT • To improve industrial relations with unions Employee and manager perspective: • Economic and business goals • Learning and development opportunities • Performance • Public goals • Flexibility • Shareholder interests • Labour market position • Balancing private/work life situation		
Impacts, outcomes		
For the organisation:[15] • Employee engagement • Longer-term sustainability • High performance • Better customer focus, client focus • Establishing good work • Efficiency • Profitability • Enabling culture • More positive employment relations • Resilience	• Service quality • Complaints/rework • Efficiency • Productivity • Gross value added (GVA) • Profit margin • Market share • Increased turnover • Employment levels	• Customer focus • Positive employment relations
For managers: • Efficiency • More sustainability • Competitiveness • Innovation • Satisfied client, customer • Effectiveness • Profitability • Good labour market image		

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[14] Note that a distinction is made between 'organisational perspective' and 'employee and manager perspective' in the Interview Guide developed and used in this project (see Technical annex).

[15] Note that a distinction is made between impacts and outcomes for the organisation, managers, employees and employee representatives in the Interview Guide developed and used in this project (see Technical annex).

WPI practices	HPWPs*	The 'fifth element' of WPI**
For employees: • Learning opportunities, skills • Voice, participation • Challenging, active jobs • Healthy work • Job security • Flexibility • Good quality of jobs, autonomy • Good terms of employment • Work–life balance	• Job satisfaction • Staff turnover and absence • Enhanced motivation • Well-being (job strain, work-life balance) • Control over pace/volume/work tasks • Discipline and grievance cases	• Employee engagement • Positive employment relations
For employee representatives: • Employees voice • Sustainable organisation • Equality, fairness • Job security • Union membership		
Other	Behavioural outcomes (increased suggestions, flexibility, knowledge sharing, attitude to risk and failure, willingness to change, organisational commitment, motivation, engagement)	• Enabling culture • Resilience

Note: * *Eurofound; Cox et al, 2012; ** Totterdill and Exton, 2014*

Benefits of WPI

Research on WPI is limited in volume and heterogeneous in its conceptualisation (European Commission, 2014). The relevance of this overview is to portray studies that are usually not within the field of HPWP studies. An important message to get across is that organisations can make choices that come under the categorisation of WPI practices. These are not only observable within HR-related domains, but can also be found in connection with redesigning organisational structures and production systems.[16]

There are at least three streams in the literature on WPI and its effects. One stream has an economic basis and examines workplace organisation from this viewpoint, particularly looking at its relation to economic performance. Another stream is more sociological in basis and examines WPI in relation to quality of work and organisational performance. The third stream, less theory driven, is related to the practice of innovation management and innovation policy and programmes. This section will give some examples of each stream, starting with the last stream.

Evaluations of innovation policy

Some of the literature traced developments over time in European countries that carried out national innovation programmes to combat declining economic growth, employment and competitiveness (Pot, 2011; Eeckelaert et al, 2012; Pot et al, 2012a, 2012b) . These programmes were based on the understanding that competitiveness is not realised through merely stimulating new technological developments and cost-cutting efficiency policies. In order to realise sustainable economic growth and welfare provision, continuous innovation and growth in productivity are needed. Achieving this requires the full use of the potential workforce and creation of flexible work organisations. A number of European countries, such as Belgium, Finland, Germany, Ireland, the Netherlands and the UK, have started national programmes or initiatives to meet these challenges (Totterdill et al, 2009). These programmes have been launched under the heading of 'social innovation' or 'workplace innovation'.[17]

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[16] This paragraph, for reasons of limited space, does not delve deeply into the literature on production management. It is sufficient to present some organisation studies that give evidence that WPI regards organisational choices as beneficial to economic performance, and sometimes also to quality of working life.

[17] In the literature, social innovation has (at least) two meanings. One is associated with social renewal and change in society and links to a large variety of societal issues. The other is linked to social innovation in workplaces and is synonymous with WPI. Both are related to the innovation literature, where social innovation is seen as an extension of social design theory and social entrepreneurship, while WPI is connected with the theory of the company, dynamic capabilities, open innovation and innovation management within the realms of management, business and organisations (Dhondt and Oeij, 2014; see also Pot, 2013; Pot and Dhondt, 2015).

There are several reasons for the growing attention to workplace development (Pot et al, 2012b):

- the need to enhance labour productivity to maintain levels of welfare and social security in the near future owing to fewer people in the workforce as a result of the ageing population;
- the need to develop and use the skills and competencies of the potential workforce to increase added value as part of a competitive and knowledge-based economy;
- private and public work organisations can only fully benefit from technological innovation if it is embedded in WPI, making technology work by means of proper organisation;
- WPI itself appears to be quite important for innovation success – that is, innovation in general.[18]

Pot presents results of these national programmes for Finland, Germany, Ireland and the Netherlands.[19] Although these programmes differ in how they measure WPI and its effects, Pot cautiously concludes that this research at national level indicates that through WPI, positive effects in terms of organisational performance can be expected. Simultaneous improvement in quality of working life and productivity are possible, particularly in projects with strong employee participation (Pot et al, 2012b).

Economic organisation research

Within the stream of economic organisation studies, an important discussion is whether or not management is capable of choosing the desired organisational model and whether market forces drive management merely to follow organisational forms that look most promising: the question arises whether strategic choice is an option (Dhondt and van Hootegem, 2015). Can companies choose to be 'workplace innovators'? Within the economic organisation literature, there is no agreement on this issue. Borghans and ter Weel (2006) and Akçomak et al (2011) firmly reject the notion that there is a 'preferred organisational model' for companies. They argue that companies adapt to whatever shape needed to sustain competition. In their investigation of Dutch organisational practices, they observe a high degree of specialisation in jobs. This would explain the disintegration of larger organisations into smaller units. Managers simply have no choice but to choose the right organisational model, as bad choices might lead to bankruptcy. However, Bloom and van

Reenen (2010) and van Reenen (2011) have quite a different opinion. They categorise the opinions of ter Weel and others as organisational design: that is, organisations adapt themselves in one way to environmental pressures. Bloom and van Reenen see room for managerial discretion in the design of organisations – there is space for strategic choice. They talk instead about 'managerial technology': managers have the opportunity to select different kinds of models that can help the organisation adapt to environmental pressures. In their World Management Survey (Bloom and van Reenen, 2010), they monitor 18 capabilities that managers may (or may not) develop in their organisation. They are able to visualise the spread of management practices in separate countries and to compare national averages to one another. The authors show that paying attention to the 18 capabilities improves companies' performance substantially. They call this a choice – a choice for organisational innovation.

Bloom and van Reenen have also tried to see if such organisational choice could be connected to WPI – for example, investing in work–life balance (Bloom and van Reenen, 2006; Bloom et al, 2011). Their research question asks whether such a connection helps to improve company performance. They view organisational innovation as being connected to better performance on the part of companies: better management leads to better performance. However, they do not see that the connection to quality of work enhances productivity itself. This view undermines support for the win–win models of work–life balance and productivity. However, Bloom and van Reenen warn that such a conclusion should not lead to a negative view of work–life balance. The fact that companies do not experience a loss of performance is at least remarkable because these extra policies do come at a cost. This extra cost does not, however, weaken performance.[20]

Sociological organisation research

The sociological organisation stream of WPI literature is concerned with simultaneous effects on the quality of work and organisational performance. This stream has a tradition that goes back to sociotechnical systems studies in the 1950s, and is connected with the job demand-control studies that emerged since the 1980s.[21] Developments in the late 20th century and beginning of the 21st century are linked to the

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[18] Building on concepts such as 'dynamic capabilities' and 'absorptive capacity', Dutch researchers contend that technological innovation accounts much less for the success in radical innovation, whereas non-technological innovation – innovation in working smarter, flexible organisation and dynamic management – accounts for a much larger part of this success. In addition, the success of incremental innovation can be accounted for largely by non-technological next to technological innovation (Volberda and van den Bosch, 2004).

[19] Examples of cases of workplace innovation stemming from the Netherlands and other European countries can be found at http://www.workplaceinnovation.org. A selection of 156 results is achieved using, for example, the keywords 'self-steering teams/cases', which are an indication of flow-structure production systems. The site of this knowledge database is being hosted by request of the European Workplace Innovation Network (EUWIN).

[20] Several other economic organisation studies back up the notion that organisational change combined with improved use of human talents is beneficial to economic performance (Appelbaum et al, 2000, 2011; Black and Lynch, 2004; Kochan et al, 2009; Dhondt and van Hootegem, 2015).

aforementioned Finnish and German programmes as well as the Dutch 'modern sociotechnical' variant (van Eijnatten and van der Zwaan, 1998) of the sociotechnical systems studies. The hallmark of this stream is its sympathy for the 'labour process approach' and 'critical management studies'; more specifically, it is critical of declining autonomy and the increasing risks of higher workload and work intensification, and supportive of the combined effort to be both productive and innovative as an organisation, while providing challenging, healthy jobs for employees. Some evidence that WPI is beneficial for both organisational performance and the quality of work can be found in more recent studies on WPI (Kalmi and Kauhanen, 2008; Ramstad, 2009, 2014; Oeij et al, 2010, 2011, 2012).[22]

Recently, an emerging convergence could be observed across these streams with HPWP studies, which is relevant to the notion of WPI. As mentioned earlier, Boxall and Macky (2009) derive two main streams from the HPWP literature. The first is the high-involvement work system stream that seems to concentrate on job structure, structural autonomy and how management tries to manage the development and implementation of these ingredients to boost organisational performance. The other stream is the employment practices of HCM, which pays attention to practices that influence employee commitment through contracts, rewards and employee participation. Boxall and Macky raise the question of who benefits from such measures. For organisations, it is obvious that they win when performance and innovative capabilities improve. However, for employees, it depends on whether high involvement or high commitment will lead to, besides fair pay, more challenging jobs that are fulfilling or instead result in serious work intensification and health risks. This may play out quite differently for different industrial sectors and occupations. Often, professionals, knowledge workers and managers have challenging jobs but significant work intensification, while 'middle-level' employees may have lower wages and less decision latitude, but experience less stress. Furthermore, within organisations, there are also different management strategies regarding the control and commitment of employee categories (dual HR systems), such as how a company deploys core employees (for example, highly skilled employees and scarce resources) versus peripheral employees (for instance, part-time employees, replaceable workforce) (Boxall and Macky, 2014).

This points back to the earlier studies in which a combination of Karasek's job demand-control model and the sociotechnical insights of having control capacity or decision latitude at one's disposal determine whether employees have 'passive/boring' jobs, 'low strain/no learning' jobs, 'high strain/stress'

jobs or 'active' jobs (Theorell and Karasek, 1996). Active jobs, with high demands but enough control capacity to balance those demands, are jobs in which people can learn and work in both a healthy and productive way. Such jobs are well designed in terms of high-involvement work systems and create the commitment that emerges from high-commitment employment practices. The work intensification in active jobs (efforts and rewards) is 'balanced'. 'Well designed' in this context means that the production system is much closer to a flow structure than to a functional structure. WPI in the organisational, sociological, critical management stream normatively favours these kinds of jobs and organisations. The general idea is that the organisation can be used as a strategic tool to induce not only higher performance, but also better quality of work (Pot, 2011). WPI can lead to more 'active jobs' in terms of the desired form of work organisation – which could be characterised as 'complex jobs', which are rich and meaningful, or defined as 'simple organisations', which are clear regarding management structure, division of labour and transparent responsibilities (de Sitter et al, 1997). Organisations can choose production systems that enable these results, such as flow structures (Christis, 2010).

WPI – room for choice

If organisations can make a strategic choice to implement WPI, it is important to be able to understand what practices they select exactly. For example, do they choose practices that influence the 'structure' (high-involvement, control capacity) or practices that improve the 'culture' (high-commitment, employee engagement)? Does this help us to understand why they do this, and whether it is intended to have an impact on both economic performance and quality of work?

Policy background

WPI is a sensitising and therefore seemingly 'fuzzy' concept. According to the European Commission DG Enterprise and Industry (now DG GROW) website:

> *Workplace innovation can mean many things such as a change in business structure, Human Resources management, relationships with clients and suppliers, or in the work environment itself. It improves motivation and working conditions for employees, which leads to increased labour productivity, innovation capability, market resilience, and overall business competitiveness.*

(European Commission, 2015)

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[21]   Proponents of sociotechnical research in the 1950s are, for example, Emery and Trist, and in the 1980s Karasek and de Sitter (van Eijnatten, 1993).

[22]   In the economic-oriented WPI literature, topics such as trust, quality of work and engagement are underrepresented. However, a few sources do point to the extra boost that attention to such WPI elements gives to performance (Polder et al, 2010; Croucher, 2013). The statistical and econometric proof of this, nevertheless, remains rather limited, mainly because of the complexity of controlling for all influences (heterogeneity) experienced by companies.

Despite the lack of consensus on defining WPI, there is a common understanding of the relevance of WPI – namely, that improving workplaces is beneficial for both organisational performance and workplace well-being (European Commission, 2014).

Work organisation and workplaces have been on the European agenda since the 1990s. The starting point may be marked by calls for a balance between the flexibility demands of companies and the flexibility risks and opportunities of employees in so-called 'flexible firms' (Eurofound, 2002; Oeij et al, 2006; Pot et al, 2012b). This discussion eventually fed into policy thinking on 'flexicurity' – that is, combining flexibility for companies with social security for workers – as well as on work organisation and innovation (European Commission, 2002). Between 2004 and 2010, the Work-In-NET network, within the EU Research Area (ERA), gathered and disseminated knowledge on work-related innovations, voicing a 'philosophy ... that only by increasing the quality of work and the creativity of employees as well as a new balance of social security and flexibility of organisations, Europe will be able to meet the demands of the knowledge-based economy of the 21st century' (Work-in-NET, 2010a). Work-In-NET made a plea for such sustainable work in its 2010 Berlin Declaration (Ramstad, 2009). Since the economic crisis of 2008, two issues gaining importance could be observed: one was the sense of urgency to create more jobs (as expressed in the title of the Kok report *Jobs, jobs, jobs: Creating more employment in Europe* – European Commission, 2003) and to enhance skills; the other was the focus on innovation.[23]

Initially, the Europe 2020 flagship initiative Innovation Union did not mention WPI as a separate topic – although the 'Employment Guidelines' and accompanying document did relate to work organisation, quality of working life and social innovation (Pot et al, 2012b). However, in 2011, a convergence was observed between social innovation and WPI, whereby WPI was to become a recognised branch of the European drive for social and economic innovation (Eeckelaert et al, 2012; Pot et al, 2012b). There emerged a growing currency of WPI in Europe, and eventually another declaration calling for WPI helped to put it on the agenda – that is, the Dortmund/Brussels Position Paper (June 2012). The industrial policy adopted by the European Commission explicitly mentions WPI and states that 'the Commission will promote the transformation of workplaces that stimulate new forms of "active jobs" and encourage the development of new skills, including e-skills' (European Commission, 2012). All these efforts eventually resulted in the establishment of the European Workplace Innovation Network (EUWIN) by the European Commission's DG Enterprise and Industry (European Commission, 2013). EUWIN is a Europe-wide learning network tasked to stimulate WPI across Europe (European Commission, 2015). Thus, it can be concluded that there is growing attention to WPI at policy level as well as a need for greater clarity about what policymakers can do.

As a follow-up to a recent policy debate, Eurofound put even more emphasis on work organisation and innovation in the research agenda and (re)designed the ECS to be able to address WPI – that is, in terms of specific issues of work organisation, HR practices and different forms of employee involvement (Eurofound, 2015).[24]

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[23]   Innovation was regarded as the pathway to new economic activities, competitiveness and new jobs, because only through competition, it was felt, could Europe retain its welfare and well-being, its European social model. A sustainable economic recovery requires structural change driven by innovation, states the Innovation Union Competitiveness Report 2013 (European Commission, 2013). Innovation Union is an EU strategy aimed at creating an innovation-friendly environment that enables new products and services that will bring economic growth and jobs.

[24]   WPI had already received attention from Eurofound in the 1990s (Eeckelaert et al, 2012). See also Eurofound, 1997.

Overview of company cases and WPI practices

Overview of company cases and WPI practices

This chapter introduces the company cases and the WPI practices. The chapter presents descriptions of the cases and discusses and compares types of WPI practices. The research questions are thus answered regarding what types of organisations are in the sample and which types of WPI they apply.

Company cases

The research for this report investigated 51 cases from the ECS 2013 that score high on the WPI Index (for selection, fieldwork and response, see 'Methodology' in the Technical annex). Cases are 'establishments' that are regarded in this report as 'companies'. As mentioned, the dataset at hand comprises companies from various European regions, operating in different sectors, having distinct products and services, and varying in size. Based on Table 2, a description of the cases is provided in this section.

The companies in Table 2 are broken down by company size and sector:

- company size: SMEs with between 50 and 249 employees (27 companies) and large companies with 250 employees or more (24 companies);
- branch: **industry** (comprising manufacturing, construction, pharmaceuticals, energy, agro-business – 21 companies); **commercial services** (comprising retail, finance information, consultancy, transport, waste management, hotels – 14 companies); **social services** (comprising education, social work, arts, administrative, testing, science, journalism, libraries – 16 companies).

The 51 companies came from 10 different countries grouped according to the following geographical regions that cover most of Europe:

- Continental and western Europe (CW) – Denmark, Germany, Ireland, the Netherlands, UK (22 companies);
- Mediterranean (western and eastern) (ME) – Greece, Spain (12 companies);
- Central and eastern Europe (CE) – Bulgaria, Lithuania, Poland (17 companies).

There were more substantial examples of WPI in the CW countries than in the CE countries.[25] The organisations were also distinguished according to structural aspects and types of products or services as follows.

Companies differ not only in country of origin, but also in terms of structural aspects – that is, being independent or not and national or foreign. Of the cases examined, 26% were independent units with no other divisions, while 31% were main units with other dependent elements. The majority (43%) of companies were subunits (not the main units). If companies were not singular units, they were asked what kind of company was the main unit – a national or foreign organisation. Three companies did not answer this question; among the remaining cases (35 cases), 57% answered that the main unit was national and 43% that it was foreign.

