NATIONAL AND KAPODISTRIAN UNIVERSITY OF ATHENS SCHOOL OF LETTERS

MSC PROGRAMME IN COUNSELLING AND CAREER GUIDANCE

LABORATORY OF EXPERIMENTAL PEDAGOGY

CENTERS FOR VOCATIONAL GUIDANCE AND COUNSELLING

PROCEEDINGS OF THE 1st INTERNATIONAL CONFERENCE

ATHENS (23-25-1-04)

PROMOTING NEW FORMS OF WORK ORGANIZATION AND OTHER COOPERATIVE ARRANGEMENTS FOR COMPETITIVENESS AND EMPLOYABILITY

Under the Support of the European Committee

ATHENS 2004

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REVISITIN QWL? THE PROBLEMES AND PROSPECTS OF CONVERGENCE IN EUROPE

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Abstract

This paper argues that there is a stagnation of knowledge in European efforts at organisational change that calls for new discursive tools for participative action research interventions. Our prime interest, however, is organisational development that entails development in the organisation of work in humanistic and/or sociotechnical directions that not only takes heed of business dynamics but also takes equal regard of interests beyond those of owners and top management. Specifically, we contend that a rehabilitation of QWL would be a fruitful move in such a direction but that any such move cannot be detached from convergence with organisational competitiveness. Such a view is embedded in 'high road' organisational models that foreground innovation and creativity over cost-cutting and rationalisation.

We argue that action research based OD is a legitimate goal of critical management research – but the key issue is in whose interests are change and development processes conceived and played out – and how. In an era of market deregulation and the globalisation of capital, the apparent priority is for generating organisational knowledge on products and processes that enable competitiveness in high-value markets. Accordingly, a dynamic but loose conceptualisation of QWL is called for that emphasises local knowledge, and local progress. The challenge, therefore, is to provide discursive tools for dialogues on change among the social partners that help develop new perspectives on reality.

Despite all the rhetoric surrounding transformation and major change programs, the reality is that today's managers have not yet encountered change programs that work...the change programs that could create high levels of internal and empowerment in corporations do not yet exist (Argyris, 1998: 104).

Introduction

Within the last decade or so the discourse of learning and knowledge appears to have acquired a primary role in organisations (Prichard et al, 2000). Arguably it has reached a 'normalising' status in certain quarters (Gherardi, 1999). On the other hand it is something of a paradox that theoretical knowledge of normative organisational development and change appears to have stagnated. Organisational quick-fixes, often

packaged as off-the-shelf consultancy products or reproduced through popular management texts have offered a multitude of 'solutions', (Collins, 1998). Yet despite the mountains of literature produced and commodified, practitioners committed to organisational development enter the new millennium none the wiser. What conceptual approaches, then, should guide future of action research in this area?

One option, apparently advocated by some critical theorists, is to reject what is termed 'performativity' altogether (Fournier and Grey, 2000) and concentrate on deconstruction. Whilst this has its place in organisational research, we are unpersuaded on the case for giving up on interventionist work or dumbing down the prospects of organisational change that benefits wider constituencies than owners and top management. The central questions for critical research remain the same: In whose interests is OD undertaken? How is organisational change conceived and put into practice? What kinds of knowledge do such endeavours presuppose? How generalisable can such knowledge be in a European context (Gustavsen, 1992)?

The central argument of the paper is that we need a new language for conceptualising actionable knowledge that involves a discursive rehabilitation of the quality of working life (QWL). But we also argue that in contrast to earlier work on QWL, such a discourse cannot easily be detached from business dynamics (Adler and Docherty, 1998). Accordingly, sustainable organisational change requires a convergence between QWL, however defined, and competitiveness. We present considerable evidence to refute the scepticism of certain critics who doubt that convergence is possible. We also contend, however, that we are now facing a stagnation of knowledge in European change efforts – a state of affairs that calls for new discursive tools to guide change efforts (Gergen and Thatchenkerry, 1996; Hague et al, 2002). Such stagnation is evident both in the area of top-down managerialist interventions and in interventions of a more participative nature that are often promoted by governmental programmes and supported by the labour market parties (Gustavsen, 1992). Although QWL can be critiqued as being an organisational ideal (Alvesson, 1987; Pruijt, 2000), we nevertheless argue for exploring the extent that it can be reintroduced as a discourse for informing change efforts through action research.

