IMPLEMENTING WORKPLACE INNOVATION ACROSS EUROPE: WHY, HOW AND WHAT?

Peter R. A. Oeij
TNO, The Netherlands Organization for Applied Scientific Research
peter.oeij@tno.nl

Steven Dhondt
TNO, The Netherlands Organization for Applied Scientific Research

Rita Žiauberytė-Jakštienė
TNO, The Netherlands Organization for Applied Scientific Research

Antonio Corral
IKEI Research & Consultancy, Spain

Paul Preenen
Dutch Tax and Custom Administration, The Netherlands

About the authors

Peter R.A. Oeij is a senior researcher/consultant at TNO, The Netherlands Organization for Applied Scientific Research (Leiden, The Netherlands). The main topics of his work are innovation management, workplace innovation, social innovation, productivity, flexibility, working smarter and team work.

Steven Dhondt is a visiting professor at the KU Leuven (Belgium; Chair Social Innovation) and senior research scientist at TNO, The Netherlands Organization for Applied Scientific Research (Leiden, The Netherlands). He is the network coordinator for the European learning network on Workplace Innovation (2013-2017) for the DG Enterprise & Industry.

Rita Žiauberytė-Jakštienė is a junior researcher at TNO, The Netherlands Organization for Applied Scientific Research. Formerly she has been a recruitment consultant in personnel selection agencies in Lithuania. Her research interests include social innovation, workplace innovation, and goal-setting topics.

Antonio Corral is Unit Director at IKEI Research & Consultancy (Spain). He is an economist and MBA with more than 25 years of experience in social and economic research and public policy projects. He is national correspondent in Spain for the European Observatory of Working Life (EurWORK) of Eurofound.

Paul Preenen is a researcher at the Dutch Tax Agency, Centre for Knowledge and Communication. He holds a Ph.D. in Work and Organizational Psychology from the University of Amsterdam. Previously, he has worked for The Netherlands Organization for Applied Scientific Research (TNO).

Abstract

This article discusses the implementation of workplace innovation (WPI) in European companies. Based on a 51-case study research in 10 EU Member States this article addresses four questions: 1] Why do companies apply workplace innovation; 2] What are different motives for management, employees and employee representatives to implement WPI; 3] What are important leverage factors for the implementation of WPI; and 4] What is known about the (expected) effects according to management, employees and employee representatives?

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Results show that successful WPI is an interplay of management-driven business goals and employee-driven quality of work goals. Companies differ in their implementing strategies but constructive cooperation between management and employees is a key success factor for successful WPI.

Introduction

Workplace innovation (WPI) is generally beneficial for both business performance and the quality of jobs. Redesigning organizations and work processes matters for better performance and jobs in general (e.g., Bloom & van Reenen 2010; Boxall, 2012; Boxall & Macky, 2009). The benefits of WPI have been documented for both employees and organizations across a range of organizational and national contexts. For example, WPI has been linked to both improved individual level outcomes such as indices of quality of working life and improved organizational performance (Eeckelaert et al., 2012; Ramstad, 2009), quality of working life (Kalmi & Kauhanen, 2008), better organizational performance (Dhondt & van Hootegem, 2015; Oeij, Dhondt, & Korver, 2011; Oeij & Vaas, 2016), and applicability in SMEs (Oeij, de Vroome, Bolland, Gründemann, & van Teeffelen, 2014). Hence, companies that care about their performance and employees should adopt and implement WPI.

In fact, WPI might be more relevant than ever in the current times of ongoing change and competition, especially given the increasing awareness that many companies focus almost exclusively on technological and business (model) innovation to face today's demands (Dhondt, Oeij, & Preenen, 2015). However, competitiveness is not realised through merely stimulating new technological developments and cost-cutting efficiency policies but needs to go hand in hand with WPI (Pot, 2011; Pot, Dhondt, & Oeij, 2012; Pot, Totterdill, & Dhondt, 2016). Despite these positive results of WPI, less is known about how different European companies implement WPI in their own practices and why they do so. In this contribution our central question, therefore, is: *Why and how do companies implement WPI?* To address this question, we will use data from a Eurofound study (Oeij et al., 2015a) that investigated the implementation of WPI in 51 companies across Europe. We will first describe the concept of WPI. Subsequently, the Eurofound study's results are presented, including two company case examples of the implementation of WPI. We end with a conclusion and implications for policy and practice.

The concept of WPI

In this article, we use the following definition of WPI: a developed and implemented practice or combination of practices that structurally (division of labour) and/or culturally (empowerment) enable employees to participate in organizational change and renewal to improve quality of working life and organizational performance (Oeij et al., 2015a, p. 8, 14). This conceptualisation of WPI implies that one needs to look at the organization as a whole and consider the reciprocal effects of strategy, structure and culture, if one is to reap the benefits associated with WPI (Howaldt, Oeij, Dhondt, & Fruytier, 2016). For instance, hierarchical organizational structures may lead to more directive leadership styles and Human Resource Management (HRM) practices that focus on a clear division of labour and control, whereas less hierarchical structures may lead to leadership styles and HRM practices that are geared at promoting employee involvement, engagement and commitment (MacDuffie, 1997; Pot, 2011). Therefore, to fully understand WPI, it is essential to not only focus on certain types of HRM practices and their consequences, but to also take into consideration the organizational structure and the management philosophy underlying strategic choices (Dhondt & Oeij, 2014; Howaldt et al., 2016; Karanika-Murray & Oeij, 2017).