Different organisations produce distinctive products and services; however, companies were asked to indicate if their products or services were more standard, standard with variations or specified to the customer. With one missing answer, the other results were: 18% chose 'standard', 28% selected 'standard variants' and 54% indicated that their products or services were specified to the customer.

- Continental and western Europe – Denmark, Germany, Ireland, the Netherlands, UK (22 companies);
- Mediterranean – Greece, Spain (12 companies);
- Central and eastern Europe – Bulgaria, Lithuania, Poland (17 companies).

Table 2: Descriptions of the companies by category

		Company size		Sector			Total (%)
		SME 50–250 employees	Large ≥2 50 employees	Industry	Commer-cial services (%)	Social services (%)	
Region	Continental and western Europe	41%	43%	43%	44%	44%	43%
	Mediterranean	19%	24%	24%	13%	13%	24%
	Central and eastern Europe	41%	33%	33%	44%	44%	33%
Total		**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Number		**27**	**24**	**21**	**14**	**16**	**51**
Organisation structure	Independent unit without dependent units	30%	14%	14%	38%	38%	26%
	Main unit with dependent other units	22%	33%	33%	44%	44%	31%
	Unit, not main unit	48%	52%	52%	19%	19%	43%
Total		**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Number		**27**	**24**	**21**	**14**	**16**	**51**
National or foreign	National organisation/public institution	55%	43%	43%	91%	91%	57%
	Foreign organisation/public institution	45%	57%	57%	9%	9%	43%
Total		**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Number		**20**	**15**	**14**	**10**	**11**	**35**
Type of products/ services	Standard products/services	23%	19%	19%	20%	20%	18%
	Products/services with standard variants	35%	24%	24%	20%	20%	285
	Products/services to customer specification	42%	57%	57%	60%	60%	545
Total		**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Number		**26**	**24**	**21**	**14**	**15**	**50**

Types of WPI practices

From the company cases, a variety of WPI practices can be observed. A closer look at these WPI practices clarifies why some of them are 'structure oriented', 'culture oriented', a mix of the two or typical HR-related practices (non-WPI).[26]

Eventually, five practice types could be distinguished (three WPI and two non-WPI).[27]

WPI-structure: This includes practices of organisational restructuring, teamwork and job design (14% of all practices).

WPI-culture: These are practices that are variants of employee participation, cooperation and dialogue between employees and management, and between employee representatives and management (20% of all practices).

WPI-mixed: Several companies had a combination of structural and cultural practices (19% of all practices).

HR practices: These comprise 'typical' or 'traditional' HR practices in the field of, for example, personnel recruitment, training, competency development, performance appraisal, working conditions, remuneration, flexibility and health, risk and safety measures. This is the largest category (39% of all practices). The way in which these measures are linked with structural changes might not always be clear; however, they may influence behaviours and the organisation's culture.

Other: These comprise a miscellaneous cluster of interventions that are related to IT systems or technology, to lean production and lean management practices, and to 'indefinable' practices (8% of all practices). The lean practices that were found seem to have a stronger focus on cost-effectiveness than on enhancing autonomy in a structural sense, which is why they are not classified under WPI-structure.

The practices target three goals:

- quality of performance (14% of all practices);
- quality of work (18% of all practices);
- both quality of performance and quality of work (69% of all practices).

Therefore, most practices were directed at both goals – the enhancement of company performance and quality of work. There were no great differences between WPI practices and HR and other practices. As expected, the category of 'other', with several lean practices,[28] is more targeted at quality of performance, but the absolute number is too limited to draw firm conclusions.

Some examples of the practices are presented in Table 3.[29]

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[26] The method applied to arrive at the overview was to inspect the mini-case study reports and the coding matrices of all 51 cases. First, two researchers each analysed half of the cases and made an inventory of measures and practices mentioned, categorising each practice. Second, they tried to assess a contextual driver as a company goal to introduce practices – namely, the drive to improve quality of performance, the drive to improve quality of work and employee engagement, or a combination of these two. Then, a thorough discussion by both researchers on all 168 practices led to an agreed evaluation.

[27] In the Technical annex, a table showing the distribution of practices is presented as well as a full listing of WPI practices. Throughout the report, the term 'WPI practice' is used to indicate all practices that are mentioned in the interviews. However, it should be noted that interviewees also mentioned HR practices that are not classified as WPI practices by the researchers.

[28] The examples of lean practices in the cases are targeted at minimising 'waste' and costs as well as promoting continuous improvement (quality control). It is uncertain whether these practices result in a genuine improvement of employees' quality of work (for example, more autonomy), as proposed by the literature on lean management. As stipulated earlier, lean practices are often related to cost-effectiveness, but with the increased risk of work intensification or the absence of genuine decision-making influence.

[29] An inventory of all 168 practices is given in the Technical annex on 'WPI practices'.

Table 3: Examples of practices

Types of practices	Examples
WPI-structure orientation	DE-SERV-TEST-L: A structural change made to the organisation and workplaces has led to 'subject- or theme-related teams' across the different departments.
	BG-EDUC-UNI-S: Self-managing teams have been introduced as a system for organising day-to-day duties and activities. This approach ensures that the team members will have sufficient flexibility to decide on how to implement their tasks, taking into account their own capacities and time schedule.
	ES-SCI-ENVIRONM-L: Minimising organisational levels and enhancing autonomous teams is done by ensuring that there are no more than two hierarchical levels between the lowest and the highest levels. This also facilitates the existence of self-managed working teams that have the freedom to organise themselves.
	NL-INFO-NEWS-L: Job enlargement has been enabled by expanding sales jobs with account management tasks. In addition, cross-functional teams have been installed to realise innovation projects across departments.
WPI-culture orientation	DK-ART-MUSEUM-S: Partnership with the unions has been fostered, whereby new projects and organisational changes are debated in a joint committee with union representatives, occupational health and safety (OHS) representatives and management representatives. This committee is initiating new practices, such as training and support for new employees.
	BG-ENER-GAS-S: The Knowledge Management System, OGpedia, is a voluntarily developed, IT-based information sharing measure. All employees can share and gain new knowledge.
	PL-ADM-TAX-S: Monthly meeting with managers and union representatives help to communicate changes and the current situation status, allowing for consultation on decisions and initiatives.
	LT-SERV-POST-L: 'Loyalty Day' aims to enhance communication and knowledge sharing between managers and first line workers. Managers voluntarily visit workers on their working site and gather information about specific processes and possible issues. This improves sustainability, efficiency and good organisational communication.
WPI-mixed	ES-SCI-WORK-L: Flexitime practices allow workers to have a say regarding their working times – they can adjust their start and exit hours, and ad-hoc exits (with manager's permission) are allowed as well.
	EL-FIN-BANK-L: An initiative for personal development has been introduced, whereby every year teams of one to two people take part in a challenge defined by the top leaders. In this way, ideas can be passed from the younger talent to the top management. Young talent is supported through coaching sessions and assessment tools, helping them to gain experience.
	DE-AGRO-PETFOOD-S: An overall qualification was given to production staff ready to do any job on the production line, enabling employees to take over any job in the production process. After the mechanisation of production, most of the employees had the chance to upskill and take over a skilled worker's task.

Types of practices	Examples
HR related	DE-SOC-HANDICAP-L: A yearly working time account allows workers to collect overtime working hours on a yearly basis and to take extra time for holidays (at a time convenient to the company).
	PL-TRANSP-BUS-S: Additional learning opportunities, such as courses, are offered to employees to improve their performance. Employees feel more accepted and are more willing to work for the company's efficiency and stability.
	UK-TRANSP-CAR-S: Employee recognition programmes and monetary awards are a way to celebrate success, encouraging employees to bring new ideas and making them feel valued and appreciated.
Other	PL-EDUC-INFO-SCHOOL-S: A new coordinated computer information system has been installed, integrating the university's information processing and communication procedures. The measure facilitates communication between the university, students and employees, and reduces the time employees spend on simple tasks.
	UK-MANU-TYRES-S: Cross-functional teams help to promote continuous improvement within the company. Through 'Kaizen' activities, employees from different parts of the business meet up to discuss and resolve business issues in order to improve understanding and efficiency.

The application of practices differs across companies when looking at company size and sector. It also differs for the three European regions of the study.[30]

Size

It can be observed that companies do not significantly differ when comparing practices that are applied in SMEs with those adopted by large companies (250 or more employees). In large companies, there are somewhat more WPI practices oriented to a change of culture, while SMEs more often tend to adopt mixed WPI practices. SMEs also have a greater proportion of 'other' activities that are neither WPIs nor HR policies than do larger companies. However, there is a small number of these 'other' practices in general (only 14 in total).

Sector

Companies across different sectors adopt similar WPIs, but some marginal differences can be noted. Companies that work in industry (such as manufacturing or construction) tend to have more culture-oriented WPIs.

Region

Across the regions, there is evidence of some differences in applying WPI practices, although it should be underlined that this is not necessarily representative. As expected, due to varying WPI maturity levels and WPI Index scores (based on the ECS 2013 data), different European regions apply quite distinct practices. Culture-change oriented WPIs occur significantly more often in continental and western Europe than in the central and eastern European region. In the central and eastern region, there are more non-classified (not WPI or HR) 'other' practices than in the Mediterranean countries. Conversely, the Mediterranean countries (EL, ES) have significantly more HR policies than the continental and western European countries. It could be summarised that continental and western European countries have mostly WPI practices (68% of all their practices), Mediterranean countries have a significant amount of HR policies (592%) and fewer WPIs (39%), while central and eastern European countries have a similar proportion of WPIs and HR policies (43% and 39% respectively) as well as a substantial proportion of non-classified practices (18%).

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[30]   See Tables A2.1, A2.2 and A2.3 in the Technical annex.

CHAPTER 3

Paths to WPI practices

Paths to WPI practices

This chapter discusses whether dominant paths to WPI can be identified among the 51 cases. A path is a combination of variables that – to a substantial degree – explains the presence of WPI. Qualitative comparative analysis (QCA) is applied as a method to identify variables underpinning such paths. The starting point is an overview of the possible variables that may help to explain why organisations choose WPI. The QCA and results are then described, showing the five paths that emerged. These paths are interpreted. Subsequently, for each path, company descriptions are provided and the WPI practices that those companies have implemented are shown. Finally, the main conclusions are drawn.

Selecting variables and preparing QCA analysis

QCA consists of 'condition' variables and 'outcome' variables. Measures were formed on the basis of the most relevant theoretical aspects of WPI and data quality.[31]

Condition variables are comparable to independent variables in conventional statistics (thus, they are also called 'causal conditions'). By using QCA, the analysis seeks first to assess the condition variables and to investigate if these conditions are necessary or sufficient. A necessary condition means that a variable must be present for WPI to emerge, regardless of other variables. A sufficient condition implies that no other variables are required besides this variable for WPI to be present. However, it will become evident that such necessary and sufficient conditions do not appear, and this means that varying combinations of variables can result in WPI.

Secondly, the analysis seeks to determine which paths lead to WPI. In this study, five paths emerged, which means that among this group of 51 companies, five specific combinations of variables resulted in WPI (this is why such paths are also called 'configurational paths').

Thirdly, for each path, examples are given to illustrate how companies arrived at WPI, proving the point that it is not a case of 'anything goes' but that there is nevertheless room for 'organisational choice' in designing WPI practices.

Based on theoretical grounds,[32] seven measures were constructed for the condition variables that were divided into three topics – contextual factors, features of WPI, and adoption and implementation.[33]

Contextual factors

Decision latitude of the organisation (DECLAT): This variable concerns the organisation's autonomy in changing the work organisation, systems structure, learning reflection and workplace partnership or voice. The variable indicates that the company has a certain degree of freedom to introduce self-chosen WPI practices.

Organisation model (ORGMOD): The research investigated what type of basic model organisations apply. Organisations can choose a model that is directed at better organisational performance (an economic target), better quality of work (a social target) or a combination of both. A variable could be constructed that indicates to what degree organisations have a model that indicates the importance of the quality of the organisation (performance driven) in combination with the quality of work (people driven). The organisational model or management philosophy therefore mirrors a preference for limited or significant division of labour.

Features of WPI

Innovative behaviour of employees (INNOBEH): Employees perform in such ways that initiatives are taken, knowledge is shared, processes are improved and new information is sought, or they are supported to do so.

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[31] The data quality argument is that variables were used that were less influenced by interviewer bias. For example, in the case of multiple response items, some interviewers were systematically selective in ticking answer boxes and others were systematically non-selective. Therefore, for QCA, items with a defined answering pattern were used – for instance, Likert-type scales.

[32] The theoretical argument is that the aim was to cover 'structure elements' and 'culture elements'. The 'structure elements' are linked to decision latitude, the organisational model, participation to co-decide in the organisational model, and autonomy and participation. The 'culture elements' are connected to innovative behaviour, bottom-up and people-driven initiative, and participatory implementation.

[33] For the condition variables, a selection was made from two instruments: the coding matrix of the 'manager interview' and the 'mini-survey manager' (see Methodology in Technical annex). Principal Component Analysis (PCA) was performed to construct CONOR. The six other measures were constructed as sum scores of variables. Reliability analyses were performed on INNOBEH and AUTPAR; Cronbach's α for both constructs are sufficient (.8 and .7). See also the Table on 'Construction of condition variables for QCA' in the Methodology.

Autonomy and participation (AUTPAR): Employees can make decisions in their jobs and share tasks (in teams). At the same time, there is much open communication and participation.

Adoption and implementation

Participation in organisational model (PARTMOD): This variable concerns participation in decisions about the organisational model. It reflects the participatory role in organisational design of middle management and first-line workers.

Bottom-up and people-driven initiative (BOTUPIN): This variable indicates whether the initiative for WPI is bottom-up and people-driven. The initiative can be either bottom-up or top-down. Moreover, it can be either people-driven by intrinsic arguments to improve the situation of employees, or organisation-driven by extrinsic arguments, namely to account for business and market circumstances.

Participatory implementation (CONOR): This variable indicates the presence of a control orientation during the implementation process. It indicates whether WPI is implemented on a participative basis and supported by employees. Implementation can be participative/participatory or top-down, and the change process for WPI practices can be characterised by more or less support from employees.

Besides causal conditions, there is an outcome variable. An outcome is the equivalent of the dependent variable in

conventional statistics. In this research, it is defined as 'substantial WPI'. WPI is a means to achieve a goal such as improved performance or quality of working life. Follow-up analyses in the next chapter will reveal the motives, implementation leverages and impacts of companies with various WPI practices. A preparatory step, simply put, is to assign the 51 cases to groups with many or fewer WPI practices. In QCA, such groups are 'sets' and when a company is 'in' a set, QCA speaks of 'set membership'.

The outcome variable was constructed so that all 51 cases could be assigned 'set membership' to either the set where 'substantial WPI practices' were present or the set of 'non-substantial WPI practices' where 'substantial' practices are absent (see Methodology in the Technical annex). Since all companies are derived from a sample of companies with a high WPI Index score, 'non-substantial' is not a negative term in this instance. It just means that the ranking is lower than that of 'substantial WPI' companies.

Substantiality of WPI can either point to recently implemented, distinctive WPI practices that align with the working definition of WPI, or it can suggest a WPI 'maturity level' of the company as a whole. Such latter companies cover WPI practices that fit the definition, but may already have introduced the practices and can now be viewed of as 'WPI mature'.

The basic model that is researched is shown in Figure 3.

Figure 3: Basic model of research
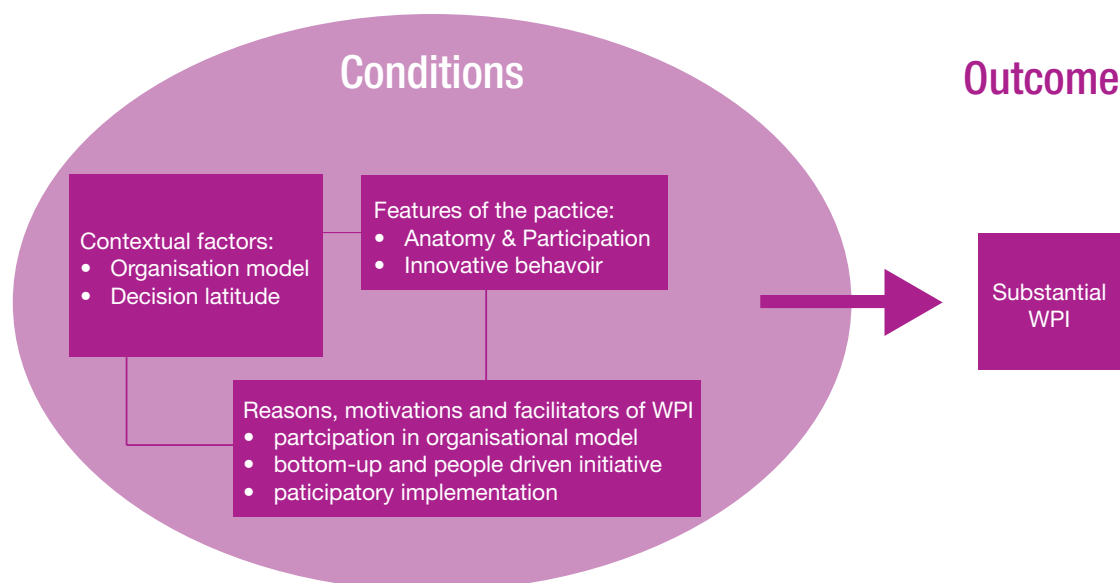
Data and analysis

Although data have been gathered from managers, employees and employee representatives, for these initial QCA analyses the manager data for the 51 cases have been used as leading sources.[34] Table 4 presents the descriptive statistics and correlations of the outcome and condition variables.

