

# Workplace Innovation as Regional Economic Development: Towards a Movement?

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## **Abstract**

*Action Research in Workplace Innovation and Regional Development* (Fricke and Totterdill, 2004) advocated creating “many low-intensity cases generated by a great variety of actors ... (integrating) the ideas and interests of as many regional stakeholders as possible”, thereby unleashing the potential to introduce industrial democracy and worker participation into regional development processes. This article explores a specific attempt to stimulate workplace innovation in the UK, a country with no tradition of such policy initiatives, through a coalition of regional actors. The resulting programme was successful in its own terms, achieving tangible outcomes and shared learning, but failed to create a sustainable momentum in its own region. The learning and experience from the programme was subsequently absorbed by policy makers elsewhere in the UK.

**Key words:** Workplace innovation, Public policy, Development coalition, Productivity, Skills utilization, Worker empowerment

## **La innovación en el lugar de trabajo como Desarrollo Económico Regional: ¿hacia un movimiento?**

### **Resumen**

*Investigación-Acción en la Innovación en el Lugar de Trabajo y Desarrollo Regional* (Fricke y Totterdill, 2004), defendió la creación de “muchos casos de baja intensidad generados por una gran variedad de actores (integrando) las ideas e intereses del mayor número posible de interesados regionales”, desencadenando así el potencial de introducir la democracia industrial y la participación de los trabajadores en los procesos de desarrollo regional. Este artículo explora un intento específico de estimular la innovación en el lugar de trabajo en el Reino Unido, un país sin tradición de tales iniciativas políticas, a través de una coalición de actores regionales. El programa resultante tuvo éxito de acuerdo con sus propios términos, consiguiendo resultados tangibles y aprendizaje compartido, pero no logró crear un impulso sostenible en su propia región. Tanto el aprendizaje como la experiencia del programa fueron posteriormente absorbidos por los responsables de formular políticas en otros lugares del Reino Unido.

**Palabras clave:** Innovación en el lugar de trabajo, política pública, coalición para el desarrollo, productividad, uso de habilidades, empoderamiento del trabajador.

## 1. Introduction

In the introduction to *Action Research in Workplace Innovation and Regional Development*, Werner Fricke and the current author argue for a shift in the focus of action research, from single cases to regional development processes or social movements, a trend widely associated with the work of Bjorn Gustavsen. Action research has the capacity to create “many low-intensity cases generated by a great variety of actors . . . (integrating) the ideas and interests of as many regional stakeholders as possible”. This unleashes the potential to introduce industrial democracy and worker participation into regional development processes (Fricke and Totterdill, 2004, pp. 4-5). The selection of cases, and Fricke’s editorial contributions, reflect his strong belief in collaboration between stakeholders as a means of driving an inclusive and democratic process of economic development. Trade unions, universities, policy makers and other actors can each play a key role, if they are willing to change their own internal and external practices. Action researchers have “a crucial, if under-utilised role to play, embedding shared learning within the process of intervention” (ibid, p. 2).

Following chapters describing exemplary and successful interventions from Finland, France, Germany, the Netherlands and Scandinavia, the final contribution describes an emerging attempt to create a coalition of stakeholders in the UK. *The UK Work Organisation Network: A national coalition for working life and organisational competence* (Ennals, Totterdill and Ford, 2004) is a manifesto for the promotion of participative and empowering workplace practices. It explains the rationale for creating UK WON as a voluntary coalition of employers’ organisations, trade unions, policy makers and researchers, arguing that the country lacked a space for dialogue between key actors in which their common interest in more productive and healthier workplaces could be explored. It suggests an ambitious list of actions embracing research, knowledge-sharing, network building and public policy advocacy. Here we reflect on developments in the UK since 2004, and consider the prospects for workplace innovation in post-Brexit Britain.

## 2. Context

For much of this period the importance of workplace innovation was unrecognised in national or regional policy spheres. Latterly, skills utilisation and its relationship to productivity came increasingly to the forefront of policy discussion, leading to new insights into the importance of high involvement working practices.

### 2.1 Skills utilisation and productivity in the UK

The problem of workforce skills in the UK is multi-faceted, well documented and has a long history. According to the UK Commission for Skills and Employment (UKCES, 2009):

“Our stock of skills and their optimal deployment fare relatively poorly when compared internationally, according to skills utilisation measures such as labour productivity and levels of qualifications among different workforce groups. Access to opportunities for skills acquisition is uneven, as are their impacts.”

The ‘British disease’ of poor productivity and an economy based on a ‘low skill equilibrium’ has long achieved cyclical but transitory public policy prominence, though without reaching lasting solutions. Since 2000, the focus of skills policy in the UK began to reach beyond its primary concern with improving skills *supply*. UKCES argued in 2009 that “there has been a shift in focus, to considering how we can ensure that skills are effectively *used*, as well as developed, in the workplace”.

Supply-side skills interventions can boost competitiveness and influence individual labour market outcomes; in isolation they have not been sufficient to close the productivity gap with competitor nations (Wright & Sissons, 2012). Research findings (UKCES, 2009; LLAKES, 2012) pointed to:

- a widening gap in the labour market between the number of workers with qualifications at various levels, and the number of jobs that require those qualifications;
- 35-45% of workers with qualifications that are not fully utilised in their current jobs (Wright & Sissons, 2012), but which would be of economic value if they could be put to better use in more demanding roles;
- the tendency for UK employers to require lower educational qualifications for otherwise similar jobs than their counterparts in many other developed countries;
- the slow pace at which UK employers have adopted high involvement working practices, despite long-established evidence that such practices are associated with enhanced levels of productivity and performance.

This provides a partial explanation for the ‘British disease’. Even though evidence about the effectiveness of employee empowerment has been around for a long time (Totterdill, 2015), the vast majority of UK companies do not make systematic use of empowering workplace practices. Less than 10% of employees work in self-managing teams, a basic building block of good work organisation (LLAKES, 2012). Less than 30% have a say in how their work is organised. The UK compares unfavourably with several other Northern European countries, against such indicators of employee involvement and participation.

The term ‘workplace innovation’ is used to describe the introduction of high involvement working practices, empowering employees to release their talent to the fullest possible degree. Workplace innovation now occupies an important place in EU innovation and competitiveness policy, responsible for establishing the European Commission’s Workplace Innovation Network<sup>1</sup> (EUWIN) jointly led by TNO and UK WON.