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The workplace innovation's 'structure orientation' contains practices that structure work organization and job design (Oeij et al, 2015a; de Sitter et al, 1997). As described, these practices concern the division of labour, the division of controlling ('managing') and executing tasks, and they provide employees with structural decision latitude or control capacity (Dhondt, Pot, & Kraan, 2014). This means that employees are structurally given influence over their work, management, production system, and organization through, for example, co-creation in work design, employee budget or planning control, self-organizing and self-steering teams. Such an approach goes beyond HR-dominated streams (such as High Performance Work Practices and High Involvement Work Practices – discussed in Oeij et al., 2015a), as it is rooted in the choices made about how to design the production system and work organization. Structure-oriented practices can stimulate employee-control or autonomy, and provide a ground for employee (and employee representatives') voice. These are crucial for individual level motivation and innovative behaviour (Preenen, Oeij, Dhondt, Kraan, & Janssen, 2016; Preenen, Vergeer, Kraan, & Dhondt, 2015).

The workplace innovation's 'culture orientation' contains practices that provide opportunities for employees to participate in various ways, for example, in organizational decision-making through dialogue (Oeij et al., 2015a) and are focused on enhancing employee engagement and participation. An example of such a practice would be higher management visits to the shop floor in order to engage in dialogue with the employees. These culture-oriented practices do not only concern employees, but they could also include employee representatives, as in the case of social dialogue and collective bargaining. Culture-oriented practices can stimulate commitment and provide employees (and employee representatives) with voice (Totterdill & Exton, 2014).

The Eurofound study

The Eurofound study *'Workplace innovation in European companies'* (Oeij et al., 2015a, Oeij et al., 2015b) is a multiple case study among 51 companies from 10 EU Member States. Its purpose, among others, was to explore why and how companies apply WPI in order to offer policy makers in Europe recommendations for how to pursue and stimulate WPI across Europe.

Sampling

The companies were selected from the European Company Survey 2013 (ECS survey) database comprising about 30.000 companies (Eurofound, 2015). For this purpose, a WPI-index score[1] was constructed to rank all companies in terms of their WPI-features (Dhondt et al., 2014; Oeij et al., 2015b). The top 5% of the companies in the ranking were selected; this means that, according to the ECS-survey data, these companies are mature in terms of WPI-features. WPI-mature companies were selected because they have already undergone the whole WPI implementation process, therefore, enabling the analysis of leverage factors and barriers, as well as results of WPI. In order to achieve some variation across Europe, the companies were divided according to the following regional breakdown (Eurofound, 2015): Continental and Western Europe (Denmark, Germany, Ireland, The Netherlands, United

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[1] The WPI-Index score (Dhondt et al., 2014; see also Oeij et al., 2015b) consists of separate items derived from the ECS Management Questionnaire, which are linked to the theory of high performance work systems. Using Principal Component Analysis (PCA), a latent structure in the data was found, which consisted of 7 factors: 1) innovation (product and organizational innovation), 2) voice (employees /employee representatives having a say in decisions and changes), 3) learning and reflection (training and feedback), 4) structure and system (variable pay), 5) work organization autonomy (autonomy), 6) work organization career (long-term career plans), 7) hierarchy. The WPI-Index score was calculated as the sum of the scores of these separate factors, implying that each of these elements was given the same weight in the WPI-index.

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Kingdom – 102 companies were approached, 22 companies participated), Southern Europe (Greece, Spain – 105 companies were approached, 12 participated), and Central and Eastern Europe (Bulgaria, Lithuania, Poland – 17 companies participated from the 154 that were approached). The final cases were selected via direct contacts with the companies explaining the purposes of the project. Our final sample varied in sector, and size as follows: *Company size*: SMEs 50-249 employees (27 companies) and large companies with 250 employees or more (24); *Branch*: industry/manufacturing (21); commercial services (14); social services (16).

Methods and fieldwork

In each company, face-to-face or group interviews were intended with a manager, a group of employees, and employee representatives to get an extensive and broad picture. These were always persons who were involved and knowledgeable of the WPI practices to be studied. However, for diverse reasons, usually operational difficulties during the fieldwork, in five companies it was impossible to talk to employees and in 16 companies no employee representatives were available.

The fieldwork was carried out by nine European research institutes using a standardized methodology and formalized questionnaires about the how and why of WPI (see Oeij et al., 2015b[2]). All in all, about 200 people were interviewed (for exact numbers see Table 3 and 4), following specific questionnaires for each interviewee category (in total, 3 questionnaires per firm). The information gathered was entered into a data file and each case was described in a mini-case study report (2–3 pages)[3]. In each company, specific WPI practices were identified (up to 168 practices in total).

