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## Workplace Innovation in Practice: Experiences from the UK

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### Why Workplace Innovation?

How do company decision-makers and change activists navigate a vast and growing body of research, dating back at least as far as the iconic Tavistock Institute studies<sup>1</sup> of the 1950s? And how should they learn from the experiences of European companies that had succeeded in achieving exemplary performance and enhanced capacity for product and service innovation at the same time as creating high-quality working lives for their employees?

Throughout the 1990s, several influential European policymakers and researchers began to focus on the increasingly apparent divide in strategies adopted by companies in response to the changing market environment, leading to quite different economic and employment consequences. According to the European Work and Technology Consortium (1998):

On the one hand strategies for workplace flexibility which are motivated principally by cost-cutting will certainly decrease the demand for labour; as several studies of lean production methods suggest they are also likely to reduce quality of working life ('job enlargement without job enrichment'). However, strategies

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<sup>1</sup> For example Trist and Bamforth (1951).

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for flexibility which are geared towards the creation of new products or services, exploring new business activities and building new markets may have quite the opposite effect. We can therefore differentiate between a *high road* and a *low road* of innovation, built on quite distinctive approaches to the organisation of work. The defining characteristics of the high road are the creation of organisational spaces and the liberation of human creativity *in ways which achieve a dynamic balance between product and process innovations.*

One important issue remained. Beyond the high road and the low road of innovation, there was also an *old road* on which almost everything remains the same. This absence of any substantial change was seen to endanger employment even more than the low road approach, since many of those companies on the old road would fail to survive in the new climate of global competition. And there were still far more firms on the old road than on the new ones, not least in the UK (European Foundation, 1997; European Work & Technology Consortium, 1998).

In 2001, the European Commission requested a study from one of this chapter's authors designed to analyse evidence both from existing literature and from an international sample of more than 100 private and public sector organisations, each characterised by high performance and high quality of working life. The aim of the Hi-Res study (Totterdill, Dhondt, & Milsome, 2002), involving collaboration across eight EU countries, was to elaborate the 'high road' previously articulated by the European Work and Technology Consortium.

Many different terms were being used to describe these high road approaches including high-performance workplaces, high involvement workplaces and new forms of work organisation. Although terminologies might differ, all these approaches placed a premium on employee participation and a better utilisation of existing human talent within organisations, primarily by (re) designing the organisation of work and tasks to enable people to be more effective and creative. The shared objective, one underpinned by a substantial body of evidence, (see, e.g. Oeij, Rus, & Pot, 2017; Totterdill, 2015), was to improve the quality of working life and organisational performance simultaneously. Successive Swedish surveys, for example, found a very clear link between flexible, participative forms of work organisation and performance: flexible organisations were more productive (+20–60%), showed a much lower rate of personnel turnover (-21%) and a lower rate of absence due to illness (-24%) compared with traditionally organised operational units (NUTEK, 1996). Comparable findings can be found in studies from Finland (Antila & Ylöstalo, 1999) and Germany (Lay, Dreher, & Kinkel, 1996). Yet

the proliferating vocabularies were doing much to obscure the real choices available to company decision-makers.

‘Workplace innovation’ was established by the Hi-Res study as a coherent, evidence-based and action-oriented framework and was aimed at company decision-makers as well as policymakers and researchers, building on diverse traditions beginning with the pioneering work of the Tavistock Institute, and including both Socio-Technical Systems Design (Mohr & Van Amelsvoort, 2015) and Scandinavian Democratic Dialogue (Gustavsen, 1992). Hi-Res summarised workplace innovation’s defining characteristic as the creation of jobs and practices that “empower workers at every level of an organisation to use and develop their full range of knowledge, skills, experience and creativity in their day-to-day work”, leading to high performance simultaneously with high quality of working life (Totterdill et al., 2002). It brought practices such as job design and self-managed teams together with employee involvement in innovation and representative participation in strategic decision-making. The concept highlights the ways in which these specific workplace practices connect skills development and skills utilisation, business performance, employee health, the retention of older workers and economic and social inclusion (Oei et al., 2017; Totterdill, 2015).

In defining workplace innovation, it is important to recognise both process and outcomes. The term describes the participatory process of innovation which leads to empowering workplace practices which, in turn, sustain continuing learning, reflection and innovation. Most importantly workplace innovation is an inherently social process, building skills and competence through creative collaboration. It seeks to build bridges between the strategic knowledge of business leaders, the professional and tacit knowledge of front-line employees and the organisational design knowledge of experts, leading to self-sustaining processes of organisational development fuelled by learning and experimentation.