## 2.2 Defining workplace innovation

Workplace innovation emerged as a unifying concept which brought together work organisation, human resource management and other antecedents (Pot, 2011). It seeks to broaden job roles and employee discretion at individual and team levels, transcend vertical and horizontal demarcations, enable employee-led improvement and innovation, and engage the

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

tacit knowledge of frontline workers as a resource for all levels of decision making. Thus it addresses skills utilisation and development in the workplace. As a recent CEDEFOP (2015) study shows, increasing the complexity of jobs enhances opportunities for workplace learning and development.

Research highlights the importance of internal consistency (Huselid et al, 1997). As Teague (2005) suggests: “Organisations with mutually reinforcing employment practices achieve superior performance as their collective impact is greater than the sum of individual measures.” *The Fifth Element*<sup>2</sup> offers a means of providing practical and actionable insights into the research evidence relating to workplace innovation, to enhance productivity, performance and employee health and well-being (Totterdill, 2015).

Extensive survey and case study evidence demonstrates that workplace innovation improves performance and innovation. A review of some sixty US articles shows the effect on efficiency, with performance premiums ranging between 15 and 30 percent (Appelbaum et al, 2000). Extensive Swedish surveys found a very clear link between flexible, participative forms of work organisation and performance: these 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).

Participative work practices enhance employee motivation and quality of working life, including the reduction of employee stress (Shortell et al, 1994), enhancing job satisfaction and mental health, and improving retention (Borrill et al, 2001). Ramstad (2009a) shows that improvements in quality of working life are associated improvements in economic performance, and may enable them. It can be argued (Totterdill, Cressey and Exton, 2012) that this search for convergence can form part of “a new collective bargaining” in which employees gain trust, empowerment and intrinsic reward, through making their tacit knowledge and creativity available as a resource for organisational improvement and innovation.

If workplace innovation produces tangible economic and employee benefits at enterprise level, it also impacts the labour market and economy. Skills demand is enhanced, because employers need individual workers to embrace wider technical functions and, critically, to enhance generic competencies including problem solving, communication and team working, thereby breaking out of the low skills equilibrium trap.

### 2.3 The problem

At enterprise level, the limited spread of workplace innovation practices can be understood in terms of several factors (Totterdill, Dhondt & Milsome, 2002; Business Decisions Limited, 2002):

- a tendency to see innovation in terms of technology;
- low levels of awareness amongst managers, social partners and business support organisations;

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

- poor access to methods and resources capable of supporting organisational learning and innovation;
- barriers to the market for knowledge-based business services, and the absence of public support;
- the failure of vocational education and training to provide knowledge and skills relevant to new forms of work organisation.

Resistance to high involvement work practices can be explained in terms of the embedded structures that shape management behaviour. To empower workers, managers may perceive that they have to lose it (Hardy and Leiba-O'Sullivan, 1998), potentially challenging their self-identity and status within the organisation (Alvesson and Willmott, 2002; Collinson, 2003; Thomas and Linstead, 2002).

The UK enjoys few institutional spaces which enable sustained dialogue and interaction between employers' organisations, trade unions, policymakers and researchers. Ewart Keep (2015) argues that: "the UK turned its back on traditional policy concerns about workplace relations a long time ago ... the underlying assumption was that competitive pressures and managerial wisdom would lead to organisations using workers productively". UK governments have relied on a market-driven approach to workplace innovation, and instigated no policies or programmes to close the gap in productivity caused by the long tail of companies who fail to respond to evidence. This contrasts with France, Germany and some Nordic countries where national and regional workplace development programmes have existed for some decades:

*Table 1: Approaches to disseminating workplace innovation*

	<b>Market Driven</b>	<b>State Driven</b>	<b>Systemic</b>
<b>Focus</b>	Enterprise	Enterprise	Industry / National economy
<b>Driver</b>	Business performance	National productivity	National prosperity
<b>Model</b>	Voluntarism Learning transfer	National strategy Workplace projects	National strategy
<b>Enablers</b>	Leadership and management Employee engagement	Employer & employee buy-in based on high trust	Stakeholder engagement based on social partnership
<b>Comment</b>	Weak inter-company learning mechanisms amongst UK compa- nies leading to slow uptake	Strong evidence of impact from other European countries but con- trary to market-led ideology in UK	Based on long-term strategic part- nerships between government and other stakeholders; such relation- ships weak in the UK.

Adapted from Wright & Sissons, 2012

European evidence points to the benefits of a systemic, multi-actor approach, based on close collaboration and shared understanding between employers' organisations, trade unions, business support organisations, chambers of commerce and universities (Totterdill et al, 2016). Countries such as Finland, France and Germany, typically combine measures to animate workplace innovation which:

- accumulate, analyse and distribute knowledge of leading-edge practice and evidence-based approaches to change;

- establish closer links between researchers and practitioners;
- use action research to promote workplace innovation;
- develop new learning resources to support workplace change;
- provide knowledge-based business support;
- create inter-company learning networks.

### 3. Case Study: The Innovative Workplaces Programme

#### 3.1 The setting

This pilot programme was designed to enhance employee skills utilisation in workplaces through workplace innovation.

*Innovative Workplaces* was created in a country and a region with little previous history of public policy support for workplace innovation; it will interest other countries with an absence of intervention: the programme produced a substantial return on investment, including well-documented benefits for the participating organisations, their employees and the wider economy. *Innovative Workplaces* demonstrates the potential for effective policy innovation based on collaboration, in this case between an NGO, a national public body, a university and a regional development agency:

**UK WON** (the UK's Work and Organisation Network) was a not-for-profit body created to disseminate and develop innovative workplace practices, and to stimulate new thinking about the future of work and organisations. Since 2016 it is part of Workplace Innovation Europe CLG<sup>3</sup>, a not-for-profit company registered in Ireland with a similar remit at European level.

**Acas** is a UK government body with a tripartite structure, charged with promoting and facilitating strong employment relations. While much of its work is concerned with dispute resolution, it had become increasingly proactive in disseminating good practice through the provision of training courses, and through instruments such as the Acas Model Workplace<sup>4</sup>.

**EMDA** was the regional development agency for the East Midlands of England, and was established in 1998. It was abolished by the centre-right Coalition government in 2012.

The independent evaluation team at **Nottingham Trent University** (Harris et al, 2011) provided an invaluable source of information for this case study.

#### 3.2 Regional Development and the East Midlands

In England, nine Regional Development Agencies (RDAs) were established in 1998 in fulfilment of the new Labour Government's manifesto commitment. Their legal responsibilities were:

1. to further economic development and regeneration;
2. to promote business efficiency and competitiveness;
3. to promote employment;

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3 [www.goodworkplaces.net](http://www.goodworkplaces.net)

4 <http://www.acas.org.uk/index.aspx?articleid=2806>

4. to enhance the development and application of skills relevant to employment;
5. to contribute to sustainable development.