Subsequently, the questionnaires were analysed using Qualitative Comparative Analysis (QCA). Analyses revealed the 'conditions' within companies that explain the presence of substantial WPI practices. Together, these conditions constitute successful routes ('configurational paths') that can be regarded as implicit strategies employed to become a WPI company. Case study reports were used to assess whether different types of WPI practices could be distinguished. Qualitative information from interviews was used to get a richer description of contextual factors, drivers and motivations, ways of developing and implementing WPI, and the impacts of WPI. This combined approach, leveraging information from different data sources, enabled an in-depth analysis of the companies and their WPI practices[4].

Results of WPI implementation in practice

Why do companies want to implement WPI?

To see why companies introduced WPI-practices a distinction was made in the questionnaires between two drivers or targets, namely, to improve the quality of performance of the organization or to improve the quality of working life and employee engagement. The analysis of the questionnaires revealed the existence of a third category that essentially combined both drivers. Although economic reasons drive the decision to introduce WPI, most practices identified in the case studies (69%) are targeted at both goals (i.e., the enhancement of the company's performance and quality of working life), while the remaining practices are

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[2] Full technical report with the methodology can be found on the Eurofound website at https://www.eurofound.europa.eu/publications/report/2015/working-conditions/third-european-company-survey-workplace-innovation-in-european-companies .

[3] All cases can be found on the Eurofound website at: https://www.eurofound.europa.eu/workplace-innovation-in-european-companies-case-studies .

[4] An elaborate description of the fieldwork and methodology can be found in Oeij et al., 2015b which can be downloaded from the Eurofound website.

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approximately equally divided between those that focus on quality of working life (18%) and quality of performance (14%) (Table 1).

Table 1. Types of practices applied and drivers (percentages)

| | WPI | | | | | | |
Drivers	WPI-structure	WPI-culture	WPI-mixed	Total WPI	HR	Other	Total
Quality of Performance	1,8	1,2	3,6	6,5	3,6	3,6	13,7
Quality of Work	3,0	3,6	4,2	10,7	6,5	0,6	17,9
Both: Quality of Work and Performance	8,9	15,5	11,3	35,7	28,6	4,2	68,5
Total	13,7	20,2	19,0	53,0	38,7	8,3	100,0
Number of practices	23	34	32	89	65	14	168

Source : Oeij et al. (2015b, p. 21)

Table 1 presents a total of 168 WPI-practices that where identified in the selected companies. Half of these practices (53%) are either focusing on WPI-structure elements (14%), WPI-culture elements (20%) or are a mixture of structure and culture practices (19%). Quite a high proportion of identified practices were assessed as being exclusively HR-practices (39%), which we see as too limited to qualify as a genuine WPI-practice. The practices in this category are 'typical' or 'traditional' HR-practices in the fields of, for example, personnel recruitment, training, competence development, performance appraisal, working conditions, remuneration, flexibility and health, risk and safety measures. The category 'other' (8%) consists of practices such as cost-effectiveness, efficiency improvement and ICT-practices that also do not qualify as WPI.

Table 2 provides some concrete examples of the 168 practices identified. The complete list of practices (including HR-practices) can be found in the Annex to the report (Oeij et al., 2015b). Given that most WPI-practices in our sample seem to be aimed at both achieving economic goals and better work, it is likely that they not only lead to better company performance but also to increased employee engagement and a better quality of working life. WPI practices, such as the ones mentioned in Table 2, tend to be aligned with employee interests and, as we will show later on, lead to agreement among managers, employees and employee representatives as to what is more or less important.

Regarding the different paths or routes employed by companies on their way to becoming mature WPI-companies, we found that organizations followed their own unique routes. Indeed, most of them applied more than one WPI-practice, often a combination of structure oriented, culture oriented and HR measures. This may indicate that a "bundling" of measures might be beneficial, as is proposed in the High Performance Work Practices (HPWP) literature. However, we cannot draw any definite conclusions regarding the ideal combination of WPI-practices, given the wide variety of WPI-practices combinations we found in our cases (Oeij et al., 2015a).

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Table 2. Examples of WPI-practices

