



TOWARDS A WORK-ORIENTED INNOVATION STRATEGY IN EUROPE

Joint Guiding Paper

WORK-IN-NET consortium



WORK-IN-NET

Labour and innovation: Work-oriented innovations – a key to better employment, cohesion and competitiveness in a knowledge-intensive society



Executive Summary

High road work-life innovation strategies aim at overcoming the underutilisation of work organisation in Europe by identifying, developing and establishing positive correlations between rising work quality and organisational performance with enhanced innovation potentials in private and public organisations. By this, innovation processes are stimulated, resulting in product and service improvement with regard to neglected areas of social needs, environmental protection and basic infrastructures. New employment opportunities are created. This interrelation between high quality of work, rising innovative potentials and employment opportunities will be pushed forward by progressive social regulations and increasing corporate social responsibility as well as by the promotion of private and public investments through social and economic policies from national governments and the European Commission.

To realise these ambitious objectives, the manifold collections of good practice case studies have to be supplemented by regional and national programme activities which are supported and also directly managed by R&D financed by the European Commission, innovation and social programmes, initiatives and strategies producing leading-edge practice and sustainable change.

The WORK-IN-NET strategy offers opportunities for developing a system of knowledge creation, innovation management and diffusion processes by

- communication and cooperation of national protagonists supported by the joint establishment of electronic tools, thematic workshops and exchange of personnel;
- evaluation and benchmarking exercises of the management approaches of participating programmes to stimulate further learning processes;
- developing joint strategic approaches and transfer mechanisms resulting in agreements for trans-national research activities.
- balancing the promotion of human resources and innovation potential of companies with flexibility and shareholder interests
- mobilizing European stakeholders for socially embedded innovation policies in the context of the pressures of global competition.

The main target is to develop a participative and pro-active European profile for an innovation-driven productivity growth by

- constantly improving the quality of working life and increasing labour productivity by furthering a common understanding that good work pays alike for employees, companies and the society;
- developing innovative work organisations and corporate social responsibility by planning innovative actions that improve the perspectives of companies, in particular, with respect to creating a balance between security of employment and flexibility of work, and to testing the long-term value added of sustainable work processes;
- striving for competitive value creation under dynamic market conditions by implementing standards and rules for avoiding overtime and overload, excessive demands

and stress, and by bringing forward opportunities for lifelong learning at work and continuous vocational education and training thus creating the infrastructure for sustainability and flexicurity of work, employees' creativity and companies' innovativeness;

- promoting production networks and value-creating chains between small and medium-sized enterprises, especially suppliers to share their experience and knowledge in order to reduce the destructive effects of tight performance guidelines often combined with competitive pressures, thus encouraging competence development;
- building up local, regional and national production, service and innovation clusters by increasing the awareness of structural preconditions and incentives for growth including customised and sustainable value creating and interregional and international exchange mechanisms.

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1 Overall target

“Innovation” as term is recognized all over the world as a driving force of necessary change. At the same time it is often used in a rather unspecific way. In Europe we feel especially proud of “our” knowledge and our capacity to be innovative. And it is indeed necessary to be innovative in the sense of fostering competitiveness if we want to maintain our high standard of living and working. Not only our research community, but also our economies depend on permanent innovation and a good performance in the long run. Due to remarkable achievements in sectors as ICT, biotechnology or nanotechnology etc., attention has been focussed on hard technologies. Remarkable resources were made available for developing computers and establishing laboratories. In this scheme, the human being lost ground as the main player in innovation processes. The role of the working women and men changed. Human beings were reduced to be the producers of new machines. And people’s needs were not accepted as something different from those of machines and other artefacts. Wasn’t it sufficient to make computers and technology available for all in order to create perfect working conditions?

By this way, the perfect environment for the machine became important, but not the environment for the working human being. The organisation of work was up to random knowledge of CEOs and the management level. Healthy and safe working conditions were recognized as something which no longer was on the agenda.

But during the last years we got astonished that in countries like Sweden high rates of illness absence occurred. And we saw that some Asian countries are very active with registering new and important patents. And recently we learnt that China is educating more engineers than Europe.