The East Midlands Development Agency (EMDA) was responsible for a diverse region of circa 4.5 million people. UK WON established close links with EMDA, making the case for the stimulation and resourcing of new forms of work organisation as a means of achieving its strategic goals relating to competitiveness and skills. Initially this generated polite interest but no action, reinforcing UK WON's experience that policy makers feel uncomfortable in dealing with work organisation, because it involves challenging management prerogative, can be hard to understand, and does not produce easily quantifiable results (Sisson, 2009). Work organisation occupies an uncomfortable space between skills policy, with its supply-side emphasis, and competitiveness policy which has traditionally emphasised technological innovation and the internationalisation of markets, rather than human factors.

Matters changed when the national policy began to embrace skills utilisation as well as skills supply, and in 2008 EMDA's annual Corporate Plan declared:

"Developing new ways of organising work and utilising more effective deployment of people in the workplace will be needed for businesses to remain globally competitive and ensure business survival. EMDA will focus activity on supporting organisations to stimulate learning amongst their employees and developing collaboration within and between organisations. This activity will seek to change organisational culture and develop strong, inspirational leaders, as well as building effective employee relations."

EMDA commissioned the University of Warwick to explore the relationship between skills and productivity and its impact on regional economic performance (Gambin et al, 2009). The appraisal of the East Midlands economy was of a low skills equilibrium, "trapped in a vicious spiral of low value-added and low skills. Enterprises are staffed by low skilled staff producing low quality goods and services to which the training market responds rationally by providing training aimed at the demand for low skills." Supply side interventions were insufficient to break out of this spiral, "increasing the rate of productivity growth in the region will be dependent upon tackling management capability, innovation, and entrepreneurship simultaneously as a set of inter-dependent issues." EMDA subsequently commissioned Professor Keith Sisson, from Warwick, to advise on work organisation and regional development (Sisson, 2009). Sisson's paper advocated regional policy intervention to stimulate the adoption of participative and empowering working practices, but stopped short of detailed recommendations.

In parallel, EMDA invited UK WON to share experiences of effective interventions to support workplace innovation, in the UK and in Europe as a whole. UK WON's team had previously made use of European Social Fund (ESF) and national funding to experiment with 'collaborative innovation': clusters of circa ten companies engaged in nine or twelve month programmes to support significant workplace change through a tailored combination of taught sessions, action learning, peer exchange and on-site mentoring. The approach was based on earlier experience gained in undertaking formative and summative evaluations of the Irish *New Work Organisation* programme (Totterdill & Sharpe, 1999). It drew on UK WON's growing knowledge of policy interventions elsewhere in Europe, enhanced by a project funded by the South Korean Ministry of Labour which involved detailed case studies of policy interventions in several countries (Totterdill et al, 2009). Cluster-based approaches to support for workplace innovation were increasingly common especially in Fin-

land, France and Norway. Notably Elise Ramstad, a member of the Finnish Workplace Development Programme, showed how a “triple helix” of policy makers, researchers and enterprises working collaboratively had supported innovation at the individual workplace level and built shared capacity to support workplace innovation in the wider economy in Finland (Ramstad, 2009b). In Norway, Bjørn Gustavsen had pioneered collaborative approaches to workplace innovation as architect of the *Enterprise Development 2000* and *Value Creation 2010* programmes, supported by national government (Totterdill et al, 2009).

Previous action research in the National Health Service led by UK WON’s Rosemary Exton provided the programme with insights into the potential role of “change entrepreneurs”, people empowered to instigate dialogue, mobilise diverse actors and work between formal organisational structures, in securing effective and sustainable change. Individuals need to be able to see themselves as entrepreneurial, and to receive high-level support even when they challenge established practice (Exton, 2010).

During 2008, EMDA invited UK WON to collaborate with Acas in a proposal for a regional pilot initiative, based on its experience of collaborative innovation, UK WON worked closely with the Area Director of Acas in the East Midlands on *Work Organisation for Skills Enhancement*: submitted in late 2008.

EMDA agreed to support the pilot project financially. Funding would be managed by Acas because, by transferring money to another public body, lengthy procurement procedures would be avoided. Acas recognised from the outset that it lacked the internal capacity and the wider expertise in workplace innovation to manage the project on its own. Its internal procurement rules obliged it to seek a delivery partner by means of competitive tender, a process which took place early in 2009, and was won by UK WON. In parallel, a second competitive tender was issued for an independent evaluator, won by the Business School at Nottingham Trent University.

*Innovative Workplaces* began in June 2009, including the recruitment of ten participating organisations. The final interventions took place in September 2010. In June 2010, the recently elected Conservative / Liberal Democrat Coalition government announced the abolition of the RDAs: this took place on 31 March 2012. The programme intended as a pilot became an isolated case of support for workplace innovation in England.

### 3.3 Objectives of the *Innovative Workplaces* Programme

The initial proposal to EMDA described the programme as a national pilot project designed to:

- Facilitate long-term organisational change by focusing on developing enhanced management and leadership skills to establish appropriate work organisation, entailing a more committed workforce and increased productivity.
- Capture, record and disseminate lessons learnt and outcomes achieved by participating companies.
- Link the learning of management and leadership skills to practical application in the workplace for mutual benefit, including through career development of the key people.

- Provide a guide to effective organisational change for wider dissemination, based on robust evidence gathered from people and organisations involved in the project.
- Provide an example to other Regional Development Agencies of how Acas, working in partnership with UK WON, can improve productivity and working lives in regional economies.

The project was to benefit a small cohort of business leaders, managers and supervisors across ten organisations, each of which would benefit from long-term organisational change. It sought to break out of the low skills equilibrium by developing and unleashing enterprise skills and competencies of those in work, enabling employees to use their initiative to innovate and create new business strategies and solutions, whilst achieving maximum productivity.

As the architect and delivery partner in the *Innovative Workplaces* programme, UK WON's tender to Acas elaborated these objectives by emphasising the role of action-learning and peer support in encouraging and resourcing organisational change. UK WON argued that the effectiveness of support for companies is considerably enhanced by group-based learning and knowledge exchange, combined with peer-review of change proposals and implementation processes.

As an intended pilot, the programme aimed to capture, record, evaluate and disseminate lessons learned and outcomes achieved by participating companies. These achievements were to be "promoted to policy-makers, stakeholders, and organisations who wish to manage change effectively" while the "economic advantage of enhancing leadership and management skills and work organisation will be showcased."