Historically, QWL has been used in two ways. Initially the concept was developed by researchers not unsympathetic to labour as a one-sided ideal totally detached from any notions of organisational performance. For example, Walton's conceptualisation from 1973 contained nine points of benefits and rights to be enjoyed by workers without offering any reciprocal obligations in terms of duties to the employer (Walton, 1973). In so much as there was any linkage to performance in early versions of the idea, this was through the confident belief that a higher quality of life at work would lead to higher quality products (see eg O'Toole, 1974). Alternatively, QWL has been appropriated by prescriptive managerialist writers as being a more or less certain outcome their recommended (top-down) ideal solution that unproblematically falls into place so long as the prescription is correctly managed and properly understood (eg Peters and Waterman, 1982; Womack et al, 1990; Hammer and Champy, 1993). Given the political naivety of the first of these approaches and the political arrogance of the second, it is hardly surprising that QWL had fallen out of favour by the mid-1990s.

In this paper we aim to argue for the rehabilitation of QWL neither as an ideal in its own right nor as a potential performance outcome of the 'correct' prescriptive blueprint. Rather, we argue that QWL should be explored as a discursive tool for participative job redesign that is sustainable when there is convergence with competitiveness. In our view, it is more useful to conceptualise performance in terms of competitiveness than efficiency (cf Marcuse 1941; Pruijt, 2000) as efficiency or cost leadership are rarely bases for sustainable advantage in the longer run. The nature of contemporary business dynamics are such, however, that the focus of competitive advantage should be on the capacity of the organisation to innovate rather than finding cost leadership solutions (Porter, 1980).

Specifically, we argue that there are two quite distinct options for the pursuit of competitiveness, the 'low road' and the 'high road'. Low road solutions focus on the traditional options in work organisation of cost leadership, flexibility, speed and quality. In increasingly fierce global markets there is continuous pressure to deliver faster and better products and services at lower prices. But these are no longer seen as sufficient means for adding value; they are mere 'entrance factors' to the competitive game and offer no guarantee of winning it. Rather, sustainable organisational change needs to embrace high road solutions whereby organisational spaces are created that liberate human creativity in ways that achieve a dynamic balance between product and process innovation.

The paper proceeds by showing how knowledge informing organisational change efforts has stagnated. We then present evidence from various European countries to show that scepticism towards the prospects of convergence is misplaced. The picture is not one of universal failure, but, rather, one of a limited number of success stories and thereafter a failure of diffusion. From this we then discuss briefly the contemporary context for organisational change in Europe and conclude that recent changes underscore the need for new discursive tools for informing interventions. In the subsequent section we then proceed to develop an alternative agenda for intervention based on seeking convergence between QWL and competitiveness. The paper concludes that although such an alternative might open up possibilities for micro emancipation (Alvesson and Willmott, 1996), there is nevertheless a need for caveats emphasising that QWL remains problematic hence the need for critical reflexivity in our action research endeavours (Alvesson and Sköldberg, 2000).

Intervening in work organisation – the stagnation of knowledge

Managerialist efforts at change, typically emanating from consulting quarters, have had a patchy history often culminating in failure (Buchanan and Badham, 1999). Invariably, such efforts are guided by top-down ideals that are reduced to three letter abbreviations or acronyms – TLAs. Ideas such as BPR (business process engineering) (Hammer and Champy, 1993) have been enthusiastically embraced only to fall far short of their various claims in practice (Knights and Willmott, 2000). There are indications that BPR is a passing fad (Jones and Thwaites, 2000). Not least, this can be attributed to its high failure rate. For example, Knights and Willmott (2000: 27) refer to a survey conducted by consultants Arthur Little in which less than one-sixth of executives reported favourable outcomes and 60% of respondents indicated encountering unanticipated problems or unintended side effects. If BPR has (had?) any contribution to make to QWL it is through its claims to empowerment. However,

as the critics have argued, any such claims are profoundly fanciful. The BPR conception of empowerment must necessarily entail workers making decisions and rules (within teams) through the internalisation of dominant corporate ideological norms and this is difficult to reconcile with notions of increased employee autonomy.