We should be aware that the human being is the main player in the emerging knowledge based society. She and he is the only one who is able to produce innovations. As a consequence, if people are expected to be innovative, a stimulating working environment is essential. Healthy working conditions and the participation of all in decision-making are a prerequisite for innovation.

This is where WORK-IN-NET started to act: national and regional programmes share the same idea of combining research in this field and offer this knowledge to enterprises and institutions where people in Europe work in order to create a climate of innovation that enables us to fulfil the goals of the Lisbon Strategy. As WORK-IN-NET is trying to combine national and regional initiatives, the next step is coordinating these activities in the future on a European level. So one of the main targets is to develop a participative and pro-active European profile for an innovation-driven productivity growth by constantly improving the quality of working life and increasing labour productivity by furthering a common understanding that good work pays alike for employees, companies and the society. We have to develop innovative work organisations and corporate social responsibility by planning innovative actions that improve the perspectives of companies, in particular, with respect to creating a balance between security of employment and flexibility of work, and by testing the long-term value added of sustainable work processes. It is important to strive for competitive value creation under dynamic market conditions by implementing standards and rules for avoiding overtime and overload, excessive demands and stress and by bringing forward opportunities for life-long learning at work and continuous vocational education and training. In this way we can

create the infrastructure for sustainability and flexicurity of work, employees' creativity and companies' innovativeness. Another question which has to be solved practically is the promotion of production networks and value-creating chains between small and medium-sized enterprises, especially suppliers to share their experience and knowledge in order to reduce the destructive effects of tight performance guidelines often combined with competitive pressures. Through future activities local, regional and national production, service and innovation clusters have to be built. This can only be done if an awareness of structural preconditions and incentives for growth is created including customised and sustainable value creating and interregional and international exchange mechanisms.

2 Input of WORK-IN-NET activities

The *Joint Guiding Paper* tries to improve project integration by discussing the achieved results and planned activities aimed at developing a European profile for innovation-driven productivity growth and work-oriented innovation approaches.

2.1 Which resources can be put into action?

Process-driven project structures and cooperation strategies for the implementation of joint activities have been created. The general objective of a *European research area on work-oriented innovations* can become implemented by a broad range of tested instruments for a sustainable working life and innovation competence. These instruments are electronic devices and databases, fact-finding missions and forums of programme makers via joint evaluation and benchmarking processes, training and transfer concepts, impact and foresight studies in order to implement co-operation arrangements and agreements on joint research activities.

2.2 Which R&D themes?

The key subjects of the high road of innovation (see WORK-IN-NET Background Paper) have to be adapted to the changing context conditions. Here are some preliminary proposals of R&D themes. They are outlined along the dimensions

- Analytical research concerning the new division of labour
- Design approaches on work-oriented high road perspectives
- Cross-sectional and conceptual questions of successful change.

2.2.1 Analytical research concerning the new division of labour

When analysing and describing the new division of labour, the socio-economic driving forces have to be elaborated taking into account the context conditions of restricting or supporting improvements of quality of working life and labour productivity, innovative work organisations and company policies and regional/national innovation systems, but also of the actor constellations for human resource policies, corporate social strategies and broad development coalitions. Research has to deal with:

- the structural transformation from industry to expanding services combined with aspects of the diffusion of new technology and of demographic change (with regard to gender, an ageing workforce and migration) playing an important role in change processes;
- the increased globalisation of product and finance markets, the rise of neo-liberal policies, the trend towards deregulation of the labour market and increasing mobility demands, and the ageing of the workforce leading to quite different and controversial policy responses in Europe;

- the spatial reallocation of production clusters and value-creating chains in regional and international dimensions combined with new forms of distributed work including virtual and e-work;
- the changing relations between production and financial markets dominated by institutional investors with new forms of business reengineering combined with manifold employment patterns and different working conditions;
- traditional forms of no road, various flexible low road and some innovative high road work organisations in relation to external regulations combined with new challenges of adaptability for SME and employability for employees;
- the effects of operational decentralisation (outsourcing) and strategic (financial) centralisation facing the constraints of short-term profit calculations of employment patterns, labour markets and regional development;
- the effects of global warming and the need of sustainable (green) economies (and economics).