### 3.4 Programme Actions

The final evaluation report (Harris et al., 2011) describes the programme of activities:

1. **Recruiting ten companies.** In Spring 2009 the opportunity to participate in the programme without charge was advertised through EMDA, Acas and UK WON. A series of open access familiarisation sessions were held for organisations interested in learning more about the initiative. The written application process was light, in order not to discourage applicants. The interview process was robust, to encourage self-assessment and reflection about the suitability of the programme by applicant organisations, while also enabling the assessors to form a judgement.

A number of organisations from across the East Midlands were invited to face-to-face discussions during May and June 2009, with Acas and UK WON team members. Each set out its objectives in seeking to join the programme and why it would benefit them. They had to demonstrate their commitment to engaging and staying with the programme from start to finish, an important criterion in determining which organisations would be invited to join.

Eleven organisations were recruited to participate, representing diversity in terms of size, sector and geographical location across the region. Two employees were nominated as "Gatekeepers" by each organisation, to attend the programme and to act as catalysts in developing and implementing workplace innovations with support from Acas and UK WON. One Gatekeeper should represent senior management, lending the

weight of their authority to the change initiative; while the other should be the leading “change entrepreneur”, stimulating and steering the process on the ground. Gatekeepers should be proactive individuals who would ‘get things done’. One company withdrew from the programme at the beginning of the initial short management and leadership course, leaving ten remaining participants.

2. **Short Course and Action Planning.** An initial short course of three and half days, delivered over three months, was designed to enable participants to:
  - a) learn about good practice;
  - b) develop their leadership skills;
  - c) evaluate their organisations’ workplace innovation practices;
  - d) formulate an action plan for change.

The short course had been developed by UK WON, and piloted previously with over a hundred organisations in the East Midlands.

Gatekeepers were encouraged to maintain logs throughout the project, to aid reflection and as a record of achievement. Guidance on topics for inclusion in learning logs was provided.

UK WON involved New College Nottingham, a local further education provider, in delivering the course, to be accredited by the Institute of Leadership and Management (ILM). Participants were eligible to receive the ILM Level 3 Award in Leadership and Management.

For those Gatekeepers already well qualified and experienced, the course was designed to help ground pre-existing knowledge in the task at hand; for those without such backgrounds the course provided sufficient actionable knowledge in workplace innovation to inform effective change. The course was designed to orientate Gatekeepers to the core programme values and objectives. The interactive nature of the course built relationships between Gatekeepers from the different organisations, creating the openness and trust required for the subsequent action learning sets.

A summary of the course is presented in the following table:

Table 2: Course structure.

Workshop	Content	Date	Time
1.	<b>Employment</b> <i>Creating a flexible and healthy working environment</i>	24 <sup>th</sup> June 2009	10:00 am – 4:00 pm
2.	<b>Skills</b> <i>Generating ideas through creativity and innovation</i>	30 <sup>th</sup> June 2009	10:00 am – 4:00 pm
3.	<b>A People Centred Approach</b> <i>Involving employees through teamwork and partnership</i>	14 <sup>th</sup> July 2009	10:00 am – 4:00 pm
4.	<b>Action Plan</b> <i>Presentations and peer review</i>	23 <sup>rd</sup> Sept 2009	10:00 am – 1:00 pm

From the Participant Handbook

Preparation of action plans was a bridge between the course and the rest of the project. The course provided guidance on the content of plans, and further individual support was offered by Acas facilitators. Gatekeepers were encouraged to involve a wide cross section of employees, and this formed part of the discussion during the subsequent peer review process.

Presentation and peer review of the action plans during the final half day of the course in September 2009 started the action learning process. This session was followed in the afternoon by a public event, which attracted some 30 companies from across the region, and included presentations by national keynote speakers and programme participants.

- 3. *Network meetings and action learning sets.*** Gatekeepers took part in monthly half-day network meetings, providing greater understanding in relation to specific aspects of workplace innovation, exploring practical dimensions of the initial course. The content was responsive to needs expressed in the action learning sets and to issues raised by the Acas Facilitators. Network meetings enabled the exchange of knowledge and experience between participants. UK WON organised and facilitated the meetings, some of which were attended by the Acas Project Manager.

Action learning sets facilitated by UK WON enabled participants to reflect on progress, and refine their action plans, based on peer review and the exchange of ideas between Gatekeepers.

This monthly meeting structure provided a framework for reflection on the strengths and weaknesses of existing practices in their organisations, learn from and crucially challenge each other, test ideas and proposals in a safe and supportive environment, and share problems and achievements as their work progressed.

A study visit was organised to a local company known for its self-organised teamworking and continuous improvement methods, providing participants with a real-life example against which to benchmark.

- 4. *Change Facilitation.*** The design of the *Innovative Workplaces* programme recognised the importance of individual support at workplace level, and shared learning provision in securing effective and sustainable change.

In their role as *Innovative Workplaces* Facilitators, Acas Senior Advisors provided practical in-company advice and guidance in accordance with a briefing document prepared by UK WON. In addition to explaining the aims of the project and providing a working definition of workplace innovation, the briefing document summarised the Facilitators' role as follows:

*Table 3: Role of the Acas Facilitators*

<b><i>Supporting the preparation of action plans during the course</i></b>
<ul style="list-style-type: none"> <li>• Clarifying key messages from the course</li> <li>• Helping participants to identify underlying causes of problems</li> <li>• Raising awareness and aspirations relating to the scope of change</li> <li>• Anticipating and helping participants to address obstacles to change</li> <li>• Helping Gatekeepers to prepare and present robust action plans.</li> </ul>
<b><i>Supporting the continuing change process</i></b>
<ul style="list-style-type: none"> <li>• Mentoring Gatekeepers throughout the change process and helping them to overcome obstacles.</li> <li>• Helping to maintain employee involvement throughout the process, including the direct involvement of frontline employees in the design and implementation of change, the establishment of inclusive project teams, and the active buy-in of trade unions and employee forums.</li> <li>• Identifying the need for specialist knowledge, experience or resources and signposting appropriately in liaison with the project managers</li> <li>• Creating regular spaces for critical reflection on progress involving a cross-section of managers and employees.</li> </ul>
<b><i>Reporting and capturing learning points</i></b>
<ul style="list-style-type: none"> <li>• Providing the Project Managers with regular updates.</li> <li>• Keeping a personal log/diary of key interventions and events.</li> <li>• Encouraging Gatekeepers to keep records of activities.</li> <li>• Helping Gatekeepers to prepare progress reports for the action learning sets.</li> <li>• Helping to identify issues for thematic presentations/discussion during Network meetings.</li> </ul>

From the UK WON Facilitator Briefing Paper

Each Facilitator came to the programme with a different level of understanding of workplace innovation. The briefing document and induction meeting played an important role in ensuring that the Facilitators shared a common perspective relating to workplace innovation, and how they could support the development and implementation of action plans in each organisation.