Thus workplace innovation does not offer a blueprint; rather it provides global concepts and practices as generative resources which organisational actors contextualise as ‘local theories’ to fit local circumstances, resulting in tangible changes in workplace practice. It is inherently *innovative* in that each instance is the outcome of contextualisation and customisation.

Workplace innovation is also a systemic approach, influenced in part by studies of failed organisational change which emphasise the role of ‘partial change’ in undermining the introduction of empowering working practices (see, e.g. Business Decisions Ltd, 2002). It is influenced by the European sociotechnical design tradition (Van Amelsvoort & Van Hootegem, 2017) in recognising the interdependency of organisational practices as well as by other

bodies of research which emphasise the importance of internally consistent policies and practices. Combining different forms of representative and direct participation achieves superior outcomes for organisations and their employees which are greater than the sum of individual measures (Huselid, Jackson, & Schuler, 1997; Lado & Wilson, 1994; Teague, 2005).

## The Spread of Workplace Innovation

Governments and business support organisations in several European countries came to recognise workplace innovation as a powerful resource in addressing diverse yet interconnected policy goals. If workplace innovation produces tangible economic and employee benefits at enterprise level (see, e.g. Dhondt, Vermeerbergen, & Van Hootegem, 2017), it is also likely to have wider impacts on the economy and labour market including employee health and the retention of older workers in employment.

Workplace innovation is now embedded in national and regional programmes from the Basque Country to Finland (see Pot et al. in this volume; see also Alasoini, Ramstad, & Totterdill, 2017; Totterdill, Exton, Exton, & Gold, 2016). It is recognised within the OECD's Innovation Strategy (OECD & Centre for Educational Research Innovation, 2010; Organisation for Economic Co-operation Development International Labour Organisation, 2017) and now occupies an important place in EU innovation and competitiveness policy.<sup>2</sup> This subsequently led to the creation of the European Commission's Workplace Innovation Network (EUWIN)<sup>3</sup> in 2013, jointly led by Toegepast Natuurwetenschappelijk Onderzoek (TNO)<sup>4</sup> and Workplace Innovation Limited.<sup>5</sup> EUWIN has organised a succession of awareness-raising events in at least 15 European countries, attracting many hundreds of people in total, and in many cases creating networks of workplace innovation activists at national and regional levels. EUWIN's online Knowledge Bank<sup>6</sup> is a unique source of inspiration, knowledge and learning resources, attracting more than 8000 hits per month at peak.

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<sup>2</sup> [http://ec.europa.eu/growth/industry/innovation/policy/workplace/index\\_en.htm](http://ec.europa.eu/growth/industry/innovation/policy/workplace/index_en.htm).

<sup>3</sup> <http://uk.ukwon.eu/euwin-resources-new>.

<sup>4</sup> <https://www.tno.nl/en/focus-areas/healthy-living/roadmaps/work/healthy-safe-and-productive-working/euwin-the-european-workplace-innovation-network/>.

<sup>5</sup> [www.workplaceinnovation.eu](http://www.workplaceinnovation.eu).

<sup>6</sup> <http://uk.ukwon.eu/euwin-knowledge-bank-menu-new>.

## The Challenge of Defining Workplace Innovation

The task set by EU policymakers following the inauguration of EUWIN in 2013 was to create a coherent and accessible roadmap for the adoption of workplace innovation by companies and public sector organisations. ‘The *Essential Fifth Element*’<sup>7</sup> was developed by Workplace Innovation Limited as co-leader of EUWIN to guide practitioners through workplace innovation and provide guidance on its implementation (Totterdill, 2015).

Expanding the original Hi-Res framework, The *Essential Fifth Element* is grounded in an analysis of more than 200 articles and case studies (Totterdill, 2015). The analysis identified four bundles (or ‘Elements’) of working practices with a strong association between high performance and high quality of working life (see table below). Alignment between these Elements creates a synergy in the form of the ‘Fifth Element’, a system of mutually interdependent parts which leads to a sustainable culture of innovation and empowerment embedded throughout the organisation.

The *Essential Fifth Element* forms the basis for the Workplace Innovation Diagnostic®, an employee survey measuring direct experiences of workplace practices associated with high performance and high quality of working life.