Other innovations such as TQM have only offered a one-sided view of development and frequently the claims of TQM with regard to skill broadening and empowerment are bogus (Wilkinson and Willmott, 1995). In reality, the establishment and formalisation of procedures involved in quality programmes is essentially Tayloristic by involving a clear separation of conception from execution. Indeed, if TQM is a hegemonic project for control through consent, it is thereby a means for control over employee subjectivity. Clearly, therefore, TQM is by no means congruent or even overlapping with QWL. In any event, empirical studies of TQM have rarely generated any bottom-line performance improvements (see eg Schaffer and Thomson, 1992). Similar stories of failure are evident in the case of CIM (computer-integrated manufacturing) and MRP (materials requirements planning) (Majchrzak and Gasser, 1991).

A further fashion imported from Japanese manufacturing is lean production and its closely related acronym JIT (just-in-time). But lean production has been critiqued on a number of grounds. It necessarily segments the workforce undermining solidarity; it involves a broadening of skills but not a deepening of them; the kaizen process implicitly involves the establishment of a new division of labour with an elite performing the kaizen tasks; growing wage differentials between core and peripheral (largely female) workers; unrestricted duration and flexibility of working hours; and a lack of a role for unions in work design (Sandberg, 1995: 21). If such criticism is an accurate depiction of organisational realities under lean production, it seems difficult to envisage how it might be compatible with improvements in the quality of working life.

Although there is evidence that changes in work organisation are afoot, there is thus also evidence that many innovations represent little more than token change (EPOC, 1999; Smith and Thompson, 1998). Some organisations may indeed have embraced change, for example, in the form of teamworking, but in many instances such change actually involves more subtle forms of control (Delbridge et al, 1992) rather than a climate that nurtures employee innovation and creativity. These are low road workplaces, as exemplified by many call centres, and they offer a continuation of Taylorism rather than its demise and, we argue, should not be the model to guide practitioners and policy makers.

In other words, many managerialist ideals have formed a flimsy basis for organisational development. Not only are the linkages to performance improvements questionable, but they also tend to serve the narrow interests of top management and shareholders without concomitant advance in the micro emancipation of employees. It would thus be easy to adopt a sceptical view, adhered to by some critical theory purists, and dismiss the prospects for sustainable, balanced interventions out of hand. But this ignores a major research tradition in Europe that can point to nearly three decades of action research that is participative and not driven by managerialist ideals (Gustavsen, 1992). Such work has aimed at organisational change in humanistic and/or sociotechnical directions that simultaneously facilitates employee interests

with those of the organisation in a developmental context.

Yet how do we conceptualise and operationalise 'employee interests' without falling into the trap of essentialism? For some decades now researchers and some practitioners have sought to do this by using the concept of the quality of working life. Yet it is difficult to pin a precise meaning on to QWL. Nevertheless, it does appear possible to categorise QWL into three distinct groups (Abdeen, 2002): organisational factors including fair compensation, individual training and development opportunities, knowing and defending rights at work, work-life balance, participation, trust and equal opportunities; work environment factors including health and safety, ergonomics, parental leave and day care facilities; and job-related factors such as working patterns and rhythms, task design and control, job content and voice.

Our argument is that QWL, conceived in such a fashion, is consistent with and supportive of developing the types of human resources that are increasingly central determinants of competitiveness. But what evidence is there of such convergence between QWL and performance? Although the chronological origins of the QWL movement and sociotechnical systems theory were to be found in the UK, the real pioneers in terms of putting the ideas into practice were in Norway, under the leadership of Einar Thorsrud in the 1960s, and then elsewhere in Scandinavia. Thorsrud, drawing directly on the influence of Fred Emery of the Tavistock Institute, believed that democratisation of industrial relations had to be embedded in the structure of work organisation and job content. Accordingly, sociotechnical systems design could be used both for democratisation and for organisational effectiveness (den Hertog and Schröder, 1989). Yet as we will show in the next section, the evidence of successful change in Europe is patchy (EPOC, 1997; Hague et al, 2002); moreover, there is also evidence that new contextual conditions are calling into question the sustainability of previous 'success stories'.