Types of practices	Examples (*)
WPI: structure orientation	Educational organization (BG-EDUC-UNI-S): Self-managing teams were introduced as a system for organising day-to-day duties and activities. This approach ensures that the team members have sufficient flexibility to decide how to implement their tasks taking into account their own capacities and time schedule.
	Research organization (ES-SCI-ENVIRONM-L): Minimising organizational 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.
	News & Journalism organization (NL-INFO-NEWS-L): Job enlargement by expanding sales jobs with account management tasks; cross-functional teams were also installed to realise innovation projects across departments
WPI: culture orientation	Museum (DK-ART-MUSEUM-S): Partnership with unions. New projects and organizational changes are debated in a joint committee with union representatives, OSH representatives and management representatives. This committee is initiating new practices such as training and support for new employees.
	Energy company (BG-ENER-GAS-S): The Knowledge Management System, OGpedia, is a voluntarily developed IT-based information sharing system. All employees can share and gain new knowledge.
	Postal organization (LT-SERV-POST-L): "Loyalty Day" aims to enhance communication and knowledge sharing between managers and first line workers. Managers voluntarily visit workers at their work site and gather information about specific processes and possible issues. This increases sustainability, efficiency and good organizational communication.
WPI: mixed	Research organization (ES-SCI-WORK-L): Flexitime practices allow workers to have a say regarding their working times: they can adjust their starting and exiting hours, also ad-hoc exits (with manager's permission) are allowed.
	Financial service company (EL-FIN-BANK-L): An initiative for personal development: every year teams of 1-2 people take part in a challenge defined by the top leaders. In this way ideas can be passed from young talents to the top management. Young talents are supported by coaching sessions and assessment tools and gain experience.
	Pet food processor (DE-AGRO-PETFOOD-S): Overall Competences: Ready to do any job in the production line, an overall qualification was given to the production staff, enabling the employees to take over every job in the production. After the mechanisation of production most of the employees had the chance to upskill and take over a skilled worker's tasks.

(*) Company codes are indicative of country, branch of activity and size (small 50-250 and large 250+) and used to ensure anonymity. *Source*: Oeij et al. (2015a, pp. 25-26).

Before we turn to the 'how' question, we will take a closer look at the motives, leverage factors and impacts of WPI. The following sections are based on both quantitative data from the questionnaires as well as interview data from managers, employees and employee representatives. Generally, the level of agreement between these stakeholder groups was high[5].

What are motives to implement WPI?

Although companies did choose varying paths to WPI and selected different (combinations of) WPI-practices, their reasons for initiating WPI reflect much commonality. Our quantitative and qualitative analyses show that, from an organizational perspective, economic motives for initiating WPI are dominant (Table 3). In this sense, from the viewpoint of the 'organization as a

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[5] The drivers are derived from the WPI-practices that are implemented by the companies; the motives are part of the interview checklists that were applied (for more details see the Technical report, Oeij et al., 2015b).

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whole', the most prominent three general motives identified by the three groups of interviewees for initiating WPI implementation, were efficiency improvement, to gain competitive advantage and to enhance innovative capability. However, many companies understand that achieving economic goals largely depends on the role that employees play, as reflected in motives such as becoming an attractive employer and increasing acceptance by employees (Table 3).

Table 3. General motives for the implementation of WPI

	Manager	Group of Employees	Employee Representatives
	Percentage of companies		
...for the 'organization as a whole'			
To improve efficiency	80	80	74
To gain competitive advantage	78	58	65
To enhance innovative capability	75	58	65
To become an attractive employer	57	53	44
To enable the acceptance by employees	37	31	47
To enable the embedment of new technology and ICT	37	33	35
To improve industrial relations with unions	18	9	47
...from managers' and employees' perspective			
Economic and business goals	94	89	88
Learning and development opportunities	78	71	74
Performance	61	62	59
Public goals	31	33	32
Flexibility	31	42	38
Shareholder interests	25	24	29
Labour market position	25	18	35
Balance private-work life situation	25	24	32
N of respondents	51	45	34

Source: Oeij et al. (2015b, p. 27)

Apart from looking at motives for 'the organization as a whole', the investigation of 'motives' was also approached as possible desired impacts for each group of stakeholders separately (management, employees and employee representatives) (Table 3). We found that motives for WPI implementation from both the managers' and employees' perspectives overlap[6], and, moreover, are aligned with the general reasons to initiate WPI[7]. The three most salient motives are economic and business goals, learning and development opportunities, and performance. Interestingly, all three actor groups saw motives related to the quality of organizational performance as more important than those related to the quality of working life.

What are important leverage factors for the implementation of WPI?

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

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[6] Statistical results (based on McNemar tests) indicated that there are no significant differences in how frequently managers, employee groups and employee representatives selected the top-3 motives (economic and business goals, learning and development opportunities, performance).

[7] All three groups indicated the improvement of efficiency as the most important motive for the "organization as a whole", while gaining competitive advantage and enhancing innovative capability were the second two most important motives. No differences were found among the three groups in the frequency of selecting the improvement of efficiency. Managers' selected gaining competitive advantage more often than groups of employees and employee representatives (respectively p=.049 and p=.039); managers also selected enhancing innovative capability more often than employee representatives (p=.039). Here and in other comparisons attention should be paid to data missing from employee representatives (>30%).

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a powerful person (Table 4)[8]. While reasons and motives to start WPI point to business-related arguments, employee involvement seems a sine qua non, when it comes to adoption and implementation.

Table 4. Leverage factors for WPI implementation

	Manager	Group of Employees	Employee Representatives
	Percentage of companies		
Employee involvement	82	84	88
Top management commitment	80	69	68
Leadership, powerful person	67	56	65
Organizational, non-conflictive climate	49	42	50
Resources, enough money and people	33	38	29
Time, no interference from reorganization	18	20	24
N of respondents	51	45	34

Source: Oeij et al. (2015b, p. 27)

What are the impacts or expected impacts of WPI?