## Why Workplace Innovation Matters for the UK

The revival of concern about the UK’s poor productivity record began in part as a response to the country’s emergence from the international financial crisis, and has since been amplified by the prospect of Brexit. While much of the policy debate at national level has largely focused on the infrastructural drivers of productivity, the ‘productivity paradox’ gives rise to concerns about the structure of the UK’s economy and labour market.

Sisson (2014) reviews evidence of multiple factors cited for the long-term ‘productivity puzzle’ including, amongst others, low pay and high levels of inequality, low levels of employee engagement, weaknesses in the supply and utilisation of ‘intermediate skills’, cost-based competitive strategies and the predominantly transactional nature of HR.

Other writers have described the interaction between these factors as creating a “low skill equilibrium” in the UK. In short, this describes an economy based on a vicious circle in which firms follow mass production strategies requiring low skills and Tayloristic forms of work organisation, where a

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<sup>7</sup><http://uk.ukwon.eu/the-fifth-element-new>.

predominantly low skilled workforce has low aspirations and little incentive to participate in education and training to raise qualification levels, and which is self-perpetuating through interaction with societal and state institutions that reinforce the status quo (Green, 2016; MIT, 2019; Wilson et al., 2003).

The low skill equilibrium may explain the slow pace at which UK employers have adopted high involvement working practices, creating an unfavourable comparison with several other Northern European countries (LLAKES, 2012; UKCES, 2009). The rate at which these evidence-based workplace practices are being adopted by UK enterprises is persistently low, not least in comparison with several other Northern European countries. Analysis of findings from the European Working Conditions Survey suggests that under 20% of UK workers are in ‘Discretionary Learning Jobs’, less than half that of countries such as Denmark and the Netherlands (Lundvall, 2014). Likewise, the Work Foundation (2018) argues that only 9% of businesses can be classified as high-performance workplaces.

Their limited spread can be understood in terms of several interwoven factors (Business Decisions Ltd, 2002; Organisation for Economic Co-operation Development International Labour Organisation, 2017; Totterdill et al., 2002) including an excessive tendency to see innovation purely in terms of technology; low levels of awareness of innovative practice and its benefits amongst managers, social partners and business support organisations; poor access to robust methods and resources capable of supporting organisational learning and innovation; barriers to the market for knowledge-based business services and the absence of publicly provided forms of support and the failure of vocational education and training to provide knowledge and skills relevant to new forms of work organisation. In the UK’s case, a more adversarial tradition in industrial relations compared with other Northern European countries is also a factor, not least because of the absence of effective social partnership structures (Marginson & Sisson, 2006). The OECD study (2017) also points to the continuing ability of firms to make profits on the ‘low road’ of low skill, low cost, mass production in certain markets; moreover previous choices relating to human resources, capital investment and organisational culture can create path dependency, holding enterprises within a low skills, low-income (MIT, 2019) trap.

In seeking to break out of the low skills equilibrium, Wright and Sissons (2012) argued that the historic focus on supply-side skills interventions was insufficient to close the productivity gap with competitor nations. UKCES (UK Commission for Employment and Skills) (2009) sought to make the policy case for “a shift in focus to considering how we can ensure that skills are effectively *used* as well as developed in the workplace”. Yet evidence of such a

shift by the UK government is hard to find, and, as Keep (2014) suggested, for policymakers "... the underlying assumption was that competitive pressures and managerial wisdom would lead to organisations using workers productively".

## Workplace Innovation in Scotland

The devolution of certain powers from the UK to an elected Scottish Parliament has opened a different trajectory for economic development and industrial policy in Scotland. The Scottish Government's Inclusive Growth strategy and its Fair Work Framework were both grounded in a commitment to win-win-win outcomes for companies and people: high levels of economic performance, high quality of working life and a high skill equilibrium in the labour market.

In little more than three years, Scottish Enterprise, the country's economic development agency, has developed an extensive programme designed to raise awareness of workplace innovation through workshops and masterclasses, provide direct support to companies implementing workplace innovation measures and help build a wider ecosystem of support for workplace innovation through its large team of specialist advisers.