QWL and competitiveness in Europe – the evidence

Are there really alternatives to traditional, low road forms of organisation and do they actually work? Clearly, 'evidence' in organisational change has a different meaning than in the physical sciences. Change initiatives and organisational experiments never take place under uniform and controlled conditions. Evidence here emerges from real life in an enormous variety of social and economic contexts.

Pioneering cases

When the Dutch Philips engineer Frederiks moved in 1986 to the Northern city of Stadskanaal he knew that his new job as plant manager of the semi-conductor factory would be a tough one (Haak 1994). During the mid-eighties the economic tide was still low and competition in the components market was severe. He knew that his last job before his retirement could involve the closure of the factory. At that stage Philips had no intention of investing substantially in the plant. Employment creation had been one of the original considerations for building the factory in this location, and unemployment was still a major problem in the region. Frederiks and his new team became strongly committed to keeping the factory open. They won company support to develop a strategy that could make the plant competitive again. Their final plan was

not based on technological measures, rigorous cost cutting and downsizing but upon a form of sociotechnical redesign which Frederiks had already implemented in another Philips factory. Components of this approach were:

- The change from functional to flow- and product oriented structures.
- The development of self-managing production teams with each team responsible for a rounded ('complete', or 'whole') task.
- A shift of part of the staff functions to the production teams.
- The formation of integrated staff teams working close to the shop floor.
- Shortening of hierarchical lines.
- Opening and sustaining dialogue with the teams.

Implementing such basic changes in a large and complex organisation did not prove to be easy. Building trust between production workers, staff, senior management, middle management and customers was crucial but painstaking. Yet eventually the project became a success and for many years the company was an iconic example of organisational innovation in The Netherlands, providing the focus for several postgraduate theses and conferences on organisational change. The approach appeared to provide a real answer to severe problems in a harsh economic environment.

In 1993, just at the moment the Stadskanaal factory seemed to be on track again another factory was closed. It was a factory which enjoyed far wider, even worldwide fame in the field of organisational innovation: Volvo's revolutionary car plant at Uddevalla. This factory, opened four years earlier, was arguably the most ambitious attempt at introducing mass vehicle manufacture according to sociotechnical design principles (Sandberg, 1995). Here self-managing teams did not produce a tiny electronic component but a whole car. Volvo put all its technical and organisational know-how into developing a real alternative to the assembly line delivering the prospect of genuine improvements in quality of working life. The plant had enormous symbolic significance in the search for new organisational forms, combining attractive work in a tight labour market with high levels of productivity in a very competitive environment (Sandberg 1995, Huzzard, 2000). But Volvo nonetheless hit hard times. Car sales declined especially in the home market and production capacity had to be downsized. The subsequent closure of Uddevalla led to fierce debates about the fundamental question of whether improvements in the quality of working life are compatible with competitiveness (see for example: Adler and Cole, 1993, Berggren, 1994).

So when we compare both cases, what *evidence* is there for the value of new organisational forms based on innovation and flexibility? Two possible answers are certainly wrong. The first wrong answer is that Philips finally solved production problems in the semiconductor industry. The second is that the closure of the Uddevalla plant signified the demise of Volvo's QWL policies. Organisational innovation remains a continuous process in both firms, in good times and bad. Both cases undoubtedly played a highly important role in the diffusion of organisational innovation on a national or even on a world-wide scale. There will always be a need for inspirational stories from pioneers showing that boundaries can be moved. However cases like these lose their impact when they are used as 'real and final proof' of the effectiveness of new organisational practices. At best, these stories represent challenges, offering propositions to be tested and adapted in new situations.

The two cases show how difficult it is to compare complex change processes and evaluate their outcomes, especially when we lack insight into the context in which change is happening. This clearly limits the value of comparative research of a quantitative nature. A recent literature review (Savage, 2001) shows that the volume of hard data on the benefits of new forms of work organisation is still very limited. Savage offers a number of possible explanations:

- differences in the definition of new organisational forms;
- limitations in the scope of the studies;
- differences in time perspectives (long term versus short terms effects);
- the variety of performance indicators used.

In addition researchers often have to rely on the *words* of the actors involved – and of course the words of individuals don't always give the full story.