Table 4: Main descriptive statistics and correlations

Descriptive statistics					Correlations						
					Substantial WPI	PARTMOD	INNOBEH	AUTPAR	BOTUPIN	CONOR	DECLAT
Outcome	Min	Max	Mean	SD							
Substantial WPI	2.33	9.67	5.95	1.58							
PARTMOD	0	9	7.12	1.62	.16						
INNOBEH	20	35	30.35	2.99	.02	.17					
AUTPAR	24	35	29.41	2.48	.18	.25	.67**				
BOTUPIN	0	1	0.53	0.5	.14	.0	.22	.1			
CONOR	-2.22	1.97	.0	0.99	.26	.18	.23	.34*	.36*		
DECLAT	6	12	10.9	1.55	.15	-.14	.13	-.14	.09	.15	
ORGMOD	44	70	57.35	6.67	-.07	.11	.17	.17	.18	.04	-.22

Note: ** Correlation is significant at the 0.01 level (2-tailed)*
                 ** Correlation is significant at the 0.05 level (2-tailed)
                 DECLAT   – Decision latitude of the organisation
                 ORGMOD – Organisation model
                 INNOBEH – Innovative behaviour of employees
                 AUTPAR   – Autonomy and participation
                 PARTMOD – Participation in organisational model
                 BOTUPIN – Bottom-up and people driven initiative
                 CONOR – Participatory implementation

Table 4 shows that most correlations between condition variables are either not significant or not strong, with the exception of 'Autonomy and participation' (AUTPAR) and 'Innovative behaviour of employees' (INNOBEH) (.67). There are also no significant relationships between the outcome WPI and the causal conditions that can be easily identified without deeper analysis.[35]

Research results

The fuzzy set qualitative comparative analysis (fsQCA)[36] was run and the results are presented in Table 5. These results show that the outcome 'substantial WPI' can be reached through five paths that altogether explain 52.1% of cases with a consistency of 81.1%. Consistency indicates to what degree cases are in line with the given conditions. It is somewhat comparable to an 'if-then' reasoning: 'if... (condition 1, 2, 3, 4 and/or 5) then... (WPI)'. The other cases have paths that are not sufficiently consistent, which implies that they were discarded from the final results of the QCA (but included in the descriptive analyses in the next chapter).

For each of the five paths, a black dot '●' indicates the presence of a condition relevant to the outcome, while a blank space

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[34] There were three reasons for this approach. First, managers provide the more encompassing data on WPI practices because they are likely to have better quality information and a more complete overview of the organisation. Second, more complete and comparable data are available from managers because more measuring instruments were applied (that is, the 'manager interview' and 'mini-survey manager' items; see Methodology in Technical annex). Third, data were missing for employee groups and employee representatives as it proved impossible to arrange interviews with them on a number of occasions. (An additional methodological reason is that QCA excludes cases with missing data.) For an overview of gathered data during interviews, see Table A1.3 in the Methodology section of the Technical annex.

[35] This is an indication that multivariate regression would not result in a model solution with much explained variance. For QCA, these descriptive statistics are insignificant as it does not apply additive rules but combinatory rules. A regression analysis as a robustness test was carried out that supports this reasoning (see Methodology, Section A1.3 of the Technical annex).

[36] In fsQCA, 'fuzzy set' means that a company can have different 'memberships' in different condition variables ('partial membership' on a scale from 0 to 1 between 'full' and 'non' membership). For a technical description of QCA outcomes, see Section A1.3 and Table A1.7 of the Methodology in the Technical annex, as well as Tables A2.4 to A2.7.

points to the irrelevance of a condition. The symbol 'o' indicates the absence of a condition: absence highlights the relevance that a condition is *not* present for the outcome to emerge. A fully blank position of a cell means that the variable is 'irrelevant'.

Table 5: Configurations explaining substantial WPI (parsimonious solution)

Path	Causal conditions							Consistency %
	ORGMOD	DECLAT	INNOBEH	AUTPAR	PARTMOD	BOTUPIN	CONOR	
1 – Top-guided WPI			●			○	●	84.1
2 – Autonomy-driven WPI	○	●		●	●			83.5
3 – Integral WPI	●	●	●			●		83.7
4 – Employee-driven WPI		●			●	●	●	82.7
5 – Innovative-behavioural-driven WPI	●		●		○			68.6
	Contextual factors		Feature of WPI		Adoption and implementation aspects			

'●' – causal condition is present; 'o' – causal condition is absent (negated)
Model consistency is .811 (81.1%)

What do these results mean? The first point to highlight is the aspect of causality and theory. Subsequently, there is guidance on how to interpret each of the five paths. This is followed by an illustration of the content of these paths with empirical cases.

From a causality perspective, it is possible to state that there are no necessary conditions and no sufficient conditions. The first statement means that none of the causal conditions is an absolutely necessary condition for the outcome, 'substantial WPI', to appear. The second statement implies that there is no path where one causal condition is sufficient for the outcome to emerge: there is always more than one condition needed for substantial WPI.

The results show varying configurational paths that all lead to substantial WPI in an equifinal way. Equifinality allows for different, mutually non-exclusive paths for the outcome. Correlation-based approaches could never have produced such seemingly deviating results that, nonetheless, better fit most people's understanding that different roads indeed 'lead to Rome'.

From a theoretical point of view, innovative behaviour of employees (INNOBEH), a bottom-up and people-driven initiative (BOTUPIN) as well as participatory implementation (CONOR) are necessary conditions, as these link with the 'WPI-culture orientation' and the notion that employee participation is a

key aspect of WPI. It can be observed that these aspects are not always deemed necessary according to the companies; moreover, in Path 2, all three of these aspects are absent. Each of the five paths is now outlined below, uncovering 'causal recipes' for arriving at substantial WPI.

The configurational paths leading to substantial WPI are as follows.

Path 1 – Top-guided WPI: states that 84% of the companies with the combined characteristics of innovative behaviour, the absence of bottom-up initiatives (that is, the presence of top-down initiatives) and a participatory implementation process are members of the set Substantial WPI. Five cases followed this path. A more complete name is 'Top-guided, participative and innovative WPI'.

Path 2 – Autonomy-driven WPI: states that 83% of the companies with four characteristics in conjunction are members of the set Substantial WPI: employees participate in developing the organisation's model; employees have job autonomy combined with employee participation; the organisation itself has decision latitude to make its own choices; and the organisation does not show a preference for limiting the division of labour. Eight cases chose this path. A more complete name is 'Autonomy-fuelled survival-driven WPI'.

Path 3 – Integral WPI: states that 84% of the companies with four characteristics in conjunction are members of the set Substantial WPI: employees show innovative behaviour; the implementation process is a bottom-up initiative; the organisation itself has decision latitude to make its own choices; the organisation shows a preference for limiting the division of labour. Seven cases took this path. A more complete name is 'Innovation and quality driven innovative WPI'.

Path 4 – Employee-driven WPI: states that 83% of the companies with the following characteristics in conjunction are members of the set Substantial WPI: there is employee participation in developing the organisation's model; the implementation process is a bottom-up initiative and also a participatory implementation process; the organisation itself has decision latitude to make its own choices . Nine cases chose this path. A more complete name is 'Self-autonomous and employee-driven WPI'.

Path 5 – Innovative behavioural driven WPI: states that 68% of the companies with three characteristics in conjunction are members of the set Substantial WPI – employees have not participated in developing the organisation's model; employees show innovative behaviour; the organisation shows

a preference for limiting the division of labour. Three cases chose this path. A more complete name is 'Innovative and quality-driven WPI'.

For each path, some examples of WPI practices from the cases are presented. The examples give a flavour of what companies do in implementing WPI practices.

Top-guided WPI (Path 1)

Cases in this path have a WPI initiative that comes from top management. However, these top-guided initiatives are accompanied by participatory implementation and support from employees. In addition, these cases reflect innovative behaviours from employees.

The German and Dutch examples present initiatives from management. Both initiatives coincide with the creation of more autonomy in jobs or teams. This helps to explain why employees benefit, as it makes their work more challenging. Both companies highlight the importance of learning, either through HR-related measures or by participating in innovation activities.

DE-SERV-TEST-L

This company deals with consumer counselling and testing and assessment of products. The company was losing income but needed to perform at a high-quality level. The company established a culture of continuous improvement and development. A structural change of organisation and workplaces led to 'subject- or theme-related teams' across the different departments. New cooperation and communication across divisional and hierarchical borders, along with continuous participation on the part of employees, are now guaranteed.

The WPI practices comprised three elements. First, 'subject-related teams' were introduced from two departments with different professions (scientists and journalists), who had worked separately before. The problem was that good scientific work was not being edited in an interesting way for customers. To improve the cooperation between scientists and journalists, the employees moved to the same floor so they could work more closely together. Now, the scientists, engineers and journalists work together on a test theme from the test phase to the publication of results stage. Project management during the testing phase of products is in the hands of the scientists but shifts at the publication stage to the journalists, while a cooperative method of production is maintained between both groups.

Second, 'company internal fairs' are organised once a year. Different parts of the company present to each other in a transparent way what they are doing and how their work is related to other parts of the company. Contents and themes of the divisions are discussed and criticisms put forward by the public are analysed together. The purpose is to let the whole company participate in this process so they can learn from each other and from mistakes.

Third, 'institutionalised employee participation' is stimulated through several HR-related instruments. For example, yearly appraisal interviews and team meetings are set up to integrate the employee's perspective and knowledge and to monitor their continuous training. Institutionalised participation procedures, such as monthly team meetings, editorial meetings, and yearly informal meetings between the line manager and employees, are set up for employees to articulate their ideas and to foster their career and training planning. With limited formal hierarchical levels and an emphasis on team orientation, the company is fostering 'mosaic' careers as 'horizontal' careers, by offering employees the chance to participate in new projects, different tasks, themes and positions.

NL-INFO-NEWS-L

This media organisation publishes regional newspapers and news media. Recently, the company was taken over from an investment fund by a publishing company willing to reinvest. Due to a loss of subscriptions and advertisement sales, digitalisation and social media, as well as changing news gathering habits of the younger generation, there was an urgent need for new business concepts for the company to survive. Forty percent of the staff were laid off in the last decade. However, in recent years, the cost-cutting strategy has been gradually replaced by an innovation strategy, including WPI. This is due to the appointment of a new CEO with a passion for innovation and a new owner company willing to invest.

Six WPI practices have been rolled out. First, job expansion was proposed to improve sales activities. Accordingly, jobs in the advertisement department 'Sales' were expanded to 'account management'. The new job seeks to build relations with clients and to consult them about ways to reach their customers more effectively. This is a change from passive selling to active, outdoor selling and to advising clients. Courses and training have guided the job transition. By upgrading the job, work in sales has become more challenging and has contributed to the employability of the salespersons, while increasing the effectiveness and resilience of the company.

Second, the company recently started to reorganise the editorial department to produce more in-depth articles. For most journalists, this has resulted in more professional autonomy and more interesting, challenging tasks. The project is called 'Empowerment from the core'. Internet and social media have been put in place, being much faster in spreading the news. The journalistic research department has been strengthened and theme groups (such as health, sport, education) have been put in place, alongside a small group of journalists still operating as the 'first line' in the region. The in-depth articles can be sold to other newspapers as well.

Third, the new CEO has encouraged dialogue and idea management, also introducing lunch sessions where every employee is offered the opportunity to have lunch with the CEO and to tell him their ideas for improvements or innovations. There is now a list of 80 ideas, of which four have been elaborated by cross-functional project teams (see below). Employees proposed regular 'innovation cafés', where colleagues could present their innovation project. The dialogue contributes to employees' sense of being heard and taken seriously. It enhances their engagement and contributes to the innovative capabilities of the company.

Fourth, four cross-functional teams for innovation projects have been established to realise an innovation project. Teams comprise employees from all departments and the members get new jobs. Encouraged to cooperate with external partners (such as a local broadcasting company), they are trained and coached to realise this project and they work full time on it until it is completed. One example is sponsored content, where partners – such as a hospital – pay for an article (for example, on the prevalence of certain chronic diseases in Limburg). Another example is a new app that has been developed with a radio broadcasting organisation. The cross-functional teams not only provide an opportunity for employees to take up a new and challenging job, but also contribute to breaking down barriers in the company and to improving its innovative capability.

Fifth, a plan to start a media campus has been developed. Taking up an initiative put forward by the CEO, employees and the works council offered their cooperation enthusiastically. Such an initiative will provide learning and reflection opportunities, thus contributing to the development of skills and improvement of innovative capabilities. In the meantime, talks with a regional university have started the process to establish this campus.

Six, several other plans have been initiated, one of which involves renting office space in the building to start-ups. Management and the works council share the idea to offer (cheap) office space to entrepreneurs who want to start a business in the media sector. This idea stems from sites like Silicon Valley, Philips Brain Port and Chemelot around DSM, where partners such as media groups, broadcast companies, universities and start-ups work together on new projects. This plan is in line with the fifth practice.

Autonomy-driven WPI (Path 2)

This configurational path concerns companies that use their organisational autonomy to develop WPI practices in order to survive or restructure so they can secure their future. At the same time, there is some autonomy for employees and space to participate. The first priority of these organisations is to guarantee a good future rather than having an organisational model that pursues best quality of performance or quality of working life.

One Spanish and one Danish example are provided below, reflecting the need for companies to be prepared for the future or to be able to adapt to changes quickly, change being unavoidable. Employees and employee representatives are closely involved in these moves towards new WPI practices – either through business participation and dialogue, or through more autonomous work and partnering in innovation trajectories.

ES-SCI-PHARMA-L

This company is a large-scale producer of commercial active pharmaceutical ingredients (API) as well as high-potency hormones and sterile steroids (by filtration). The company is active in research and development (R&D) activities, with up to 20% of staff dedicated exclusively to R&D; approximately half of the workforce are university graduates and doctors. The company has experienced robust growth in recent years, with annual rates approaching 15% to 20%, and can be considered a key player in the global API market. The company pays a great deal of attention to WPI practices and this is strongly influenced by the personality of the company's founder. Although future prospects are positive, the company is fully committed to continuing its strong emphasis on HR and on the development of WPI practices as a key tool underpinning the future of the company. The WPI practices facilitate the greater engagement of employees, a good working environment where ideas can be brought forward to flourish, and positive employment relationships within the company. Staff turnover is low and the company is perceived as an excellent employer. The employees feel that they are 'part of the company' in the sense that the company 'belongs' financially and emotionally to them. Under the heading 'Rowing all together in the same direction', there are five WPI practices that contribute to this success.

First, an 'active competency development policy for employees' has been introduced to combine several (although non-specific) HR measures. The competency development policy covers activities in different domains (such as specific technical training, risk prevention training, and training on general skills/capabilities) agreed between employees and managers. This is complemented by a backup policy, where each job can be performed by at least two individuals. The recruitment policy has resulted in the creation of a multinational, gender-balanced workforce from different countries and of different ethnic origins, but with shared values. The company fosters voluntary horizontal and vertical mobility of employees.

Second, an 'open and participative business culture' has been created. For instance, the company decided to sell shares to the employees, irrespective of their position. Furthermore, management has developed a profit-sharing scheme by which a 3% share of annual profits is distributed to all employees in addition to existing performance schemes. The company organises meetings to inform all employees of the main results and future directions. It also fosters an 'open door' business culture in which each employee is invited to discuss issues with all hierarchical levels, including the CEO.

Third, the company's 'emphasis on the health and well-being of employees' has resulted in an active safety and hygiene at work committee related to risk prevention and safety at work. Moreover, the company has incorporated 'flexitime' practices, with a certain degree of flexibility in the working times to reconcile enterprise and personal needs. The company trusts its employees, favouring results and not mere presenteeism.

Fourth, there is 'fluent social dialogue with the legal employee representation' in areas of interest to both parties (such as working conditions, wages and working times). Interestingly, the company's legal employee representatives are independent workers who are not affiliated to a trade union. They are selected by their job colleagues. The company also has its own enterprise collective agreement with better conditions than the provincial one.

Fifth, a model of 'management by values' is being developed to help identify common values that underpin the company and its culture, and that are to be shared by all employees. A participatory process has defined five main values and associated characteristics (transparency; development of talents; improvement; teamwork; flexibility); currently, this process is being used to identify areas of improvement and to evaluate the work of employees.

DK-EDUC-SCHOOL-S

This municipal primary and lower secondary school had to meet educational reforms in Denmark – that is, a merger with another school and a new collective agreement for teachers' working hours. The maximum weekly teaching time is now agreed locally. The school had a low intake of applicants in the municipality so it was an important motivation to attract more students by creating a more exciting and innovative school. There are two WPI practices underway at the school.

First, the school changed the work organisation through new autonomous and interdisciplinary teams. Instead of individual teachers being responsible for teaching specific subjects across year groups, teachers in interdisciplinary teams are now responsible for an entire year group in a team of teachers and pedagogues. This process requires change because staff in the team teach a broader set of subjects. In addition, a shift took place from a preoccupation with solely academic competencies to a greater focus on didactics.

Teamwork demands cooperation, more adaptability to change and employee influence in planning work. This was difficult for many of the employees.

Second, workplace partnership has been fostered through discussion forums as a basis for innovation. Changes are discussed in several forums with both direct and indirect participation from employees, such as on educational development. Changes are also discussed with union representatives. Employees find management receptive to their suggestions and innovative ideas flow freely.

The organisation uses partnerships with committees and employees to support dialogue and thereby handle new challenges. It formed its new work organisation (interdisciplinary teams) by conducting meetings with committees and employees to formulate a common goal – that is, to develop the best municipal school. The organisation participated in joint training sessions to ensure that all were involved as partners in the process and to create a new way of organising work in an adaptive and exciting way. The implementation approach has been to adopt practices in a 'big bang' fashion by conducting joint training for managers, representatives, teachers and pedagogues. Combined with a clear goal – to create a better school for the students – and extensive participation, this has been seen as a leverage factor.

Integral WPI (Path 3)

WPI practices in this configuration are initiated bottom-up with the help of employees, providing employees with possibilities for innovative behaviour. The company has decision latitude to make its own choices and a preference for limiting the division of labour. It integrates structural and behavioural elements.