2.2.2 Design approaches to work-oriented high road perspectives

When designing work-oriented strategies in model cases of workplaces, companies and regions, the distinct alternatives of no road, low road and high road solutions have to be elaborated. Thereby, alternatives for the spoiling of human resources by no road or low road strategies (which result in cost leadership strategies, speed and standardisation entailing downsizing, rationalisation and excessive leanness resulting in job losses, precarious employment, and worsening working conditions) has to be strengthened. Confronted with the challenges of competitive advantages, innovative design aspects of project consortia are directed towards

- the critical revisiting and updating of a limited selection of high road case studies (having been presented by national and European project consortia) in a longitudinal process perspective including a documentation of framework conditions;
- the promotion of human resources by systems of health promotion and competence development in work processes incorporating high involvement and commitment, permanent learning and vocational training opportunities, social security and stable employment conditions;
- the design of organisational solutions for disproportions by gender- and age-based division of labour which might be reduced by new organisational forms of inter-generational and inter-sexual options opening up new opportunities of knowledge transfer and synergies between competences;
- the development of innovation competence by high road strategies laying the focus on new business fields by balancing process and product innovation which are based on high quality of work, work process learning mechanisms, and in-firm functional flexibility;
- the extending of innovative strategies from workplaces and work organisations to production systems and value-creating chains to other potential stakeholders, in particular, customers and investors to get them engaged in quality aspects of products and long-term stability of companies;

- the creation of sustainable work systems and employment policies which encompass inter-company exchanges of experience and a broad range of societal knowledge support combined with developing corporate social responsibility.

2.2.3 Cross-sectional and conceptual questions of successful change processes

In particular, the obstacles and barriers for the development and above all spreading of work-oriented innovations have to be thoroughly identified. Many cross-sectional studies exist dealing with strategically important framework conditions for a successful implementation of work-oriented innovation strategies with regard to

- the role of national framework conditions, especially the quality of industrial relations, labour markets and social legislation for the development of work-oriented innovations;
- the role of social regulations (working time, work cycles etc.) as barriers or push factors for companies implementing work-oriented innovations and corporate social responsibility;
- different national combinations and forms of cooperation concerning the triple helix model including a discussion of corporatist deadlocks and regressive effects on innovation strategies;
- important hindrances for high road strategies in Europe through deregulated labour markets and short-termed profit calculations by shareholders;
- new opportunities of customer-driven innovation strategies for high-road approaches combined with public promotion of employment-creating business areas;
- the regional cluster effects for socio-economic development including a discussion of different instruments;
- the different opportunities of influencing management beliefs and inhouse research priorities in favour of learning organisations and sustainable work processes;
- the state of the art of interdisciplinary work research, the controversies of analytical, action and design research strategies and the need for integration.

3 Work-oriented innovation approaches in a European perspective

WORK-IN-NET aims at improving the mutual understanding of national programme environments, installing channels of multinational cooperation and developing a European research setting for work-oriented innovations. These tasks shall be achieved by establishing institutional links between national programmes and activities which facilitate transnational missions in the three selected design areas. These are (1) improving the quality of working life by an enlightened human resource management, (2) creating innovative and sustainable work organisations by socially responsible corporate cultures and (3) developing regional innovation systems with employment effects achieved by extended development coalitions. These design areas and their respective actor configurations as such and, moreover, their mutual interrelations are core modules and push factors for high road innovation which is decisive for knowledge-intensive societies. Accordingly, the re-

search and development issues for such a strategic design approach demand a strong process management and an elaborated implementation strategy.

3.1 Transnational management settings for continuous project integration

The transnational management of good practice with the general objective of bringing together institutional players is a precondition for the final success. The three action fields for good practice concern

- establishing strong management and coordination structures
- developing tools for interactive communication and knowledge acquisition
- benchmarking for interactive learning and innovation processes.

3.1.1 Establishing strong management and coordination structures

Establishing management and coordination structures which stimulate communication and cooperation processes demands *effective management structures*. The WORK-IN-NET succeeded in becoming an effective link between the European Commission and the national players. *Here, experience confirms once more the well-known importance of developing trust and commitment.*

National coordinators will become a focal point for the information flow thus stimulating communication between national communities and WORK-IN-NET. They will coordinate and transfer national/regional activities as there are new programme developments and project results or other important events being relevant for high road innovation and they will reflect and transfer the work progress made in WORK-IN-NET including the knowledge produced in other European networks and organisations to their national/regional audience.