However the number of comparative studies and cross-organisational surveys appears to be on the increase. Part of this growing body of research is carried out in the context of EU initiatives or (in the case of many Northern European countries) of national policy programmes - see for example the Employee Participation and Organisational Change study (EPOC, 1997) and the evaluation of the Swedish Working Life Fund (Gustavsen et al., 1996). We shall focus here on a few significant findings from these studies.

Organisational innovation: on the management agenda?

The origin of 'work reform' or 'organisational reform' can be found somewhere in the sixties, typically in environments experiencing high growth and a tight labour market (Hague, 2000; Huzzard, 2000). For many managers this 'human centred' approach to organisational change seemed out of place by the early 1980s when the Western economy was hit by a serious recession. However, many realised in the middle of recession that a new perspective on the organisation was a basic condition both for recovery and for sustainable competitive advantage. Flexibility and quality suddenly became high priorities, challenging the inertia embedded in traditional organisational cultures. More recently, managers are coming to realise that innovation is not an event but a continuous process. These conclusions are amplified by a number of findings from research as set out as table 1.

Table 1: Innovation and human resources in Europe – a research summary

- The EPOC study (1997) indicates that 4 out of 5 workplaces in ten European countries practice some form of direct participation by employees.
- A study of 10 leading European steel companies published by the European Federation of Steelmakers (Eurofer) indicates that the management of organisational change and human resources is a crucial factor in achieving competitive advantage in an increasingly knowledge-intensive industry (den Hertog and Mari, 2000).
- A Swedish survey by the National Institute for Working Life (Wikman et al., 1999) revealed that three quarters of the respondent firms had implemented changes involving the delegation of responsibility and job enlargement.
- A local survey of 200 organisations in the United Kingdom (Hague and Aubrey, 1999) demonstrated that between 1995 and 1998 some 30% of the sample implemented working practices including multi-skilling, teamworking and problem-solving groups. The early 1990s appears to represent a turning point in which the diffusion of these practices became significant, at least amongst larger firms.
- 65% of British managers were reported in the 1998 UK Workplace Employee Relations Survey (Cully, 1999) to use teams in their work places.
- According to a case survey of 35 Dutch software firms (Huizenga, 2001) teamworking has become the standard both for daily operational tasks and for product and service innovation. Multifunctional groups proved to be critical for the latter task.
- An American survey of Fortune 1000 companies (Lawler et al., 1995) showed that 68% make use of self-managing teams.

A growing number of studies indicate that organisational innovation and new forms of work organisation have a positive impact on organisational performance. This is different from saying that new organisational forms are in themselves more effective. Rather, it is recognised that new approaches *create the conditions* for wider and more fundamental changes. Illustrative in this respect is the Eurofer study (den Hertog and Mari, 2000) in which ten leading European steel firms participated. The study shows that the radical reconstruction of the steel industry would not have been possible without multi-skilling, investment in competence building, flattening of the organisational structures and removing functional boundaries. The same applies to the implementation of new information and communication technology (ICT). Several studies, reported on in literature surveys on convergence from Denmark, France, Sweden and The Netherlands, (Banke and Norskøv, 2000; Sacquepée and Dufau, 2001; Huzzard, 2000; den Hertog and Verbruggen, 2000) indicate that new forms of work organisation enable firms to profit from the implementation of new technology. At the same time it also appears to be true that it also works the other way round: new information and communication technologies can strengthen the positive impact of new organisational forms. This combination proved to be key in the development of customer-focused teams in an insurance company and of multi-disciplinary product development teams in a Dutch pharmaceutical firm (den Hertog and Huizenga, 2000). New organisational forms are not 'stand alone' systems but only appear to work as part of a larger integrated configuration. Some examples from the growing stream of research findings are given in table 2.