In three examples, employees play strong but quite diverging roles. The Lithuanian company presents a strong HR-related set of measures that were largely incorporated from their UK-based mother company. Much attention is paid to improving the competencies and quality of employees' working life. While the Lithuanian example has a rather formalised character, the UK example seems more informal and driven by an organisational change of culture led by the CEO. At the same time, this CEO makes lots of space for employees to join in and build constructive relations with the employee representatives. The third example, from Spain, indicates great care given to worker well-being and an active dialogue with employee representatives. All examples reflect a need for innovation and good personnel. All companies offer good employment and working conditions.

LT-MANU-RESPIR-L

This company is a designer, manufacturer and supplier of a wide range of medical devices for respiratory support. The company provides patient solutions for airway management, anaesthesia, critical care, and oxygen and aerosol therapy. This establishment is one of the company's biggest production sites, with a wide range of scientific research. The main issue is to remain competitive. For that purpose, four WPI practices have been developed.

First, self-managing teams have been introduced because products and processes were becoming increasingly complex. This involves giving more responsibility to empower the ground production level (especially to first-line managers who are below middle management level) and middle management in terms of team self-management and more job autonomy, also leading to additional remuneration. The teams on the production lines are more responsible for planning (especially production time management), aspects of production organisation, quality and aspects of the production process.

Second, the company is supporting employee initiatives, which implies that each person irrespective of their position is invited to submit proposals regarding product or production process improvements. Each proposal is reviewed and discussed to assess its feasibility. If the decision is taken to proceed, responsible persons are assigned to the implementation process and to get the necessary resources assigned.

Third, the company has a range of HR-related measures under the heading of 'Organisational learning and development'. This is especially important because the company is among the world leaders, particularly since this site is responsible for both scientific research and production of products. Five aspects are important in this respect: 1) constant learning and professional

development through training and development programmes and a performance review of high-skilled employees (in addition, every employee is encouraged to submit to their line manager their reflections on how to improve the working environment and working organisation, contributing to two-way learning and overall organisational development); 2) internal career opportunities in the company and support for the person to develop either internally (training, assessment, career orientation) or externally (for instance, gaining a formal education diploma); 3) organising learning and awareness sessions with the product distributors for all company employees: clients show how a product is used in practice, which then contributes to mutual learning; 4) investing in people – for instance, the company brings over high-level specialists from abroad for internal company training; it sends teams abroad for training and runs an apprentice programme in the company; 5) use of new technologies in the learning and professional development process – for instance, the use of mobile training stations by senior assemblers to familiarise the team with the assembly of a new product with the help of video material directly at the workplace. The company has also deployed a learning management system, in which each team and employee will have their own profile, with all training needs and completed training recorded. This system can also contribute to recognition of non-formal and informal learning (especially gained through the working experience), particularly for low-skilled employees or employees without any formal education.

Fourth, 'employee-friendly forms of flexible working' are available for families with small children.

Employee voice is important throughout the development of these practices.

UK-MANU-BATH-L

This company is a family-owned business and a leading supplier of showers, taps and bathrooms, with exports to Europe and Russia. It consists of four divisions: trade, retail, heritage bathrooms, and commercial. The group is part of a US-based global leader in home products. The company is led by a CEO who joined the group in 2009 when it was a family-owned 'can do' company, but with 'a lack of clear focus and inconsistent objectives'. Although the company has retained its family atmosphere, the CEO's arrival has been transformative, mainly in the realm of organisational behaviour and organisational culture.

First, the senior team ensures that everyone works according to the group's SHINE values – Straightforward, Helpful, Innovation, No Limits to Customer Service and Empower and Engage. At the end of the year, the company holds an awards ceremony where the SHINE Star of the Year is named. The practices that follow are related to SHINE as well.

Second, 'leadership by behaviour' is promoted, comprising a number of elements. 'Leading by example', the CEO has created a culture of shared leadership, values and behaviours. He highlights that all employees have two duties: to develop themselves and to change and develop their roles.

The CEO is passionate as well about bringing his people with him. He holds a 'big briefing' – a quarterly meeting to keep everyone up-to-date on company progress, results and updates. At this meeting, employees can ask questions and give feedback. Everyone attends in prearranged hourly slots and employees are encouraged to send the CEO emails on the topic he presents.

Third, the group enables line managers to drive the organisation and to make their own decisions on how to lead their teams. Self-managed teamwork means that in a culture of non-hierarchical behaviour, teams are empowered to address issues from customers directly, working within boundaries set to allow room for entrepreneurial behaviour. Open-plan offices and working groups enable cross-functional collaboration throughout the company, and job swaps provide opportunities to work in different areas and to support career progression.

Fourth, training, skills development, apprenticeships and career progression are a priority, and the majority of the senior team have been promoted from within the company. Leadership by behaviour training is cascaded from the senior team to all managers. Employees' individual development goals, learning needs and SMART objectives are discussed at conversational one-to-one meetings with line managers each month. Together with mid-year reviews, these measures lead to a 'no surprise' year-end appraisal.

Fifth, continuous improvement (CI) has been introduced. CI champions have organised improvement projects and teams organise cross-functional working groups seeking to improve the way they work. There are 146 CI initiatives in progress, each based on

an opportunity identified by an employee. Every employee is also encouraged to sign up for a Kaizen project, taking time out for a week to join a cross-functional team (Kaizen being a Japanese concept of continuous improvement).

Sixth, an 'employee forum' offers opportunities to discuss improvement, through which employee representatives attend meetings with senior management. The forum helps to run 'PeopleFest', an event encompassing sessions on well-being, career, financial and health advice, cycling to work, benefits, discount vouchers and childcare information.

Open leadership, communication and trust have enabled the group to undertake a reduction in overall staff numbers and the closure of sites, while retaining high levels of staff engagement. Profits have risen and employees have gained yearly pay rises, and even bonuses, throughout the recession.

ES-MANU-XXXX-S

This manufacturing enterprise is a leader within its sector. The company exports a large amount of its produce to EU countries and North Africa. It originally belonged to a large industrial group, but was purchased by an international investment fund in 2014. Despite difficulties, the company has experienced positive economic results in the last five years. The company has a workforce comprising mainly men involved in production-related tasks. The average age of the workforce is relatively high so there is a great need to recruit new people in the coming years.

Management and employee representatives work together for the benefit of everybody. Despite belonging to a larger industrial group, the company has always been fully independent in deciding its own WPI practices. During recent years, the company has developed a whole set of WPI practices.

First, there is a fluid and rich social dialogue between management and employee representatives, highlighting elements of formal and informal communication, consultation and two-way dialogue. For instance, employee representatives are provided with comprehensive and updated sector/company-related information. Furthermore, employees are consulted early regarding important decisions and ideas stemming from employee representatives (that could eventually be accepted by the management after discussion) are encouraged. This smooth-flowing social dialogue is favoured by management, which has a positive and proactive attitude. There is also vigilant employee representation, committed to the improvement of working and employment conditions and to the future of the company.

Second, the very favourable employment and working conditions within the company's own enterprise collective agreement has resulted from the existing social dialogue practices. The agreements are favourable compared with collective agreements at provincial, regional and national levels. These include higher salaries, 35 working hours per week, lower annual working time (1,592 working hours per year) and, finally, the reduction of overtime work.

Third, there is 'the presence of innovative work organisation practices'. The company has developed the so-called 'sliding work organisation system', through which employees are encouraged to partially assume activities that correspond to their immediately higher position rank, and in different production lines. This work organisation measure helps individuals to gain thorough knowledge of all the different working processes, as well as making it possible to move personnel among the different production lines. In addition, the company introduced the so-called 'biological calendars', an innovative working time organisation practice (suggested by the employee representatives) intended to match the company's demands with the needs of the workforce. Not least, the work is organised around self-managing teams that enjoy a certain degree of autonomy in the way their human resources are organised.

Fourth, 'high attention to risk-prevention activities' means that the company is very active in the risk prevention domain. Training and information transfer are highly developed.

The WPI practices facilitate a good employment climate, the availability of a well-motivated workforce, the lack of social conflicts and the use of the workforce's innovative capabilities. Consequently, the company is perceived as a good employer and as a net creator of employment. This is particularly valued by the employee representatives. It helps to explain the company's positive economic results, despite the economic crisis.

Employee-driven WPI (Path 4)

In this path, WPI is initiated from the bottom up and implemented in a participatory manner. While the organisation has decision latitude to make its own choices, it also gives employees room to participate in developing the organisation's model.

The following Polish and German examples illustrate the participation of employees in changing work practices and the organisation. In the Polish rehabilitation centre case, professionals co-redesigned the work and then coordinated work processes supported by HR-related measures. The German example shows significant trust between management and the employees. This results in contributions to innovation from employees, who are self-managing, learning new competencies and operating flexibly. They can decide their own working times to a large extent.

PL-EDEC-REHAB-S

This centre for rehabilitation, education and pedagogy provides multi-profiled educational, therapeutic and rehabilitation assistance to children and youth with disabilities. It also creates optimal conditions for fulfilling the schooling obligation based on an individual programme. The organisation faced problems attracting funding and raising the number of pupils, with only those entities with the highest expertise and achievements in the market achieving success in these areas. In order to achieve this status, the organisation implemented WPI practices of two kinds.

First, the practice of 'partnership in management' has led to the creation of a Coordination Team aimed at integrating decision procedures that were formerly split across different groups. This integrated team consists of four representatives of all groups of workers: physiotherapists, speech therapists, psychologists, teachers and management (director and deputy directors). The body is an informal advisory and consultative structure and, owing to its openness and broad employee representation, it acts as an intermediate body between employees and management. Employees freely share their ideas with the Coordination Team, discuss new projects and feel they take part in the decision-making process concerning important matters of the centre. This also ensures that the development of the centre is both continuous and creative.

Second, there is the practice of 'institutional development through individual employee development'. The centre applies several HR-related practices, which provide employees with autonomy and initiatives in accomplishing assigned tasks. The innovative Incentive Scheme (including financial and non-financial aspects) for team management is one example. In return for high achievements, such as receiving additional funding from structural funds and creative contribution to accomplishing assigned tasks, the employees receive bonuses. Participation in educational classes, including training, studying and internship, is rewarded with an additional salary. Employees are also entitled to use specialised rehabilitation equipment and the centre's premises after working hours.

Another example is allowing employees to expand their competencies – for example, by financing postgraduate studies and through nationwide and international exchange and internship projects. The Self-Education Council, formed by teachers and specialists of the organisation, enables them to share knowledge and raise workers' skills for the benefit of the pupils as well as the employees' own educational level and labour market position. A further example is the integrated computer schedule created by employees and covering the use of rooms, specialists' working time and pupils' individual schedules. The application supported a more efficient use of space and time for the pupils' needs, and of the specialists' time and skills. Lastly, management and staff willingly participate in planned and spontaneously organised integration meetings for employees and their families, as well as for pupils. This contributes to bonding among employees, creating a good work atmosphere as well as employee commitment to carrying out their professional tasks and implementing improvements.

The high level of employee involvement and open, energetic leadership contribute to the organisation becoming a strong competitor with innovative solutions and programmes. Employees feel that they share responsibility for decisions taken and implemented by management.

DE-AGRO-HORTICULT-L

This worldwide chemical company has customers in more than 70 countries. For over 100 years, it has produced substrates, base and peat products, providing innovative standard and customer oriented products. The company is not restricted by external limitations when deciding about its work organisation and structures; it can decide on these issues independently. Employees

jointly decide on the implementation of WPI measures. Employees are seen as a key ingredient for success. The participative culture of the company has existed for many years.

The company has implemented five WPI practices. The first is that of working times based on trust. Employees can work at any time they wish, acting responsibly without any formal control by management or line managers. Naturally, employees have to align their own preferences with those of their working team (teamwork is the core element of work organisation) and respect work order peaks. Apart from this, no constraints exist and employees can combine private and family life with working times in a much better way. Trusted working times are part of an official agreement between management, employees and their representatives. It shows how employees can have a say in influencing the organisational model and actively participate in implementing WPI practices.

The second practice concerns innovation proposals – specifically, how employees can articulate their voices, share ideas and make suggestions through the 'improvement system'. Innovation proposals are sought from the employees in a systematic and formal way (written down in a company agreement). About 80 to 100 proposals a year are generated by administration staff and production workers. A strict and anonymous procedure guarantees fair selection of the proposals, feedback is guaranteed, a prize for relevant (workplace) innovation proposals is offered, and small gifts are given for creative proposals.

The third practice is the Theatre Pedagogy Factory/Workshop. The participants (employees) develop their own play and present this to the other employees as an audience. Teamwork, work division and organisation are the main themes of the plays. This joint project with a theatre pedagogic centre is a personnel development measure seeking to improve team spirit and bring together different working group cultures (for example, commercial and production related staff, different professions). The practice is only possible due to the active participation and support of employees, who have to develop their own ideas to strengthen team spirit.

Fourth, the company implements practices that ease knowledge sharing and communication – such as the Junior and Elder Staff Exchange or On Feet Meetings. The former focuses on developing young talents by bringing them to the production machines together with older, skilled workers. This helps to manage demographic change. On Feet Meetings are spontaneous standing meetings of staff held on the work floor. This reduces the duration and number of formal meetings, improves day-to-day work organisation, and makes the meetings and cooperation more lively, productive and efficient.

Lastly, health promotion during working time is offered by the company and was developed by a health circle, with the participation of the company's medical officer, employee representatives and management representatives. This helps to prevent negative physical consequences at work, since employees still carry out a lot of physical work. For instance, training to strengthen back muscles is given not only in-house in meeting rooms but also on the work floor, directly beside the production machines and in the peat lands.

The impact of these practices is directly seen in the organisational and personnel development of the company (for example, self-responsibility, new competencies and flexibility for the employees). The intrinsic motivation of the employees is seen as the main grounds for the success of the company, which addresses the needs of employees and provides them with meaningful work. Giving responsibility instead of controlling employees is the motto of the company, ensuring that it remains innovative and successful in the market.

Innovative behavioural-driven WPI (Path 5)

Companies choosing this path to WPI show a preference for limiting the division of labour and for enabling employees to perform innovative behaviour. However, employees do not play a role in developing the organisation's model.

The example below illustrates how the appointment of a new CEO introduces the values of the mother company to its UK subsidiary, while at the same time introducing incremental changes to create an open culture. Employees and employee representatives seem to be involved wherever possible. The other example concerns a Danish factory that replaced management control with autonomous teamwork. Management proposes ideas, but then gives employees the chance to suggest how these ideas could be developed and put into practice. Management in both companies is open to change and to receiving innovative ideas and feedback from employees.

UK-CONS-BUILD-L

This company is a leading project development and construction group. It is one of the country's largest contractors, and its diverse portfolio includes several iconic buildings and major infrastructure projects. One of the big transformations was to adopt the mother company's approach to openness and transparency, in an attempt to combat the construction industry's poor image – one tarnished by corruption, issues of quality, insufficient regard to safety, a poor environmental record and the blacklisting of union activists. In particular, the appointment of a new CEO demonstrated a clear commitment to break with the past. Embracing high ethical principles relating to safety, the environment, transparency and quality, the CEO shows leadership that articulates clear values and these values are lived by all managers in the company. This was recognised as a powerful driver of employee engagement and an enabling culture. The case study is not a dramatic example of WPI, but rather illustrates a sustained series of incremental innovations leading to a strategic change in culture, working practices and employee engagement. Apart from adopting the mother company's approach and core values (such as zero accidents, zero environmental incidents, zero tolerance of bribery and corruption, and zero defects), mutually reinforcing WPI practices were put in place to reflect 'the culture change journey', comprising six ingredients.

First, the practice of 'breaking down silos' points to the historical merger of three businesses with separate cultures and practices. The primary objective was to demolish the walls between different parts of the organisation, centralising such enabling functions as HR and finance. This helped to create common values and allowed consistent, company-wide initiatives to develop, addressing management development, healthy working and environmental sustainability.

Second, there is the practice of 'changing management behaviour', with a focus on culture, not basic procedures, such as the 'great boss initiative'. This measure defines expected management competences and behaviours, and measures progress towards achieving them through an annual working climate survey.

A third practice is 'reinforcing ethical behaviour'. During regular management team meetings, time is spent exploring an ethical dilemma relevant to the business, reinforcing the message that the organisation is a values-driven one.

A fourth measure is 'trade union partnership', where the organisation works closely with the trade unions, which are seen as vital partners in reinforcing company values and in ensuring health and safety.

The fifth practice, an 'injury-free environment', promotes safe, healthy working, an ideal driven from the top. It is seen as part of a shared learning culture rather than a regulatory stick. Employees and union safety representatives play a critical role in highlighting risks and identifying better ways of working. This extends to the supply chain.

Sixth, 'engaging employees in improvement and innovation' is a measure that shows recognition of the need for several routes to engage employee initiative. An open and enabling management culture is the starting point, supported by specific initiatives. Such initiatives include local consultation forums for frontline workers and union representatives, the Company Way Week (a focus for dialogue on important issues such as well-being and mental health), a You Said/We Did board, and even an Innovation App that enables employees to take a picture to illustrate ideas for improvement.

DK-MANU-FABRIC-S

This international company produces fabrics for different customer groups (such as retail, hotels and furniture manufacturers). The company's headquarters are located in Denmark, but the products are manufactured in different European countries.

The company's products are at the higher end of the price range. New demands in the market and the achievement of business goals have driven the introduction of autonomous and semi-autonomous teams and a 'flat' management structure. Until 2000, the organisational model was characterised by management control. The company regards WPI as a way to ensure renewal and the ability to offer a service that customers will choose over others. This approach is not new, but part of a longer tradition of sharing knowledge and supporting employee participation. What stands out in recent developments is the organisational restructuring and measures to ensure employee participation.

First, 'new multidisciplinary customer segment teams' have been introduced, whereby product developers, designers, customer service assistants, logisticians and representatives from the department of quality and environment work together across countries.

The subsidiary companies also take part in the teamwork. Teamwork practice provides employees with a better understanding of the customers' needs, enabling them to share knowledge and accommodate new demands. The teams have recently initiated partnerships with customers (in relation to corporate social responsibly, environmental issues, quality and logistics) and can now offer them a much better product and a better-targeted service. The multidisciplinary teams are centred on specific customer segments (for example, hospitals and retail), and they discuss their work organisation continuously, sharing knowledge and experiences. The company's structure is characterised by having few organisational ceilings and walls, limited layers and no strict lines of command.