3.1.2 Developing tools for interactive communication and knowledge acquisition

Interactive tools and procedures for communication and cooperation are supported by the WORK-IN-NET *joint electronic information system* which includes links to the homepages of national programmes and European institutions, English versions of programmes and selected examples of good practices from different countries. *An open space has been created which will provide links to important national agencies for work-oriented research policy.*

National workshops and conferences are part of the dissemination strategy informing about substantial advantages of high road innovation. Such activities have already started and shall be intensified in the future. Moreover, national *WORK-IN-NET platforms or arenas* are planned which will involve important national stakeholders (social partners, organisations and scientific communities which are represented in national programme councils or steering committees). By this, *the ground for creating awareness of the European dimension of developing and implementing sustainable workplace innovations will be prepared.*

The tool of *fact-finding missions with an exchange of senior programme managers or experts* will be continued. The missions will be focussed on member countries of WORK-IN-NET, but also may include affiliated partners that have managed research programmes in the past or are mainly funding advisory activities or represent private-public partnerships. Such field studies shall provide more background knowledge from different programme approaches, their modus operandi in national/regional environments by visiting enterprises, research institutions and societal organisations supplemented by a final seminar or trans-national/-regional workshops with invited guests in order to draw conclusions for future research design areas of co-operation and joint activities. Accordingly, the main objectives of these missions are to identify criteria for *good practice* on national/regional management approaches in Europe. *A knowledge transfer is intended by learning from each other with the overall aim to pave the way for future cooperation and joint activities, in particular concerning*

- *funding procedures: financial modalities e.g. cost models and categories, payment schedules, public-private co-financing, legal and contractual conditions, e.g. access rights, exploitation measures, project management accountabilities;*
- *implementation approaches: the involvement of advisory boards, the social partners and the scientific community; definition of topics, structure of proposals and scheduling of calls; monitoring of project performance, road maps for dissemination and evaluation.*

3.1.3 Benchmarking for interactive learning and innovation processes

WORK-IN-NET aims to stimulate interactive learning from each other by comparing the strategic differences between national programme activities, different R&D approaches in workplace contexts and national R&D infrastructures in detail. Thus, the benchmarking efforts will take into account the socio-economic framework conditions and support structures of design-driven change processes. *In the future it is important*

- *to identify and develop cases of good practice in approaches of programme settings e.g. according to the triple helix model;*
- *to create new combinations of expertise in social interactions between different players as there are e.g. practitioners, academics, consultants, social partners and professional associations to overcome the transfer deficits.*

Benchmarking processes constitute the basis for comparing the national research potentials of work research and for creating a common database of the R&D experts in the respective countries which could support cross-national research and transfer activities and, in addition represent an expert basis for further actions at EU level. *Of utmost importance will be*

- *the degree of ongoing industrial co-operations outside and within programme activities thereby evaluating, so far possible, the respective quality of interventions;*
- *the form of programme interventions ranging from direct funding of model cases via supporting networks to indirect funding types with critical mass effects.*

3.2 Implementation procedures of joint activities

While building up coordination structures, developing tools for extended communication processes and continuing benchmarking exercises for interactive learning opportunities there has to be taken into account installing viable structures and procedures by

- extending communication efforts and establishing transfer activities
- preparing activities on the quality of work and workplace innovation
- implementing cooperation arrangements for joint calls and further activities.

3.2.1 Extending communication efforts and establishing transfer activities

The WORK-IN-NET network is open to include new partners and national players. Moreover, WORK-IN-NET targets to develop communication links with and transfer concepts for especially Southern and Eastern European countries having not the experience and knowledge of workplace innovations. Thus, a *joint concept for training activities published in a handbook* integrating the experiences and perceptions achieved so far on management and thematic approaches shall be offered especially to countries in which innovative workplace development activities are planned. The topics are future challenges of demographic change, rising unemployment and social cohesion. Instructions for the development, implementation and administration of programmes including evaluation and benchmarking methods will be part of this strategy. *Developing such training and transfer concepts demands*