Table 2: New organisational forms in Europe – selected research findings

- A survey of production supervisors in 104 Danish companies indicates that the most important drivers for teamworking in production are increased productivity, efficiency, flexibility, employee satisfaction and motivation (PLS Consult, 1999). The most significant results in practice appear to be related to flexibility, productivity and employee satisfaction. Only 10% of respondents claim that the aims were not fulfilled completely.
- A recent study commissioned by the Swedish Ministry of Industry (NUTEK, 1999) examined the ability of flexible work organisation to increase productivity. Flexibility was defined in terms of the organisation of human capital, the distribution of responsibility and reduced bureaucracy. From the study, flexible organisations emerged strongly as more productive with lower levels of labour turnover and absenteeism. These organisations also tend to have greater capacity to realise basic transformations such as the implementation of new technologies and organisational innovation.
- The evaluation of the Swedish Workplace Development Programme (Gustavsen et al., 1996; Brulin and Nilsson, 1995) revealed important facts about the impacts of innovation in work organisation. A random sample of 1500 projects indicated that workplace development and productivity improvement go hand in hand. Projects resulted in increased job rotation, greater involvement of shop-floor employees in planning, control and participation in change activities. Key figures on lead times, throughput times, supply times and retooling times were discernible as being higher at fund-supported workplaces than in a control group.
- Researchers in The Netherlands (Dhondt, 1998) tried to explain organisational performance on the basis of two sets of change: organisational and technological. The study was carried out by means of a national survey involving 3,600 companies, set up to establish the state of workplace reform in the country. Results indicate that high performance is strongly affected by a combination of both forms of change. The report argues that the combination of advanced technology with modern sociotechnical organisational forms is a precondition for high performance.
- A study of 63 medium-sized Dutch firms (Cobbenhagen, 1999) demonstrates that well developed horizontal (or lateral) organisational structures which cross functional boundaries and are based on multifunctional teams and cross functional career paths can be crucial for product, service and process innovation.

At the level of the workplace, convergence is well illustrated by the experiences gained from The Swedish Work Environment Fund. The Fund supported the establishment of a new body, AMBIV, The Joint Committee for Action Against Repetitive Strain Injuries in Industry. This group set up nine sub-projects at workplaces between 1989 and 1995 where there was local agreement on the desirability to introduce innovative reforms to the work organisation and review payment systems in directions that were of mutual benefit to both sides (Huzzard, 2000). Reports on five of the projects were published, and an overall summary of these is set out in table 3.

Table 5. The Swedish Ambry Project - Summary of Outcomes in cases published					
Workplace	Change motive	New work	Result		
ASSA AB, Eskilstuna	High turnover rates; high levels of repetitive strain injuries; poor supply precision.	organisation Flow production: teams with full assembly responsibility, customer contact and work planning.	Reduced turnover from 50% per year to 3%; improved supply provision from 20% to 99%.		
Nokia AB, Motala	High levels of industrial injuries; high costs; poor quality; low effectiveness.	Teams of ten assembling diverse products. New responsibilities included supply quality, materials handling, maintenance, fault finding and reporting and production technology.	Number of strain injuries reduced from 150 per year (1980s) to zero at completion of project. Savings of 15% in indirect time. Increased individual flexibility.		
Norwesco AB, Öregrund	Industrial injuries; mutual dissatisfaction over payments system.	Some teamworking in high-volume production. General extension of job content linked to product development.	Steady increase in productivity compared with constant level pre-project. Job enlargement and greater openness.		
TVAB, Töcksfors	High turnover and sickness absence; high quality costs; increased customer demands on quality and supply precision; rapid company expansion.	Stimulation of teamwork via organising production around products. Weekly and daily planning in teams; also responsibility for results, quality, supply times and working hours.	Reduction of 80% in sickness absence and 75% in injuries. Improved quality, supply precision and productivity. 80% reduction in throughput times.		
Volvo Trucks, Umeverken	Need for creation of greater effectiveness in production; high levels of strain injuries.	Nine independent teams in the press shop each having 10-12 members. Team duties included all direct manual duties as well as some indirect duties. Pace governed by human capacity and time to learn.	Improved psychosocial environment through greater skills development, job enlargement and delegation of responsibility. Inclusion of more indirect duties in the teams. Holistic view of operations and learning.		

Table 3: The Swedish AMBIV Project - summary of outcomes in cases published

Closing the gap between leading edge-practice and common practice

The extensive Employee Participation in Organisational Change (EPOC) survey undertaken by the European Foundation clearly demonstrated that new working practices were emerging across Europe. Other research also points to a widespread reappraisal of traditional working practices, (Cully, et al, 1999; Hague and Aubrey, 1999; NUTEK, 1996; Pettigrew and Fenton, 2000). However, there is considerable variation between emerging organisational practices. Some have sought organisational renewal through a radical reappraisal of job design, employee involvement and process innovation and this has been described as the 'high road' to organisational change. However, it appears that many organisations have tended to follow a more limited, or 'low road' adaptation of existing organisational forms.