In each case the Facilitator's input began with meetings in the participating organisation to explore and discuss action plans. The Facilitators supported the process of turning ideas and aspirations into practical strategies. In many cases the initial advice was followed by diagnostic workshops and focus groups led by the Facilitator. These generated powerful insights, and provided a sound basis for subsequent development of projects.

The Acas Facilitators provided advice on setting up employee consultative forums, on staff surveys, and on wider policy development. Where specialist workplace innovation advice was required, UK WON provided additional guidance to participating organisations: for example, helping to establish self-organised teams at a manufacturing company.

Acas also made open access training courses available to all the organisations, and in some cases the Facilitator provided bespoke in-company training to support individual projects. One company received training on 'Essential Skills for Supervisors' and 'Training for Workplace Representatives': two others each received bespoke training for their new employee representatives.

5. Evaluation was a key element, not least because it was an EMDA requirement that an independent evaluator should measure programme outcomes. The evaluation led by Nottingham Trent University was interwoven through every aspect of the delivery, diagnostic and learning processes with a view to identifying:
  - a) the impact of the programme (including its economic impact) from multiple perspectives within each participating organisation, including specific benefits to participants and their organisations as well as unforeseen outcomes;
  - b) the effectiveness of the development interventions such as the course, workplace facilitation and action learning from the perspective of the participants;
  - c) transferable lessons for other regions and ‘lessons learnt’ that might inform future interventions.
6. Dissemination, marketing and publicity activities ran throughout the project. At the outset the emphasis was on attracting and enthusing enough organisations to enable a competitive selection process. During the course of the project the focus was on the creation of actionable knowledge to promote the development of new approaches to leadership and work organisation amongst other organisations in the East Midlands. Later the dissemination focus became national, despite the subsequent demise of the RDAs, targeting policymakers, other stakeholders and employers through events, publications, social media and films<sup>5</sup>.

## 3.5 Impact of the Innovative Workplaces Programme

### 3.5.1 The evaluation methodology

The approach taken by the independent evaluator focused on:

- the extent to which intended organisational outcomes were realised;
- the economic impact and return on investment through performance indicators;
- the extent to which the wider aims of the intervention had been achieved;
- the efficiency and effectiveness of the learning and development process and activities.

Interviews took place at the beginning of the programme and six months after it had finished, with a range of stakeholders at each organisation in addition to the nominated Gatekeepers. These usually included a senior manager and/or line manager, an HR manager and an employee representative.

A multi-method research design was adopted to generate both qualitative and quantitative data, to evaluate the programme’s impact against its overall aims. Specific outcomes were evaluated from different stakeholder perspectives including:

- the organisational changes resulting from participation in the programme, including any unforeseen outcomes;
- the development of the individual Gatekeepers;
- the extent to which skills and knowledge had been transferred from the Gatekeepers to others within the organisation;

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5 <http://www.acas.org.uk/index.aspx?articleid=3208>

- the extent of sharing learning and knowledge between the Gatekeepers on the programme;
- the effectiveness of the different development interventions provided by the programme from the perspective of the participating Gatekeepers;
- the lessons learnt from the *Innovative Workplaces* programme, in terms of what worked well and less well;
- the cost/benefits to the participating organisations;
- a set of questions designed specifically to calculate the economic impact of the programme.

### 3.5.2 Workplace innovation in the participating enterprises

All the participating organisations reported that the *Innovative Workplaces* programme had led not only to the achievement of some of the workplace changes sought in their initial action plans, but also to improvements in the wider employee relations climate. For the majority, their aspirations for participation in the programme were achieved, and a range of different, but frequently related, organisational issues were addressed including improved levels of employee engagement, morale, communications between management and employees in different functional areas, workforce flexibility, and the implementation of change.

Respondents from the smaller organisations were especially positive, and more likely to have a shared view within the organisation about the outcomes of the programme and its business benefits. In the SME business context, the impact of what had been achieved was easier to identify and more visible to the workforce. In contrast, the two public sector organisations appeared to experience the most difficulty in clarifying the aims and scope of their action plans at the outset, partly due to the presence of other related, and potentially overlapping organisational initiatives such as a leadership development programme.

Of the eleven companies enrolled, one dropped out at the beginning of the programme, one went into liquidation mid-way through the programme, and one withdrew towards the end for internal reasons. The UK was in recession for almost all of the programme, an economic context reflected both in continuing participation and in the progress of individual organisational projects.

The evaluation report (Harris et al., 2011), summarised key outcomes:

#### *Communication and Engagement*

Improved communication was identified by respondents from all the participating organisations as the ‘single most important change’ resulting from *Innovative Workplaces* by December 2010. This was the view of the managers, employee representatives and the Gatekeepers. In six of the organisations improved communication was identified as leading directly to increased levels of employee engagement. In each organisation, improvements in communication and employee engagement stemmed from the adoption of mechanisms for capturing ideas from the workforce and listening to employees’ views. Mechanisms for improving employee voice ranged from the establishment of a workplace forum, to the creation of task groups reporting to a steering committee comprised of both management and employee representatives.

The programme resulted in most of the organisations putting into place mechanisms to stimulate and capture new ideas from employees. The smaller businesses found it easier to provide spaces for generating, exploring and implementing workforce ideas. At five organisations in which Acas set up focus groups, respondents reported increased levels of employee engagement, and a greater willingness to contribute ideas.

The organisational benefits associated with improved communication varied with the issues facing each organisation. For example, participation in the programme enabled one organisation to return to levels of productive, informal communication that had characterised the business prior to its expansion and move to larger premises. At another, participation led to the achievement of one of its main aims in joining the project: a 10 percentage point improvement in the employee engagement score in its annual employee survey.

Managers in half the participating organisations reported that issues formerly referred directly to them were now being resolved at a lower level in the management chain, or by employees themselves. This was identified by respondents as a saving in management time with consequent improvements in efficiency and productivity. Such benefits were identified particularly strongly by participants in the smaller businesses and were seen to be the result of increased employee involvement. One SME manager, a Gatekeeper on the programme, reported a 75 per cent reduction in the time he personally spent addressing workplace disciplinary and grievance issues.

#### *HR policies and procedures*

Almost all participants reported the implementation of at least one new or improved human resource policy or procedure, and all had plans for future improvements. The most widely reported were improvements to processes for informing and consulting with employees, and absence management.

#### *Workplace climate*

Identifying factors which contribute to improved morale is complex. The majority of respondents identified that workplace morale had improved following participation in the programme, but it was not always possible to identify whether or not this improvement could be attributed directly to it. External events related to the economic climate led to actions such as a pay freeze and redundancies, which made a negative impact on morale.