Impacts of WPI-practices, like drivers, can be divided into effects on organizational performance and on employees. We considered four types of impacts: impacts on the organization, management, employees, and employee representatives (see Table 5).

Table 5. Impacts of WPI

	Manager	Group of Employees	Employee Representatives
	Percentage of companies		
for the organization			
Employee engagement	82	78	85
Longer term sustainability	73	64	62
High performance	67	56	59
Establishing good work	63	47	62
for managers/managers' interests			
Efficiency	73	64	74
More sustainability	71	60	62
Competitiveness	65	53	59
Innovation/innovation capability	61	47	59
Satisfied client, customer	61	53	59
for employees/employees' interests			
Learning opportunities	71	67	59
Voice, participation	59	56	59
Challenging, active jobs	57	64	44
Healthy work	43	49	56
for employee representatives/ union interests			
Employees voice	79	67	85
Sustainable organization	56	33	50
Equality, fairness	35	33	41

Source: Oeij et al. (2015b, pp. 28-29)

For the organization, according to all three groups of interviewees, employee engagement was the most important outcome of WPI, followed by long term sustainability[9], and, at some distance, high performance, better customer focus/client focus, efficiency, and profitability. For employee representatives, notable outcomes were also the establishment of good work and

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[8] Statistical (McNemar) tests indicated that there are no significant differences in how frequently managers, employee groups and employee representatives selected the top-3 leverage factors.

[9] McNemar Tests also indicated that there are no significant differences in how frequently managers, employees and employee representatives selected the two top outcomes, hence, there is agreement among groups.

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more positive employment relations. Remarkable maybe, but according to employees, establishing good work was ranked lower than efficiency, profitability and high performance (not visible in Table 5, see Oeij et al., 2015b; pp. 28-29).
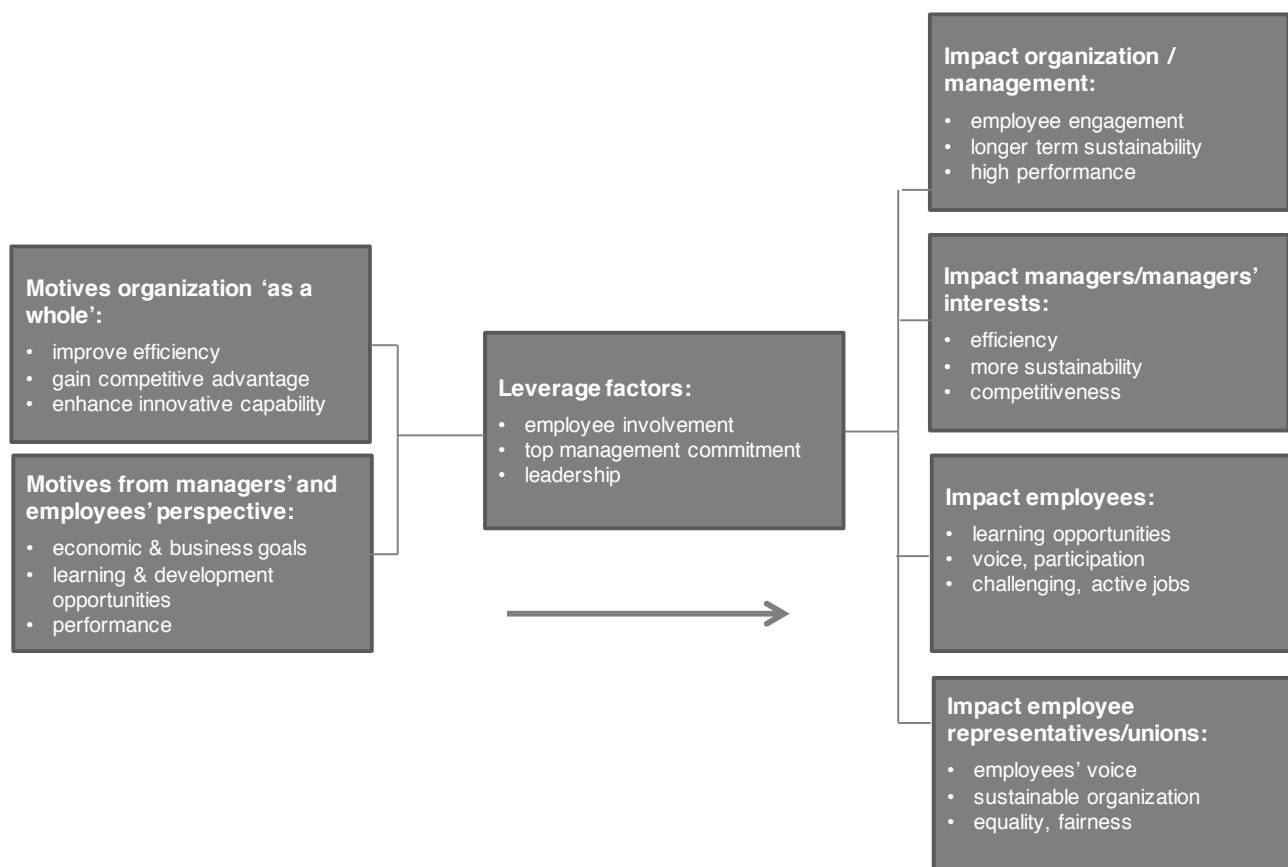
The most important impacts of WPI for managers' interests are efficiency and sustainability; for employees' interests, learning opportunities, voice/participation, and challenging and active jobs; and for employee representatives'/union interests, employee voice.