Second, 'ensuring employee participation' revolves around organisational culture issues. The culture is focused on direct and informal dialogue. The old 'proposal box' has been replaced by proposing changes directly to management. The management group focuses on promoting trust by formulating performance scores and goals in cooperation with employees. For example, the product development department conducts continuous innovation meetings. All sorts of utopian and 'crazy' ideas about how to organise work can be proposed, and sometimes the organisation transforms these into specific solutions.

The company encourages employees to renew the products by inviting artists and arranging trips to art museums.

Implementation ensures participation from employees. New practices (such as the customer segment teams) were proposed by the management group, but they quickly 'let go' of the process to enable employees to develop and implement the team structure in a way that they considered useful. The implementation was an incremental change in which employees continuously test new ideas and change them along the way. The company's future and employee influence in the workplace are considered a shared responsibility. Interdisciplinary cooperation and knowledge sharing gives the company a competitive advantage, a greater understanding of the market and motivated employees.

WPI practices

The sample of companies is too small to draw final conclusions about the WPI practices applied and developed. Nevertheless, some observations can be made from these cases. For instance, all the companies mentioned more than one WPI practice, which may be an indication of 'bundles'. However, the practices do not often constitute a coherent programme, and in many cases they reflect developments over a number of years. In most cases, a combination of WPI-structure oriented, WPI-culture oriented and HR measures can be observed.

The top-guided companies cited having implemented WPI-structure oriented changes, such as introducing teamwork, reorganising tasks and setting up cross-functional teams. In addition, they showed an interest in innovation and renewal through employee participation. Typical HR-related instruments such as appraisal interviews were also cited.

The autonomy-driven WPI companies cited several WPI-culture oriented interventions, such as open culture, dialogue and partnership. These were accompanied by changes in WPI-structure oriented work organisation and HR-related measures of competence development.

Companies with integral WPI mention several WPI-culture oriented practices, whereby employees are encouraged to propose innovative ideas and dialogue takes place with employees and their representatives. Management behaviour to support these practices seems vital. Nonetheless, WPI-structure oriented and HR-related practices are not lacking among these companies: self-managing teamwork and task variety are present, as are learning and development programmes.

Cases of employee-driven WPI seem to have a preference for significant employee roles. WPI-culture oriented practices are dominant and point to partnership in management, employee development as a driver for development of the organisation, and knowledge-sharing through meetings and discussion.

Innovative behavioural driven WPI also has practices that provide a significant role for employees. Its WPI-culture oriented practices combine new, innovative and participative behaviour, including from management, with WPI-structure oriented measures seeking to tear down silos and introduce multidisciplinary teams.

There is quite a variety of WPI practices within paths. It appears that companies combine WPI practices from the different categories of WPI-structure oriented, WPI-culture oriented and HR-related practices.

Summary

Assuming that there is variety among companies that innovate in their workplaces, this chapter investigated the roads that companies take on their journey to WPI. The QCA shows that companies follow different routes to become a substantial WPI practising organisation. The companies combine different causal conditions on the five paths to WPI that emerged from the analysis. To be a substantial WPI company, there are no necessary conditions observed among the 51 cases, which means that no aspects as such have to be present. There are also no sufficient conditions, meaning that the presence of a certain, single, condition would be enough to count as a substantial WPI companies. There are always combinations of conditions present among organisations regarded as substantial WPI companies. It would be wrong to conclude that 'any combination goes'. In fact, each configurational combination of causal conditions is an implicit strategy to become a WPI company. While an explicit strategy is a highly deliberate and conscious activity, the implicit strategies can be seen as a process that may take years and that expresses the organisational or management 'philosophy' behind the move. Although such strategies may not be highly deliberate, they constitute choices that organisations make and therefore may be considered as 'implicitly strategic'.

The analysis identified five implicit strategies. The basic model of the QCA included 'contextual factors', 'features of WPI' and 'adoption and implementation aspects' (reasons, motivations and facilitators). The five paths make clear that it is not necessary for elements of all three blocks to be simultaneously present for WPI to appear.

Examples of WPI practices demonstrate that companies show a variation of WPI practices within paths. However, the findings shows similarities in the way the companies seem to combine practices that are WPI-structure oriented, WPI-culture oriented and HR-related. This is in line with the findings in Chapter 2, where it was observed that 53% of the practices were WPI-structure, WPI-culture or WPI-mixed, and 39% were HR related.

This shows that certain combinations enhance the presence of substantial WPI, while others do not. People in organisations – managers and employees – have a certain freedom to choose their own solutions. It also shows that WPI has never been launched as a one-size-fits-all initiative like, for example, the Ford system, lean production and the European Foundation for Quality Management (EFQM) quality model.[37]

In the next chapter, motives for WPI are discussed, the process aspects of developing and implementing WPI are investigated, and impacts of WPI for organisations and employees are explored.

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[37]   In fact, many of the companies are not themselves aware of being a WPI company. They invest in components of what can be considered WPI, choosing these components based on their beliefs about what helps performance. However, from the present dataset, it is not possible to relate WPI to better performance compared with non-WPI. For reasons of anonymity and privacy protection, the case study data cannot be related to the ECS 2013 dataset. However, it would be interesting to do such an analysis with future ECS survey data.

Motivation, implementation and impacts

Motivation, implementation and impacts

The purpose of this chapter is to provide a more in-depth description of the companies and to answer the following questions.

- Why do companies initiate WPI and what is the motivation of actors?
- How do they develop and implement WPI and what is the role of different actors?
- What are the impacts, if known, for organisational performance and for employees?

The assumption is that WPI companies tend to view relations with the workforce and their representatives as important and to see the workforce as an important factor in achieving desired economic results. It is assumed that this tendency associates with employee engagement in various ways, and that this engagement is reflected in why and how companies introduce WPI and in the impacts this may have for the organisation and the actors within it. These assumptions are based on the outcomes of the Eurofound report *Work organisation and innovation*, which states that:

> Pressure to improve performance was the main driver for innovation (in work organisation) in the case study companies. This pressure was driven by the economic crisis and the need to meet the challenges of demographic change and intense competition. In most of the companies, inspiration for the innovation came from managers and employees were then consulted. In a number of companies, there was a dual approach consisting of a top-down initial decision to innovate, followed by a bottom-up approach for implementing and selecting improvements. Convincing staff of the benefits of innovation in work organisation remained a critical part of the implementation process. Working groups were frequently used to bring together staff from different parts of the organisation to ensure their views were taken into account.

(Eurofound, 2012, p. 1)

From the Eurofound study, it can be assumed that management, driven to improve performance, takes the initiative and then quickly consults employees. A top-down initiative was soon followed by bottom-up input for designing and implementing work organisation improvements; views and interests of others were taken into account through dialogue and involvement in working groups.

To investigate the questions above and this assumption, cross tabulations were made of the companies against the data on reasons and motives for WPI, adoption and implementation of WPI, and impacts of such innovation. Within the companies, interviews were held with management, a group of employees and employee representatives on these same topics, making it possible to compare the answers of these three groups. Since all 51 cases are companies with a relatively high WPI Index score, all cases were analysed as one, relatively homogeneous group.

In this chapter, the reasons and motives for WPI are examined firstly. Subsequently, light is shed on the leverage factors concerning the adoption and implementation of WPI. Finally, the impacts of WPI are examined, in so far as organisations already experience tangible effects. At the same time, the evaluations and experiences of managers, employees and employee representatives are compared.

Reasons for introducing WPI

One of the main goals of this report is to increase understanding of the reasoning of and drivers for companies that initiate WPI. The first consideration is to look at motives for introducing WPI for the company as a whole. A second consideration is looking at the desired outcomes for the actor groups of managers, employees and employee representatives. Since the 51 cases in the sample are among the most innovative organisations in their countries, the goal is to understand the common background of these companies. Among 51 cases, there are companies from 16 distinct sectors and various European countries; however, the results in Figure 4 show that these companies share common motives for WPI initiation.

Figure 4: Main reasons for introducing WPI – for organisation as a whole (%)
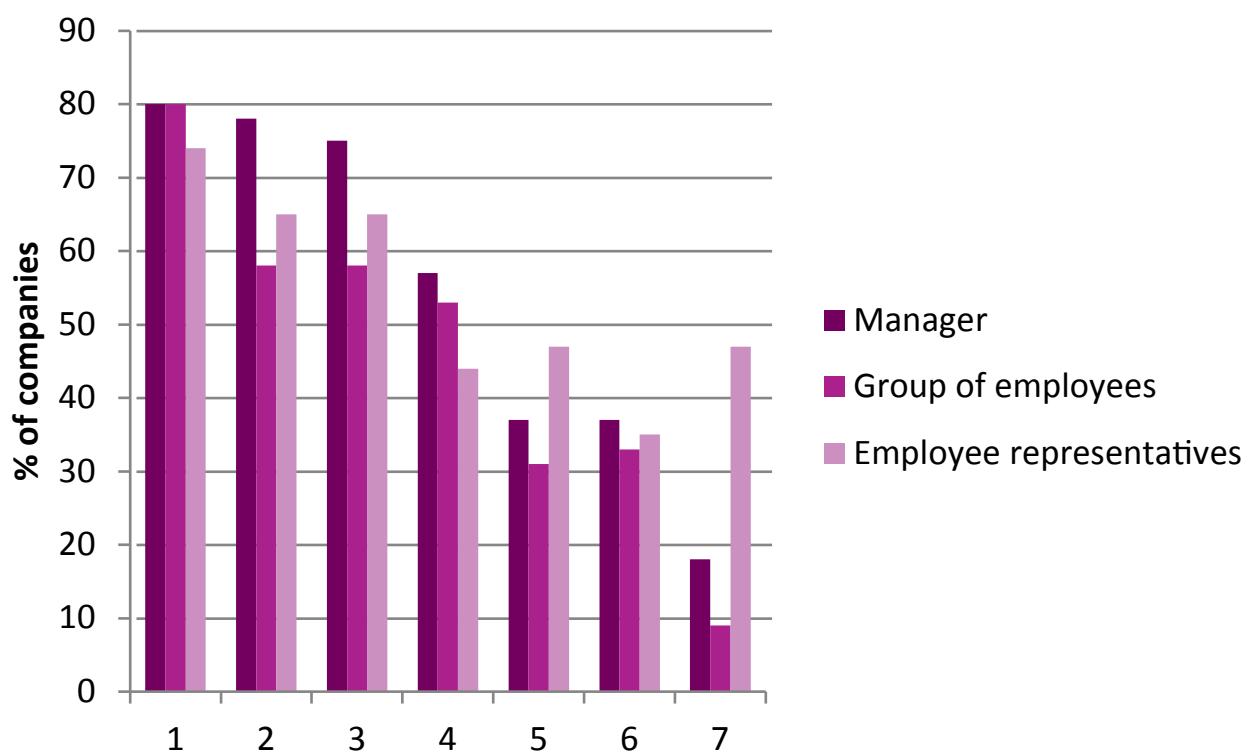
Note: *x-axis legend: 1 – To improve efficiency, 2 – To gain competitive advantage, 3 – To enhance innovative capability, 4 – To become an attractive employer, 5 – To enable acceptance by employees, 6 – To enable the embedding of new technology and ICT, 7 – To improve industrial relations with unions.*

As shown in Figure 4, the most prominent general reason for initiating WPI for the organisation as a whole, according to all interviewees in the companies, is to improve efficiency.[38] About 75% of employee representatives and 80% of managers and groups of employees cited this reason. The second most significant motive, again as agreed among all interviewees, is to gain competitive advantage. The third most prominent general reason cited for WPI implementation is to enhance innovative capability. It is important to note that all three top reasons are oriented towards better organisational performance. This is in line with research, which states that economic goals are the main reasons for companies to implement HPWP practices (Boxall and Macky, 2009; Boxall, 2012). Of course, when companies adopt new models, they also do so to improve how they reach their economic goals. However, it is not possible to answer why they chose these models over others – that is, what their options are for strategic choices. It is also important to highlight that all three groups representing the company are in agreement about the importance of these aforementioned reasons.

The one notable difference in reasoning for WPI is with regard to improving industrial relations with unions. For managers and groups of employees, this was considered the least important reason. It was mentioned by less than a fifth of managers and employee groups, whereas employee representatives chose this reason in almost half of the cases, which is easy to understand. However, the number of respondents should be taken into account when trying to understand this difference. In some companies, there were no employee representatives or unions, so it is natural that managers and employee groups did not choose this option; on the other hand, among the companies where formal employee representatives were present (34 out of 51), their selection of 'improved relations with unions' becomes more understandable.

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[38] In Figures 4 to 9, the number of respondents is as follows: 51 managers, 45 groups of employees and 34 representatives. In Figure 10, the number of respondents is as follows: 34 managers, 33 groups of employees and 34 employee representatives. In the Technical annex, graphs are presented as Tables A2.8 to A2.14.

Examples of reasons for introducing WPI

To improve efficiency

EL-SERV-RETAIL-S implemented a new enterprise resource planning (ERP) system as it wanted to simplify the company's procedures and make them more congruent with the rest of the companies in the group. The company expected to increase the speed of reporting and to minimise the amount of mistakes made.

To gain competitive advantage

BG-EDUC-UNI-S competes with local and foreign universities to attract more students. It conducts weekly roundtable discussions with employees and management. Employees can make suggestions and give ideas on how to solve issues. They can discuss solutions and make joint decisions on how to proceed and remain competitive in the market.

To enhance innovative capability

DE-TRANSP-TRAIN-L reported that new ideas are essential for the organisation. In order to enhance innovative capability, employees from various levels have been involved in projects related to innovation development and projects.

To become an attractive employer

BG-ENER-GAS-S works closely with education institutions, promoting work perspectives in the gasification sector, supporting various competitions, and increasing awareness of the company and its name so it is more recognisable to students as an attractive employer.

Motives among the actor groups (Figure 5) for WPI implementation are aligned with the general motives for the organisation as a whole to initiate WPI. This question focused on possible impacts of WPI for management, employees and employee representatives from the managers' and employee groups' perspectives. The most salient motive is economic and business goals, chosen by almost all companies (ranging between 88% and 94%, depending on the actors). In Figure 5, it is also shown that learning and development opportunities were chosen by approximately three-quarters of the companies. Performance was indicated as the third-most significant motive by all interviewees. All other motives received much less attention, being chosen by approximately one-third of the companies. Overall, motives related to quality of organisational performance were more prominent than those related to quality of work.

Figure 5: Reasons for introducing WPI – managers' and employees' perspectives (%)

Note: *x-axis legend: 1 – Economic and business goals, 2 – Learning and development opportunities, 3 – Performance, 4 – Public goals, 5 – Flexibility, 6 – Shareholder interests, 7 – Labour market position, 8 – Work–life balance*

Examples of reasons for introducing WPI

Economic and business goals

BG-ENER-GAS-S suffered from a lack of qualified human capital. This motive was indicated as the main reason for WPI.

Learning and development opportunities

DE-TRANSP-TRAIN-L's talent management programme aims to identify and foster employees with high potential. The company describes this initiative as not merely training, but as 'sustainable further development'. In this way, young talent has the opportunity to grow.

Performance

PL-MAN-SHIP-S was affected by the economic recession of 2008 and acquired by an international group. The changes became a stimulus for transformation in the area of management and planning.

# Leverage factors for adoption and implementation of WPI

The implementation of WPI practices is seldom technology-driven, but rather either management-driven, employee-driven or participatory-driven. From the leverage factors experienced, it is possible to get a picture of the methods behind their implementation, and thus how WPI was implemented. Although it is difficult to disentangle how and why WPI was introduced, the study reveals a difference between the two. WPI was introduced primarily for economic reasons, as shown above, but how it was introduced demonstrates the importance of the role of employees: it seems that – primarily – management initiates WPI, while its implementation is more employee-driven, as was observed in an earlier Eurofound study (Eurofound, 2015). Management-driven WPI practices may be conceived as top-down and in the interests of management, whereas employee-driven practices are viewed as bottom-up and in the interests of employees; participatory driven practices may point to cooperation between management and employees. Technology-driven WPI practices in this context include, for example, applications ('apps') and IT solutions that support the planning and monitoring of work schedules and HR systems.[39] Leverage factors are actions, measures or means that drive the successful implementation of WPI practices.

Empirical data show that the most important leverage factor for WPI implementation is employee involvement, a factor that was reported most often by all three groups of interviewees (Figure 6). The second most important leverage factor is the commitment of top management, followed by leadership. As stipulated already, it is clear that employee involvement is a key factor.

All other factors in Figure 6 were mentioned by less than half of the three interviewee categories. Factors receiving less attention were more related to conditional factors such as availability of resources (time, money and people). As with reasons and motives for WPI implementation, all actors were in agreement about the leverage factors considered the most and least important.

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[39]   The study did not investigate technological innovations, but on rare occasions interviewees cited these as being (part of) WPI practices.