Scottish Enterprise's new portfolio included the pilot Workplace Innovation Engagement Programme (WIEP). The programme's structure, suggested by Workplace Innovation Limited from its experience of designing and delivering comparable programmes elsewhere (Harris, Tuckman, Watling, & Downes, 2011; Sharpe & Totterdill, 1999; Totterdill, 2017), sought to combine specialist support with opportunities for peer-to-peer knowledge exchange, creating a community of practitioners on comparable journeys. The conceptual framework for the programme was provided by 'The *Essential* Fifth Element', providing the evidence base and shaping each of the activities described in following sections. Workplace Innovation Limited was subsequently selected by Scottish Enterprise to deliver the programme.

The first WIEP cohort of ten companies was recruited by Scottish Enterprise in Autumn 2016, and a second cohort of nine companies entered the programme in September 2017. Both cohorts represented considerable diversity in terms of size, sector and geographical location. 'Engagement' in one form or another was cited by the majority of companies as the principal motivation for joining the programme, whether to support anticipated growth, manage internal restructuring or to address a 'burning platform' created by changing market conditions. None of the 19 companies identified improvements in specific quantifiable indicators as a motive for participation.

In some cases, participation in WIEP was the sole support mechanism for change available to the company. For the majority, WIEP played a complementary role alongside other publicly supported programmes including leadership development courses, organisational development reviews and training in lean methods, or in support of corporate change programmes.

Two employees were nominated by each company to participate in the programme and act as catalysts in developing and implementing workplace innovation with support from Scottish Enterprise and the Workplace Innovation Limited team. It was intended that one participant should represent senior management, lending the weight of their authority to the change initiative; the other should be the leading 'change entrepreneur', stimulating and steering the process on the ground.

The structure of the programme is summarised below:

## Inception Workshop

The programme commenced with an induction workshop designed to ensure a common understanding of its aims and structure, to provide an introduction to workplace innovation and to prepare participants for the Diagnostic stage (see below). There was also a focus on building cohesion amongst participants, helping them to realise that they faced common challenges and that they could learn from each other despite marked differences in size and sector.

## Diagnostic Tool

Immediately following the workshop, each business initiated the Workplace Innovation Diagnostic<sup>®</sup>, an online employee survey tool using 49 evidence-based indicators drawn from The *Essential* Fifth Element. Employees and managers were asked to identify experiences of the four 'Elements' of workplace practice described in Table 4.1.

Results, presented as a spreadsheet in which cumulative answers to each question were given as a percentage of the maximum possible score, were coded red, amber or green to indicate the need for intervention. This was further broken down by department, team, professional group or other variables provided by individual companies. Discrepancies between senior manager and employee scores were given, indicating the extent to which the former understood workplace practices in their own organisations.



**Table 4.1** The essential fifth element

Element	Indicative practices	Associated outcomes
Jobs, teams and technology	Individual discretion Job variety Constructive challenges Self-managed teams Collaboration within the team Reflective team practices People-centred technologies	Improved workflow Enhanced quality Better productivity Cost reduction Engagement and retention Improved workforce health
Employee-driven innovation and improvement	Productive reflection in teams Cross-team improvement groups Permission to experiment Company-wide innovation events	Enhanced capacity for innovation and improvement Enterprising behaviour Enhanced quality and performance Learning and development Engagement and retention Intrinsic job satisfaction
Organisational structures, management and procedures	Reduced hierarchies and silos Strengths-based career structure Coaching style line management Appraisals focused on learning and innovation Simplified procedures	Improved workflow Cost reduction Better productivity Engagement and retention Improved workforce health
Co-created leadership and employee voice	Openness and transparency Emotionally intelligent behaviours Visible leadership Delegated decision-making Representative participation	Strategic alignment Better decision-making Engagement and retention
The Fifth Element	A culture of empowerment and innovation	Win-win outcomes for the organisation and its employees

The Diagnostic was repeated towards the end of each cohort's programme, enabling companies to measure progress and to identify priorities for follow-up intervention to sustain the momentum of change.

Minor refinements were made to the questionnaire following a validation exercise on survey data from Cohort 1 using Principal Components Analysis.

## Action Plans

Participants from each company were supported to develop an Action Plan based on their Diagnostic survey findings. Typical Plans included:

- Flattening existing hierarchies and devolving decision-making
- Defining and living organisational values and behaviours
- Implementing self-directed teamworking
- Creating empowered, cross-functional teams based on workflow rather than silos
- Establishing innovation forums and continuous improvement groups
- Rethinking traditional leadership and management roles and accountabilities
- Enhancing skills development and utilisation, training and coaching plans

Reflecting the systemic character of workplace innovation, the Action Plans helped companies to identify ‘interdependencies’ (other potential actions within the plan), shaping the impact of individual changes.