#### *Management and leadership skills*

The majority of respondents felt that improvements in management and leadership skills had happened either partly, or to a large extent, as a result of participation in the programme. Benefits included higher levels of trust between employees and management. This was reported by the majority of respondents, although it did not necessarily represent a shared view of everyone from the same organisation. The reasons for this varied: for example, at one organisation a dispute over pay had led to internal differences between management and employees.

### Organisational Change

*Innovative Workplaces* was held to have acted as the catalyst for organisational change by the vast majority of respondents, the delivery partners and the Acas facilitators.

Key organisational achievements reported by the eight completing organisations:

Table 4: Profile, aims and outcomes of participant organisations.

Organisation	Action Plan	Reported Achievements
<b>Brush Electrical Machines Ltd</b> Manufacturer of heavy electrical equipment.	Improve two way communication. Enhance management awareness of employees' perspectives. Improve employee awareness of management's perspective.	Establishment of a steering committee and focus groups, eg: introduction of lean manufacturing. The introduction of a company newsletter to assist communications. Better equipped to meet the challenges of an increasingly difficult economic climate.
<b>Caterpillar Logistics</b> Warehousing and logistics for heavy plant.	Introduce measures to enhance employee engagement. Increase the employee engagement score in the company employee survey by 10 percentage points. Improve communication between different groups of staff.	Establishment of an Employee Forum. Improved communication between staff groups. Changes to the application of the absence policy. Employee engagement score improved by 10 percentage points.
<b>Liquid Control</b> SME manufacturer of process machinery.	Develop workforce flexibility. Identify skills gaps and employ apprentices to fill the gaps left by employees due to retire. Obtain ISO 9001 by the end of 2010. Undertake a Stress Survey of employees.	Workforce skills analysis. Introduction of developmental appraisals for all employees. Workforce training which has increased flexibility. Recruitment of apprentice(s). Implementation of an employee engagement survey. The introduction of quarterly company meetings. The introduction of weekly departmental meetings.
<b>Northampton College</b> Large public further education college.	Initial action plan – to enhance leadership and management capability. Later action plan – to address issues of employee consultation, communication and involvement.	Outcomes were still evolving at the time of evaluation but were likely to include: Enhanced employee involvement. Development of leadership skills for managers at all levels. The introduction of joint problem solving task groups.
<b>Pendragon</b> Commercial and contract vehicle leasing.	Improve team member engagement. Encourage better team participation & departmental interaction. Improve customer service.	The establishment of an employee forum. Introduction of team building events. Improved employee engagement. Improved employee communication throughout the division. Review and revision of 'housekeeping' policies and practices. Introduction of monthly team leader meetings. Re-introduction of a customer service survey.
<b>Strategic Health Authority</b> Public authority for regional healthcare provision.	Engage staff to maximise the use of the Electronic Staff Records System (ESR). Transfer ownership of personal data to individuals.	Improved facility for 'employee voice'. Increased staff usage of the ESR. Increasing staff ownership of personal development.

Organisation	Action Plan	Reported Achievements
<b>The Health Store</b> SME wholefood distributor and warehousing.	<ul style="list-style-type: none"> <li>Enable managers to better maintain employee data.</li> <li>Reduce levels of data handling to enhance administrative efficiency.</li> <li>Increase employee engagement.</li> <li>Improve two way communication.</li> <li>Establish an employee forum.</li> <li>Elect employee representatives.</li> <li>Encourage employee suggestions for innovation.</li> </ul>	<ul style="list-style-type: none"> <li>More accurate HR information.</li> <li>Improved reliability, productivity and efficiency in the handling of personal data.</li> <li>Elected and trained employee representatives.</li> <li>Establishment of a joint management and employee forum (production and warehouse areas).</li> <li>Employee representative attendance at monthly management meetings.</li> <li>Improved workplace communication and morale and employee engagement.</li> <li>Significant decrease in the number of disciplinary cases.</li> <li>Improved working practices as a result of employee suggestions.</li> </ul>
<b>Thorpe Kilworth</b> SME manufacturer of specialised furniture.	<ul style="list-style-type: none"> <li>Improve the company's competitive edge.</li> <li>Improve manufacturing efficiency.</li> <li>Enhance employee engagement and communication.</li> <li>Challenge long-held beliefs and working practices.</li> </ul>	<ul style="list-style-type: none"> <li>The establishment of a cross-functional working party.</li> <li>The establishment of a staff consultative forum.</li> <li>The introduction of employee representative training.</li> <li>Enhanced problem solving capability.</li> <li>Re-organisation of the stores Department.</li> <li>Introduction of elements of lean manufacturing and teamworking.</li> <li>Development of an employee engagement survey.</li> </ul>

Adapted from Harris et al. (2011)

### *Personal Development*

All Gatekeepers identified personal benefits from participation in the programme as a whole; examples included “more confidence in speaking and chairing meetings”, “increased participation in group and team work”, “working more closely with senior leaders” and “the ability to utilise tools and techniques”. One Gatekeeper was so encouraged and motivated by his introduction “to the world of learning” on the programme that he enrolled on a higher level ILM Level 7 qualification in management and leadership. As he explained: “If it had not been for this project and the insights I gained, I just would not have pursued further development of myself as a manager and I would not be on this ILM Level 7.”

The main personal benefits identified by seven of the thirteen Gatekeepers during telephone interviews undertaken as part of the independent evaluation were the ability to “network”, and to “share issues, problems and achievements” with other participants on the programme. Learning that other organisations of a different type and size faced similar issues was “reassuring”, but also developmental, because the means of addressing these challenges were shared. Several Gatekeepers felt this had “helped their self-confidence”, illustrated by the participant who observed that “learning what others were doing helped me to challenge what we were doing”. The Acas Facilitators reported that the programme had appeared to boost the self-confidence of the Gatekeepers.

### *Economic Impact*

Nottingham Trent University appointed an independent consultancy (Ecorys) towards the end of the programme, to undertake an analysis of its economic impact using data collated during the evaluation. This reported an overall minimum return on investment of £4 for every £1 of public sector expenditure. Positive impacts were reported in terms of Gross Value Added per employee (including productivity gains) and jobs safeguarded or created.

According to the independent evaluation report, the estimate of economic impact is conservative, because it was not possible to measure all benefits in full. Participating organisations reported that their recession-related difficulties would have been considerably greater without the programme, but were unable to quantify such impacts (Harris et al, 2011).