Summary

In sum, when we consider why companies implement WPI, what they see as the most important leverage factors, and which effects or impacts of WPI they expect for the organization, managers, employees and employee representatives, it becomes clear that the three different respondent groups tend to largely agree with each other. Given that economic goals are triggering the initiation of WPI and that employee involvement is a key factor in the introduction of WPI, it is intriguing to see how much agreement emerges among all stakeholders. All three actors regard:

•   employee engagement, longer term sustainability and high performance as the most important impacts for the organization;
•   efficiency, increased sustainability and competitiveness as the most important impacts for managers;
•   learning opportunities, voice/participation and challenging and active jobs as the most important impacts for employees;
•   employee voice as the most important impact for employee representatives.

Figure 1. Agreement about the main motives, leverage factors and impacts of WPI according to three respondent groups (managers, employees, employee representatives)

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Hence, in many instances, the process of introducing WPI-practices tends to improve not only economic performance, but also employee engagement and quality of working life. Figure 1 captures these findings.

How do companies implement WPI?

Now that we have outlined the motives for introducing WPI and their associated leverage factors, we will discuss 'how' WPI is being implemented. The process of initiation, adoption and implementation of WPI-practices reveals a common pattern across companies. As previously described, companies choose paths that differ among companies, yet within companies there is agreement among managers, employees and employee representatives regarding why WPI should be introduced, how to do it, and what impacts are desired. Our research suggests that, often, it is management that initiates WPI, and that the main motive is economic. Once this decision has been taken, employees are involved to help design and implement the intervention. Moreover, consulting employee representatives is common among those companies who advocate communication and employee interests. Be reminded that our sample is from the companies who score the highest on WPI. Many of these companies are WPI-mature and from the case studies we learned that they have come this far after many years. The way that WPI-practices get implemented seems to reveal a generally applied pattern (Figure 2):

Figure 2. Pattern of implementing WPI-practices (Oeij et al., 2015a, p. 59).
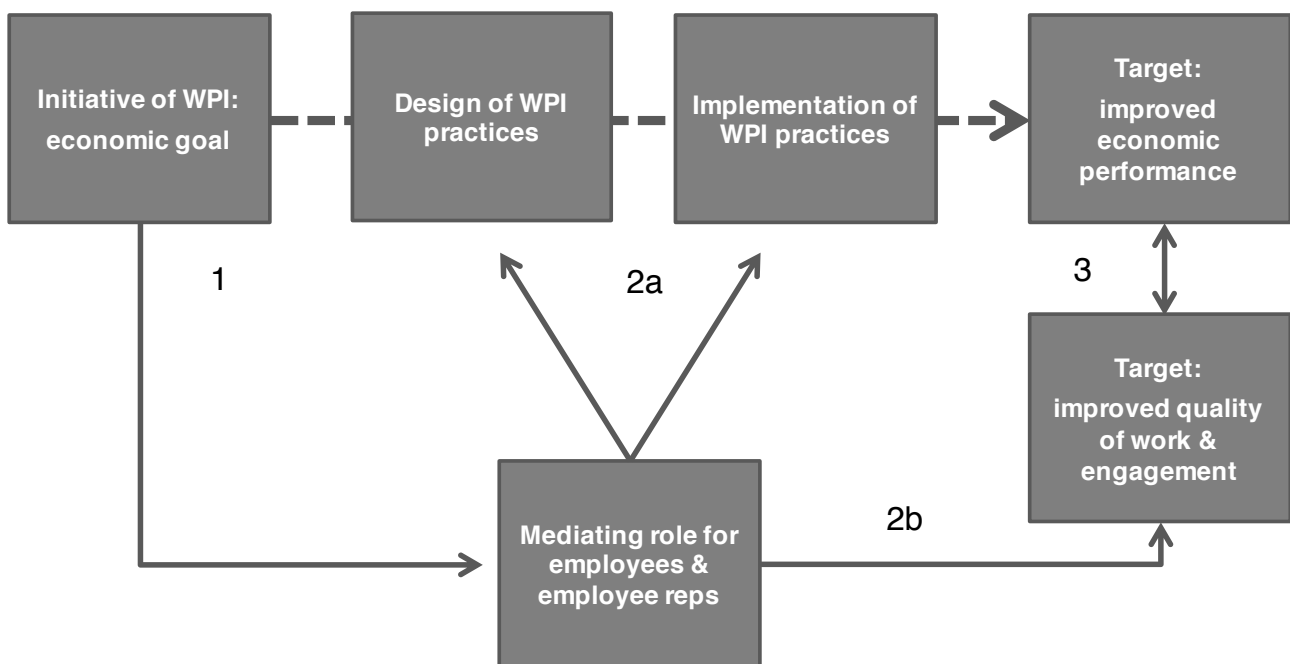
1. **The initiative of a WPI** often has an economic purpose and very often this is dominant (see 1 in Figure 2). However, in many cases WPI-practices are not solely targeted at economic goals. Often, they are combined with or embedded in organizational, job and HR-related measures.
2. Once the WPI-initiative has been refined into 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 2). This happens because management tends to realise that it is impossible to implement WPI without the engagement of employees. Given that employee participation in the design and