## Structured Learning Sessions

A programme of seven interactive workshops focused on the principal practices associated with workplace innovation. During Session 3, participants were divided into two groups and presented their proposed actions in response to the Diagnostic results. Group members were invited to comment on each other’s action plans as ‘critical friends’, recognising positives and identifying potential weaknesses and omissions. This provided a prelude to the subsequent action learning sets, described below.

## Action Learning Sets

The implementation of action plans was facilitated through regular peer review in action learning sets, enabling participants to discuss challenges and how they were planning to meet them, while receiving constructive feedback. Participants were coached on the principles of action learning to ensure that the sets were conducted with mutual empathy and positive support. The peer-to-peer support within these sessions was particularly prized by participants, enabling them to share problems, discover new ideas and build personal resilience:

The action learning is fantastic; you take so much from that. Like a therapy session, you become emotional sometimes. You have the relationship with the other companies, you feel what the other people feel, and you can be more open. And then you want to know how the other companies are doing as well.

## Fresh Thinking Labs

Participating companies also gained automatic membership of Fresh Thinking Labs,<sup>8</sup> an international platform for knowledge sharing between companies created by Workplace Innovation Limited. The platform offers online resources and opportunities for in person contact with good practice companies across the UK and in other European countries.

Content from the Structured Learning Sessions was provided on the Fresh Thinking Labs platform, enabling participants to access a wide range of learning material, case studies, films and practical tools to support change. Several participants took advantage of ‘critical friend’ in-company workshops involving other Fresh Thinking Lab members. Some also took part in international Fresh Thinking Labs events as speakers and active participants, hosted by partner organisations and companies in Denmark, Estonia, Sweden and Portugal.

## Coaching and Facilitation

Throughout the programme, participants received continuous support from Workplace Innovation Limited’s team and Scottish Enterprise Specialists. Each pair of participants received coaching visits and telephone calls from Workplace Innovation’s experts at appropriate intervals, often involving their Scottish Enterprise Specialist. Typically, these sessions took the form of in-depth discussion of progress and obstacles and the provision of further suggestions, examples and practical tools. It also involved the facilitation of workshops for employees and/or senior teams.

## Institute for Leadership and Management Awards

Several participants chose to take part in an optional course on Leadership for Workplace Innovation, gaining a Level 5 qualification (accredited by the Institute for Leadership and Management) as part of their WIEP coaching support. The course, delivered by members of Workplace Innovation Limited’s team, was supported by Fresh Thinking Labs’ interactive e-learning platform. Assessment was designed to avoid lengthy written assignments and was based on participants’ action plans, learning logs and progress reports.

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<sup>8</sup> [www.freshthinkinglabs.com](http://www.freshthinkinglabs.com).

## Impact of the Programme

Evaluation of the programme's impact on business performance presents several challenges, not least because of the paucity of reliable and relevant 'before and after' performance measures at company level (UKCES, 2016). Whilst productivity is an understandable priority for policymakers, none of the 19 companies measured it directly nor were there readily identifiable surrogate indicators. A second and equally challenging problem is that of attributing changes in specific indicators to the programme itself. For example, Company D (see below) achieved a £1.4m turnaround on profit without additional investment through increased volume and efficiency, entirely attributed by management to enhanced engagement and behaviour change. Yet this transformation had already started before WIEP, and there is no ready way of attributing a specific share of £1.4m to the programme.

We can draw two conclusions from the Company D example. Firstly, the attribution of a substantial profit turnaround exclusively to the introduction of practices related to workplace innovation is headline-grabbing in its own right, raising business awareness and strengthening the case for future public support. Outcomes from other companies may be less succinctly expressed but certainly add to this argument.

Secondly, it directs us to the key question underpinning evaluation: did WIEP play a role in these transformations that was critical to the outcomes? Again, the answer cannot be entirely straightforward: who can untangle the multiple sources of inspiration or evidence that inform the introduction of an innovative work practice? Yet those participating in WIEP from Company D, as well as its General Manager, claimed that the programme played an indispensable role in informing and sustaining the journey.