The overall expenditure by EMDA was relatively high because of the pilot nature of *Innovative Workplaces*. Follow-up programmes would be able to make significant reductions in the start-up and evaluation budgets, leading to an even better return on investment.

## 3.6 Strengths of the *Innovative Workplaces* Programme

The programme was innovative in several respects. It set out to:

1. ***Stimulate workplace innovation.*** This was achieved in each participating organisation with the most positive gains reported by SMEs.
2. ***Develop management and leadership skills*** through a practical, action-oriented approach, rather than by focusing on theory. All Gatekeepers reported positive benefits.
3. ***Provide a unique combination of formal taught sessions, action learning and customised organisational support.*** Ninety five per cent of participants were satisfied with the general content and delivery of the taught course: particularly so because ‘tools and techniques’ were provided that could be easily transferred back to the business. The majority of gatekeepers viewed the action learning sets as either ‘extremely useful’ or ‘useful to a large extent’. Most respondents perceived the Acas facilitation to be either ‘extremely useful’ or ‘useful to a large extent’ while a minority indicated the facilitation had been ‘partly useful’.
4. ***Enable an integrated evaluation of the programme*** as a pilot initiative. The independent evaluation report contains a record of all changes that took place within the participating organisations over the life time of the programme, and followed up six months after its core elements had ceased, captured from the perspectives of multiple stakeholders.

The evaluators stress that the impact of the project arose primarily from “the sum of its parts”: the cumulative impact of the course, the network meetings, action learning and on-site facilitation. It was the collaborative nature of *Innovative Workplaces* that underpins each of these elements, specifically the sense that participants were embarking on a common journey despite differences in size, sector and initial motivations. Peer support and networking were especially highly valued, providing an important complement to the ex-

expertise provided by Acas and UK WON. UK WON's role focused on facilitation of shared reflection and dialogue between participants, and on sharing of its own knowledge and experience.

The role of the Acas facilitators was highly valued by most participants since they brought practical tools and resources to the workplace as well as a wealth of experience. Their role differed from that in traditional consultancy, because the individual support took place within a wider context of shared learning, knowledge sharing and problem solving within the participant group. Both the collective and individual elements of the programme played a role in securing the final outcomes for each organisation, underpinning its innovative quality.

The outcomes represent a win-win-win combination of personal learning and development for the Gatekeepers, measurable economic benefits for the company and the wider economy, and enhanced quality of working life for employees.

EMDA funding was one of the programme's clear strengths. Enterprises were not required to contribute financially: this allowed programme partners to be relatively selective in choosing participant organisations with sufficient commitment and focus. Although not required to make a direct financial contribution, the commitment of staff time needed to be substantial if the programme was to make an effective and sustainable impact in each organisation.

*Innovative Workplaces* drew on the complementary strengths of two highly expert and experienced organisations. Acas as a respected public agency brought enormous credibility, organisational strength and project management effectiveness to the programme, as well as the operational expertise and experience of its team. UK WON, although a relatively small NGO, brought strong experience of previous initiatives to the design of the *Innovative Workplaces* programme, international knowledge of workplace innovation and a practical approach to its implementation.

### 3.7 The scope for improvement in the Innovative Workplaces Programme

The independent evaluation report identified no significant weaknesses in either the design or implementation of the programme, a view shared by the Acas and UK WON teams. Most Gatekeepers were entirely satisfied with the programme's structure and content; a few made specific recommendations, aligned with the reflections of the delivery partners.

Reflections by the UK WON team included the following ideas for improvement in subsequent programmes:

- Allow more time to recruit; this was constrained due to the budgetary timescale. UK WON suggested that a self-assessment questionnaire could be used during the recruitment process to help applicants clarify their objectives, providing the opportunity for internal reflection and dialogue on the outcomes sought from participation.
- Provide more detailed information about the programme once the Gatekeepers had been selected. There was a lack of knowledge about workplace innovation and what it involved, due to insufficient internal briefing from those who took part in the selection process.

- Build commitment from senior managers at the outset. This might have been articulated at the selection stage, but there were instances where it was not evident when the workplace project got underway. This situation was exacerbated by changes in senior management during the programme in some cases. Senior management support was identified as a critical success factor by the Acas Facilitators.
- Introduce mechanisms to discuss progress with senior management, throughout and beyond the project, to sustain momentum and overcome obstacles, for example periodic meetings.
- Extend the short course throughout the life of the programme, emphasising practical tools and means of overcoming obstacles during its latter stages.
- Ensure greater consistency of workplace innovation knowledge and expertise amongst Acas Facilitators.

*Innovative Workplaces* broadened the scope of Acas's traditional activities and, according to the independent evaluation, undertaking the Facilitator's role was described as "personally developmental" and "very worthwhile". Facilitators reported that they had welcomed the opportunity to work collaboratively, and in depth, with organisations. Having a long time to support workplace projects was seen as an opportunity to make a difference. A key learning outcome lay in the importance of "getting to grips" with the culture of the organisations and the pace at which progress could be made.

The following issues were identified by the Acas Facilitators as areas for attention in designing a future initiative:

- Ensure that Facilitators are more aware of the other elements of the programme. This might include their participation in a comparable short course, as well as better communication between action learning set deliberations and the onsite support.
- Put in place agreed 'terms of reference' for each workplace project before it began, signed off by senior management with the involvement of the allocated Facilitator. This would address the issue of senior level support. Many projects made slow progress in the initial months and 'getting things started' absorbed Facilitator time at the beginning of the programme.
- Involve the Facilitators as early as possible in any future programme, so that they could develop their relationship with the organisations they were to work with as well as an understanding of its issues and culture.
- Consider how facilitation experience and skills can best be developed, particularly in terms of the ability to be flexible, innovative and resilient when things did not go to plan, or organisations are less responsive than anticipated. The level of expertise for the role varied across the team. Sharing learning and specific experiences were considered a vital part of developing appropriate facilitation skills.
- Provide inputs from another experienced Facilitator, including their presence at meetings in the workplace, where there were difficulties or a lack of progress. Some organisations had two Facilitators working with them; this overcame some issues faced by a lone Facilitator.

#### 4. *Innovative Workplaces* as a generative resource for the design of future initiatives

*Innovative Workplaces* was created in a national and regional context with little history of policies or programmes designed to support workplace innovation. The opportunity to create the programme arose from three factors:

1. Growing policy awareness at national and regional levels of the importance of skills utilisation as a factor in determining productivity and economic growth. At the same time policymakers lacked a clear strategy for addressing the issue, creating an opportunity for policy innovation.
2. The existence of EMDA as an economic development agency with sufficient discretion to commit resources to an innovative pilot programme.
3. UK WON's history of policy advocacy with EMDA, its previous experience in designing and delivering workplace innovation initiatives, and the reputation and expertise of Acas.