- *combined administrative experience and thematic knowledge of workplace design, organisational renewal and regional and national programme developments*
- *an understanding of the specific needs of private and public organisations and the goal of adapting these concepts to regional and national framework conditions.*

Extended communication and transfer activities shall be supported by a *joint database of experts* which will be elaborated on the experience of the joint electronic information system and the joint electronic platform. *Such database activities include*

- *for the national coordinators to develop discussion arenas on indicators with their respective research communities and programme boards including the social partners;*
- *for the WORK-IN-NET community to debate an implementation road dependent on national development processes which might be further stimulated by project inputs.*

3.2.2 Joint activities for quality of work and workplace innovation

Preparing joint activities for quality of work and workplace innovation is one of the most challenging goals of the network. This includes e.g. to realize joint calls for R&D projects in the field of work-oriented innovation. The management of joint calls will be based on

- *the discussion of strategic activities including the identification of complementarities and gaps in R&D strategies, funding systems, dissemination concepts of the partner countries and the analysis of R&D management approaches through fact finding missions and mutual exchange of key persons which later on will be deepened through the benchmarking of R&D infrastructures;;*
- *the establishment of forms of cooperation e.g. national advisory boards and the development of joint evaluation criteria and review approaches for selected thematic priority clusters of projects to identify areas of mutual interest.*

A *joint foresight study* aims at identifying the future demands on work life development and work-oriented innovation activities in Europe. A foresight study will analyse the European integration process depending on harmonized values and standards both for a sustainable working life and even for a competitive economy.

Thus, the implementation of transnational activities will be based on a broad range of preparatory work such as foresight knowledge of development trends and their challenges for the strategic approach of WORK-IN-NET, background knowledge on national and European R&D strategies and funding systems, transfer and training concepts of good programme and project practice, channels of cooperation supported by electronic communication tools and last not least trust and commitment of the partners.

3.2.3 Transnational activities by different cooperation arrangements

Further activities with the diffusion of the high road innovation strategy will address a broader public, mainly by conferences and transnational training seminars.

National WORK-IN-NET structures represent an essential home base for an effective cooperation of national programmes. These will establish closer interactions with policy-makers, social partners and other institutions in Europe which are engaged in promoting work-oriented innovations. Such an expansion of WORK-IN-NET demands a joint strategic high road approach which progressively integrates the three basic areas of research objectives from human resource management for improving the quality of working life and labour productivity via corporate social cultures for implementing innovative work organisations in a knowledge-intensive society to broad development coalitions advancing sustainable regional/national innovation systems with job-creating and positive cohesion effects. Based on the joint foresight study the participating countries shall launch joint pilot R&D activities in the form of *bilateral and multilateral pilot joint calls*.

Finally, a *joint benchmarking board* shall be created with the purpose to update and implement knowledge of good R&D-programme practices in Europe and outside Europe into the national/regional R&D-programmes. The board continues the work of WORK-IN-NET and opens it up also to new members, in particular to R&D-programmes of new EU member states. Through the multinational board the national R&D-programmes will implement the

results of WORK-IN-NET and good programme practices in their national activities. The board shall guarantee the continuity of the project targets of WORK-IN-NET in the future.

4 Concluding remarks

The WORK-IN-NET activities are aimed at the promotion of a European infrastructure for comparative studies on work, work organization and labour market processes including health and welfare issues. They strengthen public support to research environments and centres of excellence on national and European level. They improve the interaction between researchers, policymakers and practitioners by dissemination, open dialogue and various forms of encounters.

The integration of these activities into European programmes is part of the agenda. Growing together in Europe is a long term process that has to be realized together with the institutions representing the European idea of a European research Area, above all the European Commission. The WORK-IN-NET members have outlined the high road towards innovation. Integrating this topic in future European programmes should be one of the most important goals.

Editor

Joint Secretariat of WORK-IN-NET

c/o Project Management Organisation at DLR
of the Federal Ministry of Education and Research
(Coordination)

Heinrich-Konen-Strasse 1
D - 53227 Bonn, Germany

Tel.: +49 (0)228 3821 131

Fax: +49 (0)228 3821 248

<http://www.workinnet.org>

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