Although independent evaluation of WIEP was not available as in earlier projects (Harris et al., 2011), the following table is based on reports from an indicative sample of participants during the programme sessions, anonymous survey responses and post project interviews. The workplace changes and impacts reported in the following table were all identified by participants as having been a direct result of WIEP, rather than other internal or external change programmes running at the same time:

Each company participating in the programme made significant process improvements attributable wholly or in substantial part to WIEP. These improvements led to faster throughput time, greater efficiency, more effective problem-solving, enhanced competencies and/or greater capacity for innovation. In several cases, silo working was reduced by enhanced collaboration

between functional departments, leading to less bureaucracy and fewer conflicts or delays. By empowering teams, time previously spent on micromanagement is freed up, leading to greater agility and speed of response.

Each of the companies also instigated mechanisms for stimulating and utilising employee ideas for product, service or process innovation, unleashing the potential for further generation well into the future.

While few of the companies have quantified the economic benefits of these improvements, examples such as:

- The reduction of throughput time at Company E by nearly a third
  - The savings of £100k on a single improvement project at Company F
  - The resolution of a business-critical problem at Company I
  - The profit uplift in teams at Company R
- All provide an indication of the overall benefits to the Scottish economy when aggregated across all 19 organisations

Each of the companies reports improved levels of engagement, validated by several participating organisations through their internal engagement survey results as well as by our interviews. This is likely to be reflected in better mental and physical health, the retention of older workers and enhanced skills development for younger employees.

I can see a difference in the two people that have been in this course and I can see how they are keen to see that change to be replicated within the business. For me it has exceeded all expectations, probably gone beyond the boundaries of where I thought it would go, it goes right under the skin of the business. I am happy that we are now at the other side of it, that it's made a big difference. Martin Welsh, MD, Booth Welsh

This programme affects the way people involved in change think and act, and gives a power to the change process. Sara Blanco Rodriguez, Manager, Kilco

This has been a really good journey for us for what we needed to do, bringing a coherence across the organisation. Rob Aitken, CEO, Institute of Occupational Medicine.

Multiplier effects can also be added to the assessment of impact. Elsewhere on the scale, enhanced innovation capacity at Company H, K, M and Q or improved competitive advantage at Company E is likely to stimulate further job growth.

WIEP was also designed to enhance the competence of individual participants in terms of management and leadership skills, change facilitation and knowledge of workplace innovation, as well as to support them and their

companies in introducing new working practices. Each individual participant reported important benefits in terms of personal learning and development. These can be summarised as:

- Enhanced knowledge and experience of workplace innovation
- Exposure to wider experiences
- Increased confidence
- Ability to challenge established practice and influence others
- Changed management style
- Encouraging curiosity and 'learning to learn'
- Creative thinking
- Peer-to-peer learning

The importance of competence development is not limited to the individual alone; rather it reflects their continuing ability to drive positive changes forward. Over time, WIEP alumni will become an important asset for the future of the Scottish economy.

Sustainability and the avoidance of innovation decay lies at the heart of The *Essential* Fifth Element approach with its emphasis on the interdependent practices that can ensure the success or failure of changes. Each company considers that it has built a sustainable momentum of change through WIEP, though some recognise the need for further support especially those faced with adverse trading circumstances.

Finally, in evaluating the impact of WIEP, it is also important to consider the costs of participation for the companies concerned. For most participants, WIEP involved a commitment of 8.5 days away from the workplace plus an estimated 4–8 hours on the Fresh Thinking Labs platform. This would be a substantial commitment for a conventional leadership course in which there was only an indirect impact on the business. WIEP, however, offers a triple helix of benefits: personal development, practical support for workplace change and peer-to-peer network building. This combination of outcomes may explain the lack of any negative comment from participants about the overall time commitment. Overall, feedback suggested that the content of the sessions positively supported practical action in the workplace as well as personal learning, development and network building.

## Implementation Challenges

Whilst all 19 companies reported tangible benefits by the end of the programme, some individual participants did not find the journey easy. Many had had very little briefing, either from Scottish Enterprise or their own companies, before arriving at the Induction Workshop. A few participants entered the programme with very limited business knowledge, experience and confidence and required extra coaching and support.

Since the programme avoids prescription and does not offer a 'one-best-way' blueprint, it places a particular onus on the sense-making abilities of participants. One summarised the overall approach with approval, explaining that his initial uncertainty about what to expect from WIEP was slowly replaced by a realisation that the programme's 'learning approach' was to expose participants to selected concepts and case studies, to help them analyse their meaning and relevance and to support them in contextualising the lessons within their own companies. Other participants, perhaps used to more prescriptive change models or none at all, needed more support to extract relevant learning from the sessions.