These factors each have a bearing on the potential for transferability to other countries. Only a minority of countries and regions currently enjoy proactive policy frameworks designed to promote workplace innovation: these exist in the Basque Country (Spain), Finland, Flanders (Belgium), France, Germany, Norway, Singapore, South Korea and Sweden (Totterdill et al., 2016; Alasoini et al., 2017), whilst in Denmark such initiatives lie within the scope of its social partnership framework. Elsewhere, as in the UK, workplace innovation tends not to be recognised in either skills or competitiveness policy frameworks: this may present a barrier to transferability.

Where public bodies are open to policy innovation, they may be receptive to evidence of the business and wider economic benefits generated by *Innovative Workplaces*, not least because of the positive return on investment generated for EMDA. To make effective use of this evidence, such bodies require the ability to transcend traditionally separate policy domains such as skills and competitiveness, as well as access to discretionary funding and a recognition that many of the workplace benefits generated by the programme will be qualitative, as well as those that are quantifiable.

The third factor relates to workplace innovation expertise, and this requires some caution. Workplace innovation programmes, including *Innovative Workplaces*, draw on expertise and experience accumulated over lengthy periods of time. Such expertise is distinct from that normally offered by universities, because it is action-oriented rather than theoretical, but it is distinct from most consultancy because it is grounded in research evidence, and directed towards root causes and structural change rather than topical intervention. The answer may lie in international exchanges of expertise in which potential facilitators visit countries with longer experience of workplace innovation initiatives for training and development, followed by continuing mentoring after their return home. Collaborative projects which combine national and international expertise may also be helpful.

Following the abolition of EMDA and the disappearance of comparable regional development funding, lobbying and the dissemination of *Innovative Workplaces* outcomes failed to secure the continuation or upscaling of the programme in England. In 2013 how-

ever, UK WON was contacted by senior officials in the Scottish Government, which enjoys extensive devolved economic development powers from the UK, leading to dialogue concerning the policy benefits of workplace innovation. Working in close partnership with stakeholders including employers, unions, universities and NGOs, the Scottish Government launched major policy initiatives focused on Fair Work<sup>6</sup> and Inclusive Growth<sup>7</sup>. A report by researchers at the University of Strathclyde (Findlay et al., 2015), and engagement with international partners including UK WON, led to the announcement by Scottish Enterprise (the country's major economic development agency) of a portfolio of workplace innovation measures<sup>8</sup>. In addition to a programme of awareness raising and informal advisory services, the portfolio includes the pilot *Workplace Innovation Engagement Programme*, directly informed by *Innovative Workplaces* and led by UK WON's successor, Workplace Innovation Europe. Scotland's embrace of workplace innovation as a key component in its national economic and employment strategy is remarkable and welcome, not least because it stands in distinct contrast to the *laissez faire* policy tradition south of the border. The UK Government's draft Industrial Strategy<sup>9</sup>, produced in response to the economic problems anticipated in the wake of Brexit, pays little attention to workplace issues.

Three further notes of caution are required in addressing the design of future policy measures.

Firstly, policymakers need to adopt a long term perspective. The impact of programmes in countries such as Finland, France and Germany is closely related to their longevity, in some case covering more than four decades and representing a political consensus that creates resilience even when governments change. Policy funding cycles of two, three or even five years create uncertainty and lead to an overemphasis on short term delivery rather than building sustainable capacity. The legacy of *Innovative Workplaces* was lost in the East Midlands, because no mechanisms were put in place by government to ensure that the knowledge and experience generated by the programme were taken up by the wider public policy community. While the *Workplace Innovation Engagement Programme* is also a pilot, Scotland's approach, embedded within the wider Fair Work and Inclusive Growth policy frameworks, looks more sustainable.

Secondly, Ramstad's article, cited above as a source of inspiration for *Innovative Workplaces*, draws attention to the importance of the wider social learning generated by such programmes (Ramstad, 2009b). Experience from Finland and elsewhere shows that long term dissemination impacts are enhanced when a wider body of stakeholders are actively involved in programme implementation; these stakeholders include employers' organisations, chambers of commerce, trade unions, professional bodies, universities and other public agencies. This helps to ensure that workplace innovation forms a common agenda with a shared vocabulary amongst stakeholder, creating consistency in communication with enterprises and their employees. Scotland's approach to the promotion of workplace innovation is grounded in an explicit commitment to shared learning, both across the public sector and with the wider body of stakeholders.

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6 <http://www.fairworkconvention.scot/>

7 <http://www.gov.scot/Topics/International/Europe/Policies/Inclusive-Growth>

8 <https://www.scottish-enterprise.com/knowledge-hub/articles/guide/workplace-innovation>

9 <https://www.gov.uk/government/consultations/building-our-industrial-strategy>

Thirdly we must consider ‘transferability’. *Innovative Workplaces* was created within a specific context, responding to needs and opportunities identified in one region. This case study has identified the broad characteristics and outcomes of the programme, in the hope that *Innovative Workplaces* can become a generative resource for policy innovation elsewhere, but this will need to be grounded in its own specific economic, social, political and spatial setting. While *Innovative Workplaces* informed the design of the *Workplace Innovation Engagement Programme*, it was not a blueprint.

## 5. Conclusion

*Innovative Workplaces* was aligned to Werner Fricke’s advocacy of “many low-intensity cases generated by a great variety of actors . . . (integrating) the ideas and interests of as many regional stakeholders as possible” (Fricke and Totterdill, 2004, pp 4-5). It brought a public agency, an NGO, a regional development agency and a university together in an action-oriented coalition, leading to tangible business and employee benefits in several participating organisations. Findings and experiences were shared widely, with other regional stakeholders and nationally. It failed to create a sustainable momentum in the region, because it was built on a fragile policy base, not embedded in mainstream strategy and vulnerable to political change.

The experience and evidence generated by the programme were picked up by policymakers in Scotland actively seeking to learn from diverse sources. Nottingham Trent University’s robust qualitative and quantitative evaluation of *Innovative Workplaces* provided evidence which enabled policymakers in Scottish Enterprise to advocate and defend its broad approach, and to adapt it to the Scottish context.

The Scottish *Workplace Innovation Engagement Programme* embeds shared learning from its predecessor in its design; the involvement of the UK WON team in implementation enables the application and further development of the tacit knowledge acquired previously. The challenge will be to ensure that the wider body of stakeholders in Scotland, including trade unions, employers’ organisations, companies and researchers, become part of an extended learning and knowledge-sharing community able to increase the “many low-intensity cases”

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