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implementation phase is inextricably linked to employee engagement and possibly improved quality of working life, this can result in the achievement of employee-favourable targets (see 2b in Figure 2).

3. The target of improved economic performance is often not only a direct effect of the implemented WPI-practice but, is in most cases, also indirectly influenced by employees and employee representatives. When economic targets are achieved, they may well coincide with the targets of improved quality of working life and employee engagement. Vice versa, an improved quality of working life and employee engagement can contribute to improved economic targets (see 3 in Figure 2).

In summary, it appears that (initial) reasons and motives to initiate WPI are mainly economic. In the next phase, concrete WPI-practices are designed and implemented. Here, it becomes apparent that employees get to play a major role, especially in light of the fact that the most important leverage factor for adoption and implementation is employee involvement. Interestingly, managers, employees and employee representatives seem to agree that employee engagement in the whole process is a necessary condition for WPI.

Two company examples of the WPI implementation process

In our research, we found that companies adopt and implement WPI in their own specific way. Below (see Table 6), we will present two examples of WPI implementation from Denmark and Lithuania in order to highlight the uniqueness of the WPI process (Oeij et al., 2015a, pp. 53-54).

Table 6. Examples of the WPI implementation process

Danish example: Partnership with unions

Service organization (DK-SERV-PARK-S): Organizational changes are discussed by 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 consisted of 1) management took initiative, 2) external consultants supported the process, 3) experiments were conducted (a work team tested new meeting practices or the like), 4) 'invitation' to the same knowledge for all training, and 5) implementation of the practices, but not necessarily in the same way everywhere. No evaluation was done but adjustments were made along the way. Both management and employees believe that it is important to design the process in a manner that creates 'enthusiasts' amongst the employees. The union representative explains: "*It gives a huge boost to the company that we work together to create a great workplace. ... That's what made us 'the best workplace' (a Danish award) in 2004*". The employees believe that, even though management determines the direction, they have to have the trust to be able to discuss it: "*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*" (employee).

Lithuanian example: Dialogue with personnel

Hotel (LT-ACCOM-HOTELS-S): The WPI practice, Think Guest Feedback, consists of regular middle management meetings where middle managers from all departments (Front Office, Reservations, Conference Hall, Lobby, Restaurant, Sky 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 stay experience (and feedback as a result), brainstorm on how guest feedback could be stimulated and collectively addressed, take important information back to the teams of their departments for further action, produce minutes of their observations and 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 they leave the hotel, and constant organizational learning from any mistakes made. It implies staff empowerment, not only in the sense that they could solve emerging problems straight away, but also that each of them could feel like owners of the business and be pro-active in preventing negative guest experiences. Mutual trust, goodwill and respect across departments (not to solve your own issues at other's costs) and between all levels of organizational management were stimulated. According to the General Director, the initiative is still very new, but after a few months, it is already showing benefits.

The Danish example mirrors a stepwise approach of management engaging in partnership with unions. The Lithuanian case exemplifies the taking up of dialogue between management and

employees, which is relatively new to the region. We chose these examples due to their variety, distinctiveness, and richness in terms of implemented WPI practices. Whereas these examples are different in terms of the interplay between management, employees and their representatives, they are all similar in the sense that cooperation between actors is fundamental to improve the business.

Conclusion and lessons for practice

As mentioned in the introduction, WPI practices have been associated with better organizational performance as well as with softer outcomes such as employee engagement. Yet, to date, we know relatively little about why and how companies implement WPI across Europe.

The general conclusions that emerge from our research can be captured in a few lines. The initiative to start WPI practices usually comes from company owners or managers. However, these managers/owners have understood that, for WPI to be successful and to help them reach benefits in terms of company performance and sustainability, employees' and employee representatives' involvement and participation are crucial. Typically, the reasons driving management's decision to implement WPI practices are related to efficiency, competitiveness and innovation enhancement. In a number of cases, management's decision to implement WPI is triggered by other factors such as:

- a situation of crisis or difficulties in the company's performance that requires significant changes to survive and remain competitive in a changing and globalised market, where the traditional products/services and ways of working need to be revised and adapted in order to satisfy the requirements of increasingly exigent and sophisticated customers;
- sometimes, the former is also combined with a take-over from (or merger with) another (multinational) company which brings in new forms of work organization and new work practices, systems, etc. that involve workplace innovation. In these cases, there is a kind of 'WPI know-how transfer' from the headquarters to the subsidiary.
- In several of the Eastern European case studies, the privatisation of public enterprises and the associated reorganization processes have served as a background to the implementation of WPI, seeking greater efficiency and employee involvement that were previously lacking.