In certain cases, Diagnostic results presented the companies with an unexpectedly stark reality. Some participants found that their senior teams were in denial at first exposure to the results and had to be coaxed into accepting them. In a few cases this imposed considerable pressure and emotional strain on participants, though alleviated by support from other members of their action learning sets and by one-to-one coaching.

Senior leadership problems proved to be particularly intractable in some smaller enterprises characterised by a command and control culture where majority ownership or control lay with a single director or chief executive. WIEP participants, Scottish Enterprise Specialists and Workplace Innovation Limited's team all found these individuals to be almost completely inaccessible in certain cases, and even though tangible business benefits were achieved, the full potential value of the programme will not be realised without their buy-in. Once again, these challenges featured strongly in the action learning sessions and in-company facilitation.

These challenging experiences should come as no surprise, and in the majority of cases the individuals and companies concerned have emerged stronger and have gained greater confidence in pursuing their workplace innovation journeys.

One overarching lesson is that the funding cycle for the WIEP programme, based on cohorts of around ten months' duration, is too short a time period

in which to assess the longer-term impact. However, the evidence does suggest that the programme has succeeded in establishing a sustainable momentum of change in each of the participating companies. Nonetheless future support for these companies will play an important role, not just in sustaining changes but in taking them to the next level.

Earlier in this chapter, we identified the European sociotechnical tradition (Van Amelsvoort & Van Hootegeem, 2017) as a key part of the foundations on which the concept of workplace innovation was built, along with Scandinavian dialogical approaches. Whilst the former emphasises structural change in terms of organisational redesign, WIEP embraced companies with widely varying states of readiness for change. Only one (Company B, Table 4.2) entered the programme fully committed to organisational redesign; two more (H and K) embarked on some form of structural change during the programme. The other participating companies achieved tangible innovations in participatory working practices as well as a degree of culture change, but further work is required to assess WIEP's longer-term impact.

## Conclusions

WIEP reinforces and elaborates findings from previous studies (notably UKCES, 2016; Work Foundation, 2018) on how to design and deliver public programmes to support workplace change. WIEP's experience not only provides guidance for those designing future programmes but also offers insights for in-company change leaders contemplating a potential roadmap for successful workplace innovation:

- **Target participants at the right level.** Programmes need to be sensitive to the unique configurations of influence and authority within each company. In some, middle managers will lead the change process and facilitate effective channels of communication to senior management. In others, effective change agents can include employee representatives, emerging leaders or simply people with a passion to see change happen. Elsewhere again, senior leaders themselves may be the right choice for participation in programmes, especially in smaller companies.
- **Blend competence development with workplace innovation.** Programmes can help individual participants to build the knowledge, skills and personal attributes required to stimulate, resource and sustain change. At the same time, the test of effectiveness lies in how these competencies are translated into effective and sustainable change within participants'



Table 4.2 Impact of WIEP on selected companies

Company	Workplace innovation	WIEP impact
D) Packaging <i>Previous and current GMs committed to culture change</i>	Enhanced teamworking Coaching style of management Morning meetings further developed FabLab sessions drive process improvement Cross-team collaboration Changed KPIs Revived Employee Forum	Reduced throughput time. Enhanced engagement Stronger focus on quality Transformed culture High involvement in innovation and creative thinking activities
E) Cycle Wear <i>Senior team commitment to culture change following collapse in financial performance</i>	Process mapping within and between departments Regular engagement events Middle managers huddle Senior commitment to engagement	Reduced throughput time from 6 to 4.1 weeks leading to financial savings and improved customer satisfaction Widespread workforce engagement in improvement and 'taking the initiative' Improved communication Reduced silos
F) Pharmaceuticals <i>Lean methodologies adopted to make the company attractive to a prospective buyer It was sold in April 2017 with resulting challenges of transition</i>	Regular opportunities for staff involvement in innovation and improvement activities Streamlined regulatory processes Office relocation to remove silos Workplace innovation to enhance 'lean' Adoption of coaching style by senior and middle management Workforce participation in strategy	Wider engagement in problem-solving and improvement: £100k saved in a single improvement project through workforce involvement Enhanced cross-functional working Improved communication and a more open culture

(continued)

Table 4.2 (continued)