Figure 6: Leverage factors for WPI implementation (%)
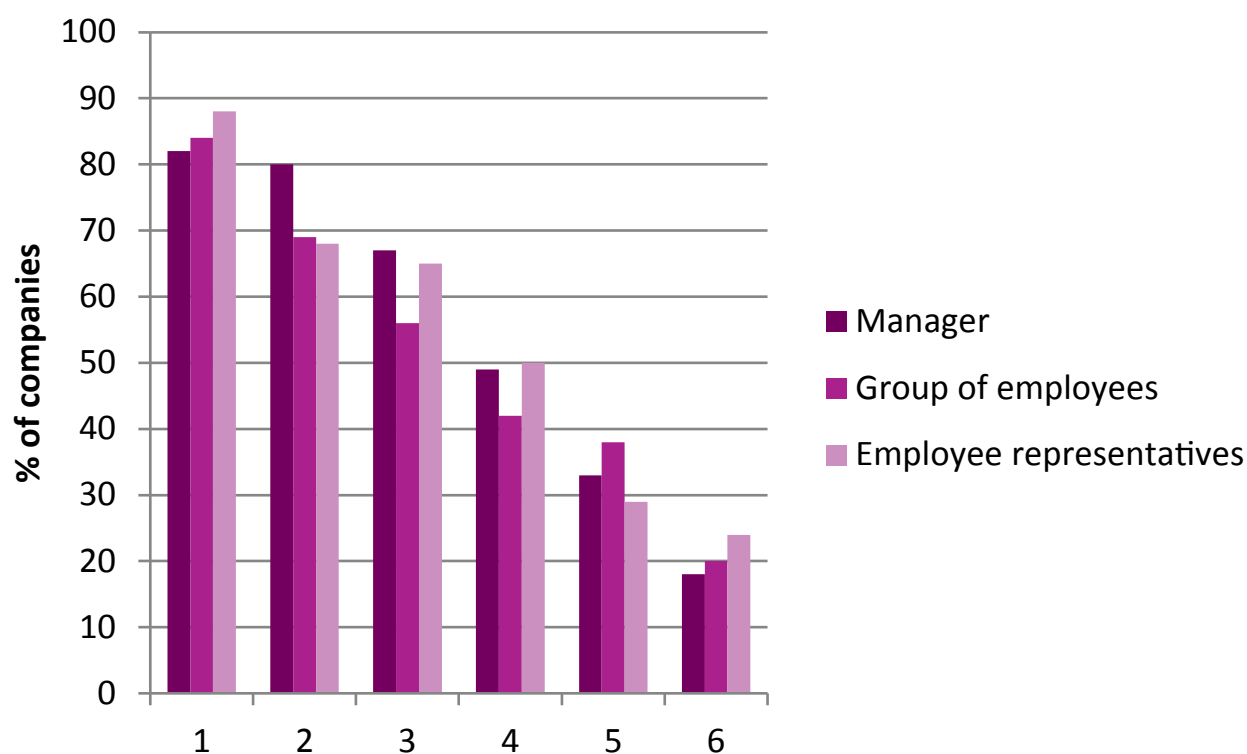
Note: *x-axis legend: 1 – Employee involvement; 2 – Top management commitment; 3 – Leadership, powerful person, 4 – Organisational; non-conflictive climate; 5 – Resources, enough money and people; 6 – Time, no interference from reorganisation.*

Examples of leverage factors

Employee involvement

PL-EDUC-MED-SCHOOL-S had to create new curricula. Employees were the main force behind this change: they actively participated in sharing their knowledge and formalising new programmes. The school started to actively participate in various external projects (related to other institutions) because workers were enthusiastic about the new activities.

Top management commitment

LT-SERV-POST-L initiated 'Loyalty Day', a WPI practice that relies on management's willingness to participate in the activity. Managers are expected to visit various company locations and to get information from frontline workers. Since management paid attention to and spent time on this activity, the company has been able to learn from this practice.

Leadership, powerful person

UK-CONST-BUILD-L has been on a sustained journey of transformation since the appointment of a new CEO in 2009. The move enabled the company to distance itself from traditional industry practices by embracing high ethical principles relating to safety, the environment, transparency and quality.

Impacts of WPI on organisation and employees

Impacts of WPI practices can be divided into effects upon the organisation's performance and effects that benefit employees. Respondents were asked to indicate these effects.

First, Figure 7 shows the results regarding the outcomes for the organisation according to managers, employees and employee representatives. Employee engagement was cited as the most important outcome of WPI, with approximately 80% of companies choosing this option. Longer-term sustainability was the second most salient outcome. In addition, more than half of the companies cited high performance, better customer or client focus, efficiency and profitability as outcomes of WPI. For employee representatives, notable outcomes were establishing good work and more positive employment relations. Perhaps surprisingly, for employees, establishing good work was subordinate to efficiency, profitability and high performance as an outcome of WPI.

Second, the study looked at the impacts or outcomes of WPI practices for the three actor groups – managers, employees and employee representatives – again according to these three groups.

Looking at Figures 8 to 10, a first observation is that the three actors are largely in agreement about the impacts of WPI. Turning first to the impact of WPI from the perspective of managers' interests, efficiency and greater sustainability dominated as outcomes (Figure 8). Effectiveness and good labour market image received the lowest scores for all three actors (less than 50%).

Figure 7: Impacts on the organisation (%)

Note: x-axis legend: 1 – Employee engagement; 2 – Longer-term sustainability; 3 – High performance; 4 – Better customer focus, client focus; 5 – Establishing good work; 6 – Efficiency; 7 – Profitability; 8 – Enabling culture; 9 – More positive employment relations; 10 – Resilience.

Examples of impacts on the organisation

Employee engagement

When PL-TRANSP-BUS-S initiated informal communication practices, employees became more involved in decision-making. The employees were able to give more suggestions and became more interested in the company's success.

Longer-term sustainability

LT-SERV-POST-L implemented 'Loyalty Day', an initiative that focuses on knowledge sharing between managers and first-line workers. This shared knowledge helps to increase sustainability by securing the company's know-how, boosting common company identity and improving stable working processes.

High performance

EL-SERV-RETAIL-S implemented a new enterprise resource planning (ERP) system, which enhanced performance by supporting project management and enabling better decision-making.

Better customer or client focus

PL-ADM-TAX-S introduced a WPI practice that evaluates and rewards the best employees for their effective performance regarding customers. Upgraded performance and services led to a better public opinion of the company.

Figure 8: Impacts on managers or managers' interests (%)

Note: *x-axis legend: 1 – Efficiency; 2 – More sustainability; 3 – Competitiveness; 4 – Innovation/innovation capability; 5 – Satisfied client, customer; 6 – Effectiveness; 7 – Profitability; 8 – Good labour market image.*

Examples of impacts on managers

Efficiency

DE-ENER-ELEC-L introduced 'Innovative Working World', an initiative resulting in improved surroundings and easier communication between managers and other employees. Open office areas allowed for more informal and spontaneous communication, which improved working efficiency.

More sustainability

BG-MANU-CLOSURES-L introduced WPI practices (regular technical working meetings, 5S method and IT systems) that have helped to address the company's need for constant efficiency improvement, competitiveness and long-term sustainability.

Competitiveness

PL-EDUC-MED-SCHOOL-S introduced new curricula, enabling the school to attract new students.

Innovation/innovation capability

LT-CONST-BUILD-L implemented WPI practices that focused on active employee engagement in the company's development and innovation. Various measures were used, such as boards for writing ideas down and specialised processes for implementing innovative ideas. After the first few months, impacts were already tangible.

Figure 9: Impacts on employees or employee interests (%)
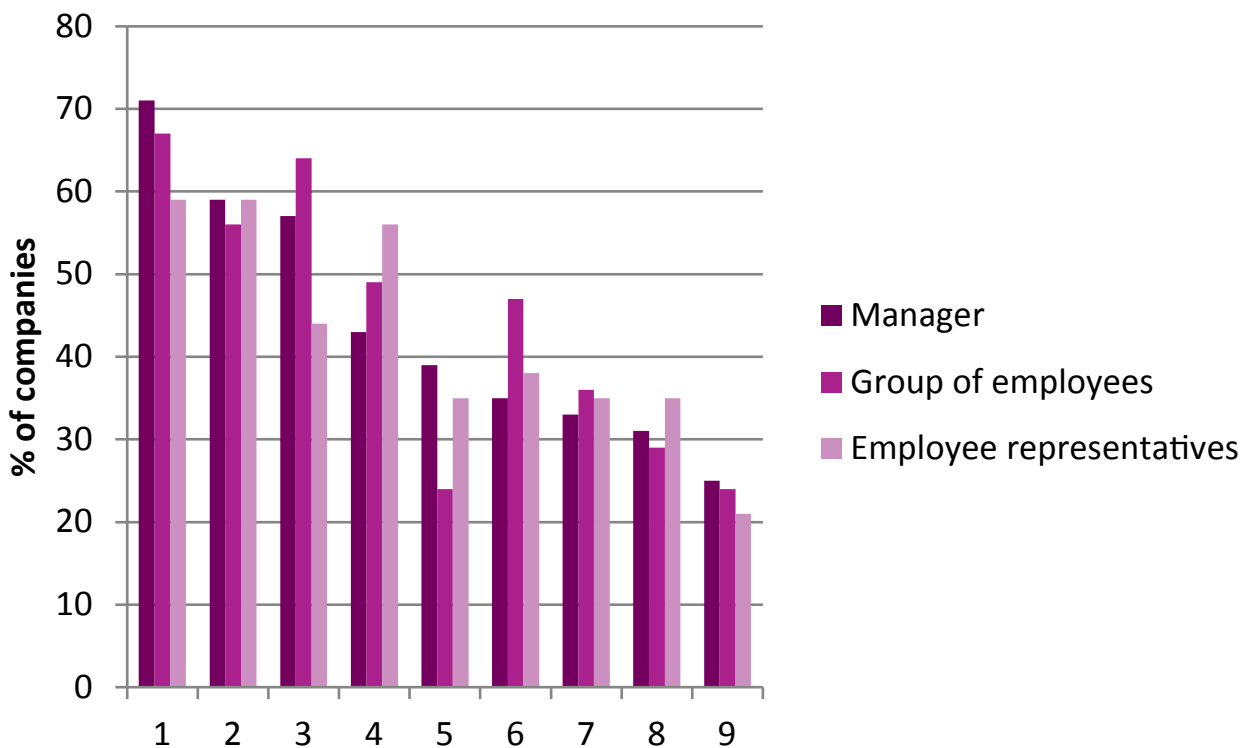
Note: *x-axis legend: 1 – Learning opportunities; 2 – Voice, participation; 3 – Challenging, active jobs; 4 – Healthy work; 5 – Job security; 6 – Flexibility; 7 – Good quality of jobs, autonomy; 8 – Good terms of employment; 9 – Work–life balance.*

Examples of impacts on employees

In terms of impacts of WPI from the perspective of 'employee interests', the most important outcomes were enhanced learning opportunities, greater voice or participation, and challenging and active jobs (Figure 9). Work–life balance received a significantly low score for all three actors, with fewer than one-third of the interviewees citing this impact.

Learning opportunities

BG-ENER-GAS-S launched a Knowledge Management System to enable knowledge sharing and information gathering. This programme is internet based, giving employees easy access to all of the resources.

Voice and participation

ES-SCI-WORK-L initiated WPI practices that focus on employee participation. First, the company ensured a continuous information flow by establishing a system to inform employees about changes and future perspectives of the company. Second, intranet and social media were used to ensure that everyone is informed and can give feedback and suggestions.

Challenging and active jobs

DK-ART-MUSEUM-S developed a new work organisation that supports autonomy and facilitates development opportunities for the museum hosts ('Good hosting project'), making them feel more valued and an integral and active part of the museum's experience. Training was given and new 'work codes' were formulated on how to greet guests, which products to sell, and how to inspire guests to explore the exhibitions and other facilities.

Good terms of employment

EL-SERV-RETAIL-S's Health and Wellness programmes improved terms of employment by providing various benefits to all employees. These included computerised programmes on healthy living, visits to dieticians and reimbursements for fitness programmes.

Figure 10: Impacts on employee representative or union interests (%)
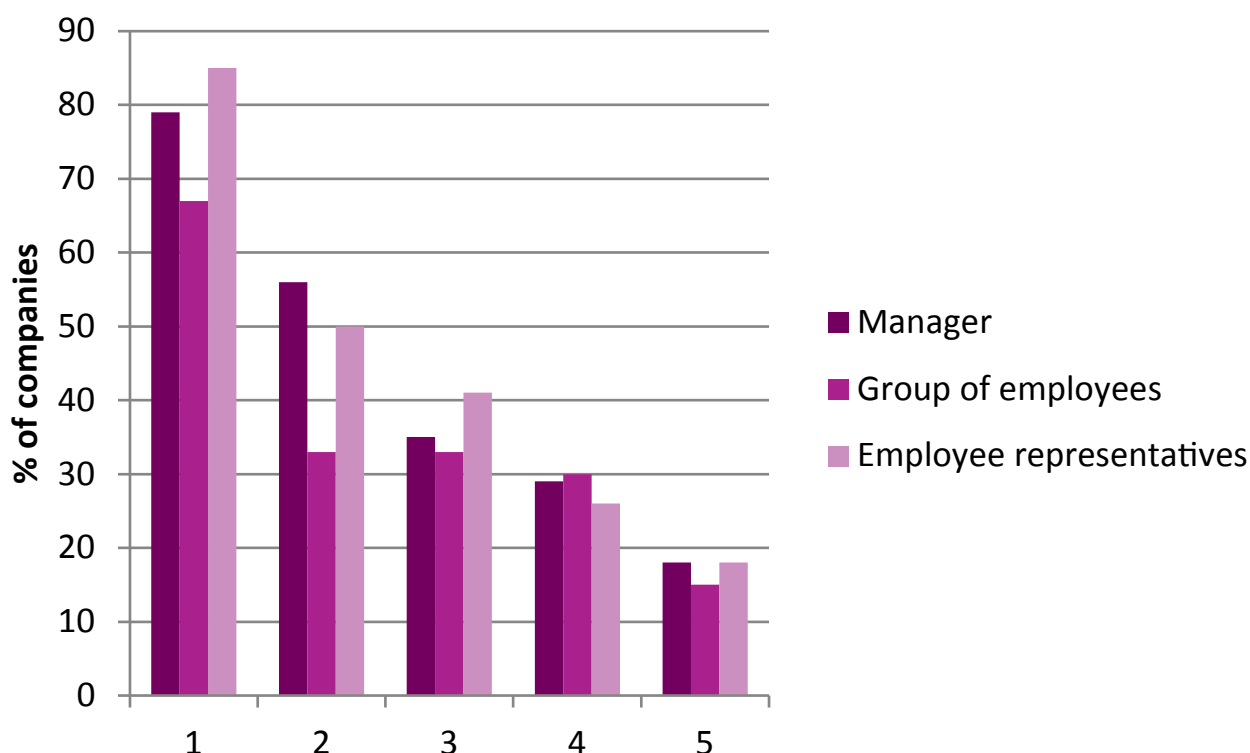
Note: *x-axis legend: 1 – Employee voice; 2 – Sustainable organisation; 3 – Equality, fairness; 4 – Job security/income security; 5 – Union membership.*

Examples of impacts for employee representatives

Finally, looking at the impacts of WPI from the perspective of 'employee representative or union interests' (based on a lower number of respondents – that is, only the companies with employee representatives present), the most important impact cited was employee voice (Figure 10). Job and income security seemed much less important.

Employee voice

EL-SERV-RETAIL-S adopted a performance management and employee development approach that enabled employees to express their opinions and needs. The well-developed '5 Conversations Framework' initiative allowed employees to engage in a clear and candid conversation, during which they could give and receive feedback.

Sustainable organisation

DK-SERV-JOURNAL-S is an example of how knowledge- sharing and employee participation can prevent organisational vulnerability. 'Helicopter meetings' were focused on future topics, such as employment policies and priorities in the collective agreements. These meetings were extensions of the participatory culture, whereby employees, management and politicians discussed how they could develop the organisation in the future.

Implementation process

Companies adopt and implement WPI in their own specific way. Three examples – from the UK, Denmark and Lithuania – give a flavour of cultural differences. The UK example shows how leadership enables employee participation, while the Danish example reflects a stepwise approach that was agreed with unions. The Lithuanian case exemplifies the fostering of dialogue between management and employees, which is relatively new to the region.

Examples of the implementation process

Leadership

UK-ENER-ELEC-L's head of HR describes the company's philosophy as follows: 'We want this to be a business where views are listened to and where communications are open and honest. We also want this to be a workplace where positive ideas are encouraged and where achievements are celebrated.' Open Forums have replaced the previous company-wide meetings and suggestion schemes that had struggled to stimulate open and constructive dialogue and feedback. The CEO's open leadership has created trust and employees feel confident about the

future. According to one employee: 'It is interesting isn't it – you go to the Open Forums and people will say what they think and absolutely nobody will turn round and go "I can't believe he said that"... They might not agree with you but nobody will actually knock anyone for having a view because we are encouraged to have a view. That's really empowering I think.'

Partnership with unions

DK-SERV-PARK-S allows for discussion of organisational changes between the manager and the union representatives. They have a partnership and value each other's opinions. The manager explains: 'It is nice to have representatives who are not afraid to step up against me in a constructive dialogue.' The implementation approach involves the following steps: 1) management takes the initiative; 2) external consultants support the process; 3) 'experiments' are conducted (for example, a work gang tests new meeting practices); 4) an 'invitation' to the same knowledge is issued for all (training); and 5) the practices are implemented, but not necessarily in the same way everywhere. No evaluation has been conducted, but adjustments have been made along the way. Both management and employees believe that it is important to design the process in a manner that creates 'enthusiasts' among the employees.

The union representative explains: 'It gives a huge boost to the company that we work together to create a great workplace. ... That is what made us "The Best Workplace" (a Danish award) in 2004.' The employees believe that, even though management determines the direction, they must have trust to be able to discuss it. According to one employee: 'It should be perfectly legal to say our outspoken opinion to our manager – and it is. There may well be disagreement, but you have to be able to discuss things.'

Dialogue with personnel

LT-ACCOM-HOTELS-S adopted the WPI practice 'Think Guest Feedback', which consists of regular middle management meetings. At these meetings, middle managers from all departments (front office, reservations, conference hall, lobby, restaurant, room service, marketing and others) regularly meet and review hotel ratings on dedicated social media platforms. They discuss particular guest feedback cases and joint actions that could improve guest experiences (and feedback as a result). Together, they brainstorm ways in which guest feedback could be stimulated and collectively addressed, relay important information back to their department teams for further action, produce minutes of their observations, offer recommendations to top management on improvement of various hotel operational aspects, and share experiences with each other. Think Guest Feedback involves, for example, prompt reaction to guest feedback (especially when negative) before guests leave the hotel, and constant organisational learning from any mistakes made. It implies staff empowerment – not only through enabling them to solve emerging problems straight away,

but also by making each member of staff feel like owners of the business and encouraging them to be proactive in preventing negative guest experiences. Mutual trust, goodwill and respect across departments (not to solve one's own issues at another's cost) and among all levels of organisational management are encouraged. According to the Director General, the initiative is still very new, but after a few months it is already showing benefits.