Interestingly, factors related to job quality and good working conditions do not emerge as primary reasons or motives for WPI, but rather as either a pre-condition or a result of WPI. This means, that the objective of WPI introduction is not to improve the working conditions or the working environment as such, but that, in order to enhance employee involvement and their contribution to the company's performance and innovation processes, a good set of working conditions is required.

The companies in our sample used different paths to become WPI-mature organizations, meaning they applied different combinations of WPI-practices and stressed different organizational choices (Oeij et al., 2015a). Given that our sample consisted of only WPI-mature companies, it is possible that, for not (yet) WPI-mature organizations other success paths may emerge in future research. We found that organizations can choose different production systems that enable WPI implementation, such as flow structures and teams (Achterbergh & Vriens, 2010; Christis, 2010). This implies that WPI is related to organizational changes at the 'root' of the production process of making products and delivering services (MacDuffie, 1997).

Although companies differ in their implementation strategies, constructive cooperation between management and employees seems to be a key factor for successful WPI, as our two case

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descriptions imply. Additionally, the way that WPI-practices get implemented seems to reveal a general pattern across companies (Figure 2). Importantly, it appears that organizations can make strategic choices with their organizational structure. Moreover, it seems beneficial for the emergence of WPI to strengthen the position of employees and employee representatives. This can help boost WPI-practices, which, in turn, may improve both economic performance and quality of working life.

Some pointers for practitioners

In our sample, WPI is supported by all organizational players: managers, employees and employee representatives. This clearly indicates good employment relationships and industrial relations among the company stakeholders, which result in constructive cooperation, communication and collaboration, the containment of labour conflicts and a striving for common interests and goals. To achieve this, management and leadership behaviours are required that not only bring the business forward but simultaneously stimulate trust and employee engagement. In turn, it is necessary that employees engage in entrepreneurial and intrapreneurial behaviours and apply their talents in support of innovation and co-creating change. In addition, it is crucial that employee representatives and unions balance their interests with those of the employees and companies.

Choosing the right WPI-practices to implement is not easy. It requires linking an organization's strategy to its management philosophy, and subsequently, to its structure and culture. Moreover, this has to be done by taking into account the viewpoints of management, employees and external stakeholders – unions, customers, etc. What does this mean? First, the management philosophy determines the strategy (i.e., whether the organization's goals are to be achieved top-down or bottom-up). That same philosophy serves as the basis for the design of the working processes (i.e., the structure). In this respect, one can choose a more top-down or a more bottom-up approach regarding the division of labour and the way in which these working processes are managed. In turn, this will be reflected in the culture of an organization, especially if one looks at leadership styles and the manner in which employees are engaged. In this respect, organizations can show more of a control-orientation versus more of a commitment-orientation, depending on former choices. The established culture will determine whether employees will be more pro-active or risk avoidant. Strategy, structure and culture together constitute a unitary system and need to be treated as a whole. Merely implementing employee-friendly HR-measures, like innovation competitions, job performance interviews or company suggestion boxes while leaving a top-down structure intact, will therefore, result in disappointment rather than satisfaction, in the long run.

When developing WPI-practices one should take a whole system approach and understand that the root causes of behaviour need to be addressed, and that these can often be found in the interplay between strategy, structure and culture. It is nonetheless difficult to assess the potential impacts of WPI-practice at the outset. This is partly because it is difficult to predict the outcomes, partly because of the complex manner in which WPI-practices interact with other organizational factors, and partly because some effects can be quantified, but many others cannot and remain 'qualitative' evaluations. To be able to build a proper 'business case' for such WPI-practices in which a trade-off can be made between quantitative and qualitative aspects, and which reflects the viewpoints of different stakeholders, employers and employees can collaboratively engage in a stepwise approach (Oeij et al., 2012). This approach implies that employers and employees analyse the (future) productivity challenge and strategy of the organization, and link this to possible workplace innovation practices, and their effects on performance and quality of work. By making a trade-off between the advantages and

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disadvantages, and by applying a dialogue approach (Oeij et al., 2006), they can build a solid business case for their final choice. The dialogue approach means that viewpoints from different perspectives are taken into account.

Coda

This contribution tried to make clear why leading WPI-companies apply WPI and how they implement it. WPI-mature companies have mature relationships between management, employees, and employee representatives. These stakeholders understand that they need each other and that strategy, structure, and culture can best be seen as a system that should be balanced. Workplace innovation thus requires a holistic or integral view on change. Moreover, companies can take different paths and employ a variety of practices for effective WPI implementation.

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