Company	Workplace innovation	WIEP impact
H) Defence <i>Existing commitment to create a multidisciplinary team structure. Joined WIEP to support implementation</i>	Successful implementation of new team structure Appointment and development of new sub-team leaders New Innovation Hub Development of next generation	Improved Diagnostic scores Positive internal customer feedback Effective team culture and team leadership Reducing silos and strengthening cross-functional collaboration Innovation Hub enhances capacity for product and process innovation
K) Engineering services <i>Recently acquired by an Australian parent, the company sought to strengthen internal capacity for innovation and adoption of digital technologies</i>	Mission and values strategy day identified four work streams as the focus for employee participation Creation of an Innovation Lab and café space to enable employee-driven innovation Steering group to stimulate staff ideas through events Engagement initiatives aimed at staff on remote sites	Enhanced Diagnostic scores 60 employee-driven proposals generated MD argues that WIEP 'put the company 12 months ahead of the competition' and helped build a strong Industry 4.0 offer
M) Engineering R&D <i>Small company seeking to reverse emerging silos and of senior team distance before embarking on further growth</i>	Engaged staff in creating vision Volunteer 'guerrillas' to challenge poor workplace practices and stimulate fresh thinking Self-managed teamworking Employee groups facilitate problem-solving and improvement, creating a channel for employee voice Senior team study visit to an employee-owned company	Enhanced Diagnostic scores Improved project delivery and customer satisfaction Great capacity for innovation

(continued)

Table 4.2 (continued)

Company	Workplace innovation	WIEP impact
Q) Chemical manufacture <i>Poor working environment, lack of teamworking and team leadership, fragmented leadership</i>	Shop floor teams made responsible for the work environment Team leadership development and team practices strengthened Improved cross-functional communication Cross-sectional volunteer group of employees and managers created to drive improvement and innovation	Some improvements in Diagnostic scores, reflecting greater staff engagement in improvement and innovation Senior team issues still to be resolved
R) Specialist building restorers <i>Varying quality of team leadership and team practices across dispersed sites plus communication difficulties had negative impact on profits</i>	Introduction of weekly team meetings around structured whiteboard agendas focused on project targets and progress, plus lessons learned Greater transparency regarding sales and financial information Planned team leadership and team development programme	Improved Diagnostic results in all Elements Average 6% profit uplift in teams targeted by the programme

own organisations. In short, “there can be no learning without action and no action without learning” (Revans, 1998).

- **Combine multiple learning modes.** Text, film, personal stories, individual coaching and group dialogue can combine to create a mutually reinforcing learning milieu, recognising that many participants respond more effectively to some stimuli than others.
- **Embed peer-to-peer learning and support.** Participants consistently cited exchanges of experience and peer support as one of the most important resources offered by WIEP, whether through action learning sets or as a result of company-hosted ‘critical friend’ visits.
- **Establish a systemic view of change.** The concept of workplace innovation focuses on bundles of interdependent practices that must be aligned with proposed changes to ensure their success and sustainability. Non-alignment creates ‘antibodies’ that erode individual changes and lead to ‘innovation decay’. The Workplace Innovation Diagnostic<sup>®</sup> is a key tool

designed to provide companies with a systemic direction towards the achievement of successful change from the outset of the process.

- **Create a relatively intensive momentum of change.** A structured programme of workshops and action learning helps to build and maintain a consistent level of activity. Monthly events that bring the whole cohort together builds pressure on participants to demonstrate progress to their peers, and the momentum of change is further supported by online activity and individual coaching between sessions.
- **Ensure a sustainable momentum of change.** Workplace innovation is never complete but leads to a continuing process of learning and development based on aspirations that grow with each success. Creating such a momentum is often the true test of a programme's effectiveness. This can be sustained beyond the life of a programme by continued peer-to-peer exchanges within learning networks that evolve over time.
- **Capture and disseminate generalisable knowledge and experience created by programmes.** As an international movement, workplace innovation is fuelled by shared learning and mutual support, especially through EUWIN. Programmes generate knowledge and experience that belong within the public sphere by means of publications and peer-to-peer networks, challenging established practitioners with fresh thinking and supporting new entrants.

Workplace innovation is a powerful but underutilised resource for achieving diverse economic and social policy goals in the UK, with its relatively slow uptake of organisational practices associated with high productivity and high quality of working life. Scotland has broken with the UK government's embedded indifference to internal workplace practices, and the Scottish Government is articulating a distinctive vision for the future of its economy. Workplace innovation is now firmly embedded within national policy frameworks, generating lessons of clear significance for many other countries.

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