These examples show differences in the interplay between management, employees and their representatives. However, they are similar in the sense that cooperation between actors is fundamental to improving the business.

Observations

Pattern and agreement

Two striking observations stand out. First, companies that introduce WPI seem to follow a pattern starting with economic goals as the main motive for introducing WPI, but quickly involving employees and employee representatives in the further design and development of such a practice. Such companies seem to understand the importance of the role of employees. The consequence of this is not only the achievement of economic goals, but also more employee engagement and often a better quality of working life as well. Those who introduce workplace innovations in a company generally align themselves with employee interests. It can be assumed that such patterns are much less prevalent in the low-ranking WPI Index score companies that were not investigated. Second, there is agreement among managers, employees and employee representatives on WPI motives, leverage factors and impacts for various internal agents.

While motives for introducing WPI are primarily economic (and there is agreement on that) its success is not always guaranteed. The companies participating in the study agreed that the most important prominent leverage factors for a successful implementation of the WPI practices are: employee involvement; the commitment of top management; and leadership.

From an organisation point of view, the impacts of WPI practices implemented in a company are employee engagement, sustainability and high performance. Implementation of WPI practices does have an impact on employees themselves, since itenables them to acquire more learning opportunities, offers possibilities to participate actively in the workplace and have more challenging jobs. Employee representatives feel that – through the new practices – employees' voice becomes more important, as does the long-term sustainability of the organisation and equality and fairness.

These findings are very much in line with previous Eurofound research on innovations in work organisation (Eurofound, 2012). The key finding of the Eurofound report highlights: first, that there are external forces that drive the improvement of performance; second, that it is management who take the initiative to innovate in the work organisation; and third, that the involvement of employees follows quickly. In short, a top-down initiative is soon matched with bottom-up input for adopting and implementing work organisation improvements, as employees are involved in working groups. The results outlined in this report corroborate this.[40]

More commonalities than differences

Thus far, there seems to be considerable agreement between managers, employees and employee representatives. The fact that there is a great deal of agreement across the companies is partly due to the fact that the 51 cases are selected from companies with high WPI Index scores. Nonetheless, in trying to assess differences between cases with substantial WPI practices and cases with the lowest scores regarding the presence of WPI, both groups were compared in terms of contextual factors, motives, adoption and implementation methods, and impacts from the manager perspective (for the organisation, managers, employees and employee representatives).[41] This comparison indicated that the substantial and non-substantial WPI companies did not differ greatly in a significant way. Moreover, employees, employee representatives and managers from both types of companies had similar views on the reasons and motives for WPI and the leverage factors and impacts of WPI.

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[40] Market forces or external circumstances prompt these companies to choose WPI. The actual implementation of WPI requires a number of stakeholders. Unfortunately, this report could not establish what the situation is for companies with 'low' WPI-Index scores, because differences could not be compared within the ECS 2013 data.

[41] No differences were found for 'contextual factors' such as company size and type of products/services (separately comparing standard products and custom-made products). The only difference in the 'motives of actors' was for work–life balance. This was a motive more often for companies with non-substantial WPI practices. Within the category of 'adoption and implementation', the same group of companies saw top management commitment more often as a leverage factor. Finally, 'the impacts of WPI from the perspective of managers' interests' were checked. In terms of impacts, three differences between groups were identified. Two of those differences were that the group with a substantial WPI presence had a lower impact score for greater sustainability of the organisation (as the most important impact for the management/employer), and for work–life balance (as the most important impact for employees). The group with a substantial WPI presence had a higher impact score for employee voice (as the most important impact for employee representatives). It could be assumed that managers in companies with a higher WPI presence, compared with those with a lower WPI presence, have a different view about what is really important in terms of impact. This needs more investigation in the future (chi-square and Mann-Whitney statistics were applied. Results are presented in Table A2.15 in the Technical annex).

CHAPTER 5

Results, conclusions and policy pointers

Results, conclusions and policy pointers

This chapter begins with a summary of the results of the study and a reflection on those results. An integral answer to the five research questions is provided. This is followed by the conclusions, including a reflection on the study design and its practical value, as well as its links with previous and future Eurofound research. Finally, policy pointers are set out.

The five central questions that have been answered in a comprehensive manner in this report are as follows.

- What kind of organisations and context are researched? (Introduction and Chapter 1)
- What types of WPI are observed? (Chapters 1, 2 and 3)
- What are the main motivations and drivers for WPI? (Chapter 4)
- What is the method of adoption and implementation of WPI? (Chapter 4)
- What is the impact of WPI? (Chapter 4)

A blended sample of 51 companies was researched, all of which scored relatively highly on the WPI Index score based on the ECS 2013 dataset. Coming from different industrial sectors and varying in size, their locations range in geographical region, covering 10 EU Member States. Some of the organisations are doing quite well, while others face economically difficult times. Some are confronted with austerity measures and restructuring, while others have room for investment and growth. Regardless, all of these organisations chose to implement WPI practices to improve their performance, the quality of jobs, or both.

Types of WPI

WPI is a practice or combination of practices that structurally (in terms of division of labour) and/or culturally (in terms of employee empowerment) enables employees to participate in organisational change and renewal so as to improve the quality of working life and organisational performance.

All companies combine practices and in doing so appear to reflect 'bundling'. However, this does not mean that there is a coherent 'programme'. There are cases where a company develops practices step by step over a period of years, reflecting their management model and the level of maturity of WPI. This can be regarded as an implicit strategy of the company.

However, not all practices are WPI according to this working definition. Slightly more than half of the practices are those with a WPI-structure orientation, practices with a WPI-culture orientation or a mixture combining elements of both. A significant share of practices is strictly HR related or of another kind (such as 'lean' practices).

The combinations that companies develop do not seem to show any coherent structure. The 51 cases implemented 168 practices. Almost all cases combine WPI practices with HR practices.

Five types of practices could be distinguished:

- WPI practices with a structure orientation (14%);
- WPI practices with a culture orientation (20%);
- mixed practices that combine elements of both (19%);
- HR-related practices (39%);
- 'other' practices (8%).

WPI-structure practices include, for example, job, task and organisation redesign measures that often enhance the autonomy of employees. WPI-culture practices include dialogue and participatory and communication measures that often enhance the engagement of employees and employee representatives. HR-related practices include personnel recruitment, training, competency development, performance appraisal, working conditions, remuneration, flexibility, and health, risk and safety measures. 'Other' interventions are related, for example, to IT systems or technology, lean production and lean management practices.

It can be stated that HPWPs partly cover the WPI 'structure', 'culture' or 'mixed' practices and the HR practices. WPI practices differ from HPWPs in that the latter include 'traditional' HR systems, while the former include production systems.[42]

Implicit strategies for WPI

Using the research technique of fsQCA, five implicit strategies were defined for arriving at a certain level of WPI – that is, 'substantial WPI'. The term 'implicit strategy' is used to indicate that this, while not a completely deliberate strategy, is nevertheless an organisational choice to involve employees in organisational decision-making. Each implicit strategy combines characteristics of the organisation. However, every strategy is a specific path. A path is a combination of variables, characterising a company, that together lead to WPI. But this does not mean that there is only one way to become a substantial WPI company. Companies can develop their own trajectories, knowing that some paths are more likely to be successful than others. The variety that is observed implies that it is not possible to easily plan the desired impact or to easily copy another company's success (Helfat et al, 2007). The successful paths or solutions are as follows.

Top-guided WPI (Path 1)

The organisations that follow this path have a WPI initiative that comes from top management. However, these top-guided initiatives are accompanied by participatory implementation and support from employees. Moreover, these cases reflect innovative behaviours on the part of employees.

Autonomy-driven WPI (Path 2)

This configurational path brings together companies that – in order to secure their future, survive or restructure – use their organisational autonomy to develop WPI practices. At the same time, there is considerable autonomy for employees and space to participate. These companies' first concern is to ensure their future existence, rather than having an organisational model that pursues best quality of performance or quality of working life.

Integral WPI (Path 3)

WPI practices in this configuration are initiated bottom-up with the help of employees, providing employees with possibilities for innovative behaviour. The organisation has decision latitude to make its own choices and has a preference for limiting the division of labour. It integrates structural and behavioural elements. In Path 2, management takes the initiative to secure the company's future. In Path 3, there is participation by employees right from the start.

Employee-driven WPI (Path 4)

In this solution, WPI is initiated bottom-up to a significant extent and implemented in a participatory manner. While the organisation has decision latitude to make its own choices, it also gives employees the chance to participate in developing the organisational model.

Innovative behavioural driven WPI (Path 5)

Companies choosing this WPI path show a preference for limiting the division of labour and for enabling employees to perform innovative behaviour. However, employees do not play a role in developing the organisation's model.

This research shows that certain combinations of practices enhance the presence of substantial WPI, while others do not guarantee success. This implies that there are more routes to WPI and that companies do have room to make their own strategic choices. A common feature of the paths examined, however, is that the role of employees should be substantial if WPI practices are to be introduced.

Reasons, drivers and impacts

To determine why companies introduced WPI practices, a distinction was made between two drivers or targets – namely, to improve the quality of performance of the organisation or to improve the quality of working life and employee engagement. There proved to be a third category as well, which combined both drivers. Although economic reasons drove the decision to introduce WPI, most practices (69%) target both goals: enhancing company performance and improving quality of working life. The remaining practices are approximately equally divided between those that focus on quality of working life (18%) and those that address quality of performance (14%).

As a consequence, economic goals are achieved along with greater employee engagement and often a better quality of working life. Workplace innovators seem to naturally align themselves with employee interests, and there is agreement among managers, employees and employee representatives on what has priority and what is less important.

Comparing the drivers, there is no difference between WPI practices and HR practices. Interestingly, the HPWP literature reports on the dominance of organisational performance goals as drivers. It is possible that this sample of relatively high WPI

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[42]   For the sake of readability, this report refers throughout to WPI practices that encompass all types of measures, unless indicated otherwise.

companies differs from most companies researched in that stream. Although the category of 'other' practices is very small, it seems to be more directed at organisational performance than quality of working life.

Returning to the five paths to WPI mentioned above, all companies in these paths applied more than one WPI practice, often a combination of structure oriented, culture oriented and HR measures. This may indicate the relevance of 'bundling' measures, as is proposed in the HPWP literature. No conclusions about combinations of WPI practices can be drawn as there is a considerable variety of WPI practices within paths.

Returning to the complete sample of 51 cases to summarise reasons, motives, leverage factors and impacts of WPI, the opinions of managers, employees and employee representatives were compared and much agreement was reported.

Reasons

Although companies did choose varying paths to substantial WPI, the reasons why they initiate WPI conversely reflected much commonality. There was a predominance of economic-oriented motives. However, many companies understand that achieving economic goals largely depends on the role played by employees. In this sense, from the viewpoint of the organisation as a whole, the most prominent general motives for initiating a WPI implementation were improving efficiency, gaining competitive advantage and enhancing innovative capability.

The investigation of motives was also approached in terms of possibly desired impacts for management, employees and employee representatives. The analysis showed that motives for WPI implementation from both the managers' and employees' perspectives overlap, also resembling the general reasons for initiating WPI. The three most salient motives were: economic and business goals; learning and development opportunities; and performance.

Motives related to quality of organisational performance were regarded as more important than those related to quality of working life, according to all three actor groups.

Leverage factors

Leverage factors are actions, measures or means that drive the successful implementation of WPI practices. The most significant three leverage factors for WPI implementation were: employee involvement; the commitment of top management; and, at a distance, leadership or the involvement of a powerful

person. Again, these factors were reported by all three groups of interviewees. While reasons and motives to initiate WPI point to business-related arguments, employee involvement seems an essential condition when it comes to adoption and implementation.

Impacts

Impacts of WPI practices, like drivers, can be divided into effects upon organisational performance and benefits for employees. Four types of impacts were examined: for the organisation; upon management; upon employees; and on employee representatives.

For the organisation (according to managers, employees and employee representatives), employee engagement was the most significant impact of WPI. This was followed by long-term sustainability and, at some distance, high performance, better customer/client focus, efficiency and profitability. For employee representatives, notable impacts were also the establishment of good work and more positive employment relations. Perhaps surprisingly employees ranked establishing good work lower than efficiency, profitability and high performance.

The most significant impacts of WPI from the perspective of managers' interests were efficiency and sustainability. From the perspective of employee interests, learning opportunities, voice/participation, and challenging and active jobs ranked highest as impacts. With regard to employee representatives and union interests, employee voice was the most significant WPI impact.

Process of initiation, adoption and implementation

Looking at how WPI practices get implemented, the research reveals a common pattern (Figure 11). As described above, companies chose paths that differ. However, within companies, there is agreement among managers, employees and employee representatives about why to introduce WPI, how to do it and what impacts are desired. The research suggests, as indicated previously, that often the initiative for WPI lies with management. Once this decision is made, employees join in to help design and implement the intervention. Consulting employee representatives is common among the companies favouring communication and employee interests.

Figure 11: Pattern of implementing WPI practices
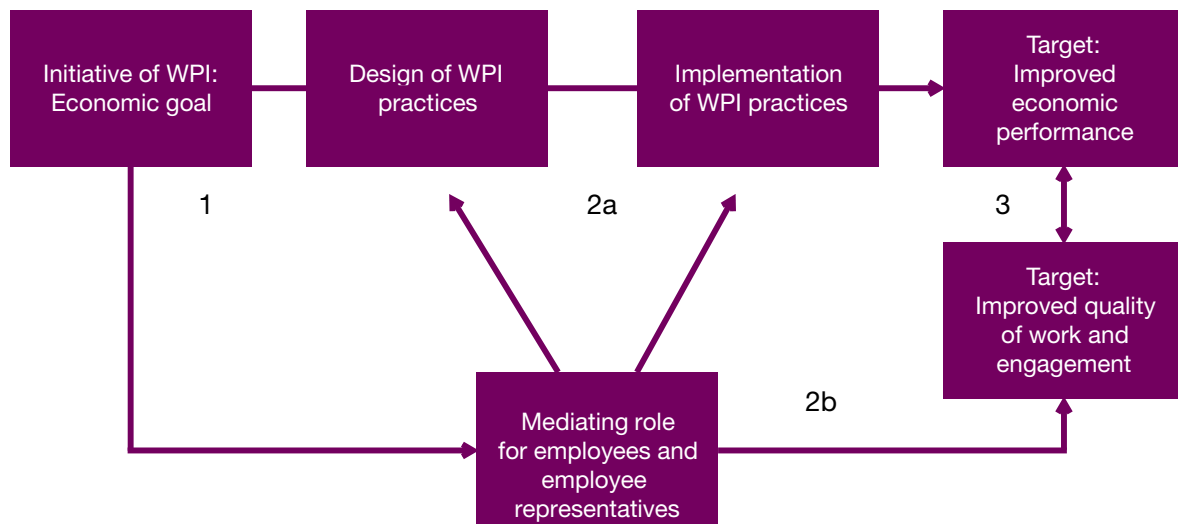
The initiative for WPI often has an economic purpose (see 1 in Figure 11), although in many cases WPI practices are not purely targeted at economic goals alone. Often, they are combined with or embedded in organisational, job and HR-related measures. Many WPI practices are a combination of HR-related measures that, on the one hand, may improve employee skills and competences and, on the other hand, consist of appraisal and performance instruments. In short, where WPI practices are aimed at more than one goal, there is almost always an economic purpose and very often it is dominant.

Once the WPI initiative is formulated as a measure or set of measures, employees – and often employee representatives – play an important role in (co-)designing and developing the WPI practice and its implementation (see 2a in Figure 11). Management realises it is often impossible to get WPI implemented without the engagement of employees – first, because the measure often deals with employees and their interests and, secondly, because management realises that employee participation is crucial for support and success. As employee participation in the design and implementation phase is inescapably connected to employee engagement and possibly to improved quality of working life (as a result), there is an immediate link with goals that are favourable to employees (see 2b in Figure 11).

The goal of improved economic performance is often not a direct effect of the implemented WPI practice, but in most cases is influenced and supported ('mediated') by employees and employee representatives. When economic targets are achieved, they may well coincide with the goal of improved quality of working life and employee engagement. Similarly, an improved quality of working life and employee engagement can also fulfil the goals of improved economic outcomes (see 3 in Figure 11).

Therefore, it can be concluded that (initial) reasons and motives for introducing WPI are mainly economic. Then, as a next phase, concrete WPI practices are designed and implemented; here, it becomes apparent that employees get to play a major role. The most significant leverage factor for adoption and implementation is employee involvement. Once again, managers, employees and employee representatives seem to share a similar outlook. Other significant leverage factors are commitment and leadership on the part of top management.

Given that economic goals trigger the initiation of WPI and that employee involvement is a key factor in its introduction WPI, it is interesting to see how much agreement emerges when looking at the impacts upon the organisation and on the interests of managers, employees and employee representatives. All three actors share the following opinions:

- employee engagement, longer-term sustainability and high performance are the most significant impacts for the organisation;
- efficiency, greater sustainability and greater competitiveness are the most significant impacts for managers;
- learning opportunities, greater voice and participation, and challenging and active jobs are the most significant impacts for employees;
- employee voice is the most significant impact for employee representatives.

Therefore, in the process of introducing WPI practices, in many instances, the eventual impacts improve economic performance, employee engagement and quality of working life.

Conclusions

Reflection on study

Application of QCA

WPI is a complex and multifaceted topic and therefore suitable to explore through case studies. Little is known about what exactly constitutes WPI, which makes QCA suitable for enhancing understanding of this practice and for identifying cues for further theorising on the topic. QCA has proven to be a useful method for exploring complex issues for which linear methods may be less appropriate. There are different routes to 'substantial WPI', a notion which fits in with everyday experience that innovation is intricate and that no unique recipe exists.

The study revealed several 'roads to WPI', but there will undoubtedly be more roads towards innovating workplaces. In this regard, the research is not conclusive; indeed, this was never the intention. More WPI practices and varying configurations of causal conditions as well as types of WPI may be revealed. A problem with HPWP research is the indeterminacy of what bundles of measures lead to desired outcomes and which do not. This study does not provide a decisive answer but has been helpful in identifying a certain pattern towards WPI. Successful paths seem to start with management setting a clear target – often improved economic performance – and then continue with management allowing employees and often employee representatives to play a significant role in further designing and implementing the WPI practices. Quite unexpectedly, the study made clear that WPI companies show a notable level of agreement between management, employees and employee representatives on motives and leverage factors for introducing WPI and its impacts.

Aligning interests between management and employees; WPI-structure and culture

The assumption deduced from this practice is that favourable attitudes on the part of management towards cooperation with employees and their representatives encourage a culture of consensus and conflict limitation. In one Spanish case, there were cross-cutting policies and lay-offs that were acceptable to union representatives because the company was in an open, constructive and honest dialogue with them; this provided them with a voice about the company's and the employees' future. In this case, empowerment was neither merely 'rhetorical' (Herriot, 2001) nor 'fake' (Boxall and Macky, 2014). Restoring the employment relationship as a social relationship, instead of limiting it to an economic exchange relation, would imply a major change for many companies that are immersed in the capital yield economy of today (see, for example, Stacey, 2010). Follow-up studies could investigate how seemingly contradictory motives between management and employees can lead to synergetic solutions that benefit all parties, as a basic ingredient for the process of initiating and introducing WPI practices.

This implies, for the theoretical notion of supporting cooperation between management and employees on the basis of equality, that WPI-structure orientation makes sense in terms of optimising control capacity and voice in decision-making, as does WPI-culture orientation in terms of enabling the involvement of employees.

Critical reflection

The study deployed interviewers and researchers from different parts of Europe, indispensable when researching content, language and culture in local situations with local expertise. A critical reflection could be made as well. In all the cases, interviewers and representatives of the companies answered from their own perspective – that is, interviewers from the same countries share the same cultural and national background. This could mean firstly that all interviewers are aware of the fact that the subset of their national cases belongs to top WPI cases in their country. Secondly, it could mean that the evaluation 'within cases' (per country) shows limited variety, because interviewers study a rather homogeneous sub-sample with a rather similar 'mindset'. There should be caution that, in theory, it is possible that cases from lesser developed economies are evaluated relatively more positively because: a) interviewers may differ in how they assess practices as innovative or not; and b) certain WPI practices may indicate a substantial step forward in country A, but only a relatively modest step in country B.

The companies in the sample differ in terms of the level of maturity of WPI , despite the fact that they all fall into an ECS group of companies with a relatively high WPI Index score. In many cases, the continental and western European cases have a relatively high level of maturity of WPI, because they have had WPI measures in place for a longer period. This could mean that recent measures taken do not show much difference among the cases in the whole dataset. Advanced companies may not show much progress since they are already quite mature, while less advanced companies may make considerable progress as there is still significant room for improvement. This could lead to a convergence of WPI levels.

As the focus of the study was on companies, institutional factors such as the role of government and social partners (for example, employer organisations, unions, peak/sector organisations), the labour market situation and the economic crisis were not included – although these do have an effect on the behaviour of organisations regarding WPI.

Given the limited number of cases, it was not a goal to test theory or models, or to test relations between variables (such as inputs with outputs). However, saying this does not detract from the present study because its goal was to explore and describe why and how WPI practices were implemented (Yin, 2009).

Validity of research model

The basic research model (see Introduction and Chapter 2) identified contextual factors as organisational characteristics, motivations and leverage factors for adopting and implementing WPI, types of WPI practices, and impacts or outcomes for the organisation and for employees. The QCA did not reveal conclusive results about dominant factors, and there were no necessary or sufficient conditions identified. Organisations thus have a degree of choice. The overall analysis of the 51 cases indicated that economic goals were the main initiating factors and that employee involvement was a major leverage factor for achieving employee engagement, sustainability and high performance. In that sense, the basic model proved to be valid.

Link to theory and consequences

The results of the study are in line with other research and with policy goals and assumptions regarding WPI. The sample of 51 companies consists of organisations that scored high on the WPI Index score. They are relatively WPI-mature compared with other companies in the ECS 2013 dataset, from which these 51 cases were drawn. Almost every company has implemented more than one WPI practice and HR measure, combining practices into bundles. Although no conclusions can be drawn about the composition of such bundles, companies often seem to have implemented WPI-structure and WPI-culture practices in a mixed way, either with or without HR measures. The research elected not to look at structural practices related to production systems: examining production system practices would require on-site observation techniques and interviewing of technical and line managers, approaches not within the scope of the present study. Nonetheless, some examples were mentioned of organisational redesign, restructuring and reorganising of work processes – through the introduction of interdisciplinary teamwork – which seemed to significantly enable employee autonomy and learning opportunities. These are indications that the production system angle, as a part of WPI-structure, is a valid supplementation of the concept of WPI. A consequence for future research would be to include root cause analysis (MacDuffie, 1997) of how production systems may affect employee autonomy and the quality of working life. A consequence for policymakers might be that efforts to encourage WPI should also take into consideration the relevance of innovation and change in production systems. This line of thought goes back to the European Commission's initiative for 'new forms of work organisation', mentioned in Chapter 1.

The notion that HPWP literature on its own gives an incomplete picture of WPI practices has implications for future research and models of WPI. A more complete picture could be arrived at by combining production systems research with (or within) the tradition of HPWP research. It can be assumed that management preference for certain organisational models and 'management philosophies' has associations with the choice and implementation of production systems and with the related outcomes for structural and cultural aspects of the organisation.

Connecting different approaches – multi-method approach

In order to better understand why and how companies adopt WPI practices and to understand the practices themselves and their outcomes, different approaches were applied. First, QCA informs about contextual factors, features of WPI practices and their implementation. Second, case descriptions clarify the route from economic goals, through employee involvement, to their engagement with improved company performance and working life. Third, theory sheds light on the cultural and structural aspects of WPI. Fourth, analysis of practices themselves shows that they benefit the company as well as employees. It is important to mention that this multi-method approach is not only complementary, it also leads towards the same finding – that is, regarding the synergy between employees and management and how this synergy improves company culture, structure and overall performance.

Reflection on practical value

It follows from the study that companies and employees both benefit from close cooperation between management, employees and employee representatives. The practical consequences are therefore quite straightforward. Building control capacity and decision latitude into jobs and functions to co-determine WPI practices is an important condition. Enabling cooperation through dialogue and communication, whereby opinions are discussed and weighed so that the best options are selected, is highly relevant as well. The picture regarding the general pattern of how WPI practices are introduced could be converted into a manual or tool for practitioners.

Previous and future Eurofound research

The present research fits in with the Eurofound tradition of paying attention to work organisation and its relation to employees' working conditions. The findings are more or less in line with the results of the Eurofound study on work organisation and innovation, although that study placed a stronger emphasis on HPWPs (Eurofound, 2012). In particular, the mechanisms for introducing WPIs reflect significant similarities. Another recent study on the ECS 2013 data (Eurofound, 2015) also shows similarities with the results of this study – especially in terms of employee participation being favourable to establishment performance and workplace well-being for employees. That study also indicates that successful companies

apply bundles of HR-related practices. The current study presents a new aspect to this research in three ways: 1) by unveiling implicit strategic paths of companies towards WPI; 2) by seeking to unravel parts of the process of initiating, designing and implementing WPI practices; and 3) by trying to differentiate WPI practices from HR practices. The theoretical notions of the WPI-structure orientation and the WPI-culture orientation proved useful as well. Future waves of the ECS could consider incorporating these topics.

Future studies could test the results from the present study. First, more paths could be laid bare – for example, within separate countries or regions. Second, vignette studies could be undertaken on the known motives, leverage factors and impacts. Third, statistical relations between the applied variables could be researched with larger datasets. Using cluster analysis and factor analysis could reduce the data, resulting in clearer patterns.

Overall conclusion

From the research, a number of general conclusions emerge as follows.

The initiative to start WPI practices comes from the management or ownership of the company. In only a minority of the companies studied does this first step originate from the employee side.

These managers or owners understand that the role and participation of the employees and their representatives is crucial for the success of WPI and for the company's performance and sustainability.

Management decides to implement WPI practices mainly for reasons of efficiency, competitiveness and enhancing innovation. In a number of cases, the management decision to implement WPI has been triggered by such factors as:

- a situation of crisis or difficulty in the company's performance that requires significant changes if the company is to survive and remain competitive in a changing and globalised market;
- a takeover by (or merger with) another (multinational) company, which brings in new forms of work organisation and new work practices or systems that involve WPI, resulting in a kind of 'WPI know-how transfer'.

In several of the central and eastern European case studies, the privatisation of public enterprises and the associated reorganisation processes have served as a background to the implementation of WPI, with companies seeking greater efficiency and employee involvement than before.

Factors related to job quality and good working conditions do not appear as primary reasons or motivation for introducing WPI, but more as pre-conditions for, or results of, its implementation.

This means that the objective of introducing WPI is not to improve working conditions or the working environment as such; however, in order to enhance employee involvement and their contribution to the company's performance and processes of innovation, a good set of working conditions is required (although the monetary aspects of this, such as higher wages and variable pay, are seldom mentioned in the cases studied).

The results are in line with economic research highlighting that 'organisation matters' for performance (Bloom and van Reenen, 2010) and with research into HPWPs, which largely comes to the same conclusion.

It seems to make the emergence of WPI more likely if the position of employees and employee representatives is strengthened: this can help boost WPI practices, which in turn may improve both economic performance and quality of working life.

WPI is supported by all actors in the companies – that is, managers, employees and employee representatives.

Policy pointers

WPI has gained currency in Europe in terms of boosting the innovative capability of companies and organisations. This capability can contribute to economic growth, high-quality employment, adaptive capabilities and improved employment relationships. Improvement and innovation can no longer be built solely on economic and technological innovation: better use should be made of the human potential to innovate – that is, of social innovation in the workplace (European Commission, 2014).

The main policy pointers for the present and the near future can be defined as follows.

Define European WPI policy agenda: A WPI policy agenda could be defined at European level as part of the EUWIN initiative to foster and guide actions by governments and social partners with the purpose of increasing the implementation of WPI practices within enterprises. Such efforts should be continued.

Raise awareness: Through the communication channels of policy, industrial sectors, social partners, business communities, and knowledge and consultancy institutions, greater awareness should be raised about the opportunities that WPI offers. Disseminating examples of good practices through, for example, ambassadors and business-to-business learning events could be of great assistance in helping companies understand the beneficial outcomes of WPI.

Launch sector-level initiatives: Approaches at sectoral level could be particularly interesting because the sector is a

domain where companies have a clear sense of belonging. In this sense, cluster organisations could play an influential role.

Improve business assistance programmes: There should be an analysis conducted of how existing public programmes to assist business activity could be improved to increase awareness of the benefits of WPI and support its uptake by companies.

Communicate benefits of WPI: Communication materials (such as brochures, factsheets, websites, newsletters) could be produced to facilitate information and education on the issue. In addition, training programmes addressed both to employers and employees would help to increase their engagement in these types of practices. It would be helpful if both management and employees realised there was room for choice. If actors define common objectives, it strengthens relational bonding, leading to mutually beneficial outcomes.

Formalise concept of WPI: Discussion and research should be encouraged to formalise the concept of WPI, its dimensions, and constituent elements and drivers. Measures and indicators of WPI should be developed as well to monitor development and adoption. In particular, research on the motivation and incentives for companies to implement WPI practices should be developed, along with policy approaches for acting on them.

Develop tools for companies: Diagnostic tools should be developed for companies to assess their practices regarding WPI and to obtain recommendations on how to take future steps towards more substantial practices. In addition, tools should be developed to measure the impacts and outcomes of actions taken in terms of productivity gains, innovation initiatives, results and workplace climate, among others.

Integrate WPIs with EU-level initiatives: The integration of WPIs should be encouraged in relation to how innovation in general is being promoted (for example, the Flagship Initiative Innovation Union, Europe 2020, Horizon 2020).

Introduce WPI in national and regional initiatives: At national and regional level, WPI concepts should be introduced within programmes to support innovation activities in companies and to limit the consequences of the economic crisis in companies. Particularly for SMEs, WPI practices can help to strengthen and formalise organisation patterns and restructuring, thus fostering more efficient management.

Create cooperation between business and management education: Businesses and organisations delivering management courses should come together to stimulate the topic of WPI as part of accredited education programmes in management, business, HR and (work and organisational) social sciences. Moreover, WPI contents (work organisation and innovation issues) could be introduced in the curricula of vocational training centres. In this way, both future managers and workers would be familiar with practices that will contribute to better company performance and better workplace quality.

Encourage employee participation: EU Member States should be encouraged to increase employee participation and employee representation, as they are beneficial for business and quality of working life. These issues should be introduced within social dialogue at national and European level so that social partners include elements related to WPI in collective agreements.

Boost research on WPI: Research on WPI should be encouraged to facilitate greater progress towards substantial WPI for sectors, occupational professions and SMEs. This is crucial, since the closer the WPI practices match the company's specific characteristics, such as activity and size, the greater the possibility of WPI being adopted successfully.

With regard to research topics, the relation between WPI and production systems should be a feature, since production systems are a relevant root cause for outcomes at the level of quality of working life and organisational performance.

Develop human capital: The development of human capital is crucial for competitive advantage. Successful WPI companies developed employment relationships that have grown into engaged partnerships. This can be a lesson for policymakers, sector organisations and social partners.

Publicise benefits of WPI: The effects and returns on investment of WPI are somewhat intangible, indirect and difficult to quantify, making companies reluctant to introduce WPI. However, organisational, economic and other research is building up evidence of positive effects of WPI. It would be a disadvantage for companies not to take up WPI due to fear of high costs and short-term arguments. Entrepreneurship should be encouraged by pointing to results of successful companies.

Put WPI at centre of workplace social dialogue: WPI should be introduced as a core issue within workplace social dialogue at workplace or company level. This would help to restore the employment relationship as a social relationship that makes possible the conciliation of apparently contradictory motives between management and employees to achieve synergetic solutions from which all parties benefit.

Implications for policymaking

Public policy is multidimensional and includes regulatory measures that help to shape the workplace directly (for example, health and safety, employment law); indirect or contextual policy frameworks (such as vocational education); and proactive

interventions designed to stimulate change (ranging from fiscal incentives such as innovation grants, subsidies and tax breaks to knowledge creation and distribution measures such as action research, learning networks, management development programmes and knowledge banks). Crucially, policymakers should assess the extent to which each layer of intervention is aligned towards encouraging, resourcing or sustaining WPI, creating a system of mutually reinforcing regulations and incentives.

In addition, policy implications can be drawn from the experiences of EUWIN, the European Network on Workplace Innovation (EUWIN, undated). There is an urgent need for new thinking on how European and national policy can help to shape more productive and healthier workplaces through WPI in much of Europe.

As a starting point, governments and other stakeholders would do well to consider the creation of a 'Forum on the Workplace of the Future', with a strong focus on the contribution of worker participation, work organisation and job design in securing innovative, productive and healthy workplaces. Such a forum might: identify shared objectives that translate into actionable measures for all stakeholders; improve the quality of employment regulation and link it to the standard of work organisation, people management, inclusion and employee participation; and underline the importance of the fact that employment issues have consequences for the workplace, which should be reflected in government policy and regulations.

Forums could enlarge and sustain the process of dialogue on the future of work and organisations, harnessing research evidence and building a common language, which draws on diverse voices and the rich but separate strands of experience that need to come together to enable stakeholders to understand how to create workplaces for the future.

Finally, what does the variety of paths to WPI imply for policymaking? A common element seems to be the presence of the participatory role of employees in designing and implementing the WPI practice, along with dialogue with employee representatives regarding changes and the company's future. Policymaking could be directed at enhancing and ensuring this participation and dialogue. The presence of works councils and employee representatives differs across Europe. These are better developed in the continental and western (Denmark, Germany, Ireland, the Netherlands and the UK) and southern European countries (Greece and Spain), and less present in the central and eastern European countries (Bulgaria, Lithuania and Poland) that acquired EU membership more recently.

Another institutional element regarding participation and dialogue that could play a role is the collective labour agreement. Of course, this is first and foremost a matter for social partners within industrial sectors. Policymakers can stimulate interaction between social partners within industrial sectors, or across industrial sectors at national and European levels, through advisory bodies, committees and other forms of tripartite consultation related to work and organisation issues.

The concept of WPI rests on a capability approach to improve skills and human capital and to enhance the dynamic capabilities of organisations. Dynamic capability is the capacity of an organisation to purposefully create, extend or modify the resource base – that is, its tangible and intangible assets or resources – and consists of patterned and somewhat practised activity (Helfat et al, 2007). To deploy a set of WPI practices that provides an organisation with competitive advantage over others is such a dynamic capability. Policymaking can stimulate the ongoing emergence and development of (new) WPI practices by earmarking resources for national and European innovation programmes that go beyond technical innovation. Such programmes should not be solely dependent on market triggers or tax regulations to raise funding. Finland and Germany are among the favourable examples. However, in the Netherlands, for example, there is a debate involving the Ministry of Economic Affairs, which argues that innovation is a task of entrepreneurs, not of the governing bodies, unless there is an uneven playing field. The Ministry of Social Affairs and Employment contends that its role in enhancing human capabilities is restricted to persons with limited access to the labour market. The risk exists that WPI will not be implemented, on the one hand, markets give no incentive for investing in it and on the other, policymaking leaves it to the markets or the social partners. Researchers and advocates of WPI should gather more evidence that WPI is beneficial to quality of working life (and the capability of workers) s well as to the economic performance of organisations (and their dynamic capabilities). This has only just begun. However, if individuals are to remain active in the labour market, and if organisations are to remain economically competitive, action needs to precede proof, not only with regard to innovation but especially regarding social innovation and WPI, the benefits of which outweigh the costs.

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

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