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While this trend would appear to be of concern, perhaps it is more worrying that many organisations have yet to implement *any* strategies of organisational renewal. But why is this the case? Why have many organisations, and smaller enterprises in particular, seemed to have taken the 'no road' option when it is clear that working practices based upon 'divide and rule' principles and the division between 'mental' and 'manual' tasks are no longer a sustainable option? This would seem particularly surprising for a number of reasons:

Firstly, it has been recognised for many years that technology alone cannot provide a competitive edge. Mistaken approaches to restructuring by Fiat in the 1980s (Sisson, 1996) plus the various studies of anthropocentric and human-centred manufacturing clearly illustrate how vital it is to develop the skills and competencies of individuals (Brodner, 1990; Corbett, 1990). At the same time, individual competencies do not represent an effective asset unless they are deployed in an organisational environment where they can be realised to the full. The importance of developing an organisational memory' and workforce diversity can be a vital resource for problem-solving, creativity and innovation.

Secondly, it has become a cliché to hear managers pronounce that 'people are our greatest asset'. However, an increasing amount of research evidence demonstrates that innovation in work organisation based on greater employee involvement can have a significant influence on business performance. A ten year longitudinal study undertaken by the Chartered Institute for Professional Development (CIPD) in the UK has identified that the contribution of people management practices (i.e. a focus on employee involvement, culture and work organisation) account for as much as 17% variation in the profitability of companies (West, 1998).

Thirdly, demographic change coupled with economic growth has resulted in a labour market that has become increasingly tight in some countries and sectors of the European Union. Companies are therefore seeking to provide working environments that both attract and retain labour and meet the growing requirement of many employees to have more varied and meaningful work (Giddens, 1998). In addition, employees are seeking greater opportunities to pursue leisure interests or to find a better balance between their work and home lives. *In knowledge-intensive service sectors one can even observe firms trying to attract customers by displaying their own internal policies in this field. From a promotional text of a Dutch software service firm: "Well-informed and motivated personnel are benificial to the customer, it translates into low personnel turnover, extremely low absenteeism and thus maximum employability, productivity and continuity, based on extra attention and coaching" (den Hertog and Huizenga, 2000).*

The evidence suggests, therefore, that scepticism of convergence could well be misplaced. But at the beginning of the current decade, however, the pattern of change programmes across Europe looks very patchy and inconsistent. Many parts of southern Europe remain untouched by such programmes while in the north there is little continuity in most countries. Even in Scandinavia the prospects for convergence appear to be threatened by ongoing pressures for rationalisation (Huzzard, 2000). Yet the evidence here suggests that a blanket dismissal of convergence is too pessimistic. But as we will proceed to argue, the conditions mediating researcher interventions are changing – hence the need for action research to be informed by new discursive formations.

New pressures and conditions in Europe

There can be little doubt that radical change is afoot in Europe's labour market. New conditions are facing commercial firms and public sector organisations and these conditions are having major implications on employment prospects throughout the continent. The high employment levels and stable occupational patterns that characterised the post-war era have now given way to something more uncertain and subject to change. For European employees, job security in a relatively stable labour market with few, if any, occupational changes over the life-cycle has been superseded by a world of uncertainty, change and in many cases periods of unemployment. We should of course be careful not to simplify history by saying that change never happened in the past; nevertheless there is evidence that the changes we are now witnessing are fundamental.

A number of drivers of change are having a profound impact on employment in Europe (see eg Snowder, 1998; also quoted in Mazzanti, 2001: 11). First, *changes in physical capital*. In the first part of the twentieth century the introduction of capital goods prevailed. This gave rise to economies of scale and enhanced the production of standardised, undifferentiated consumption goods and enabled high increases in labour productivity. More recently, capital equipment has become much more flexible and thus given rise to economies of scope. The introduction of newer capital equipment and the development of information technologies have radically changed the nature of work. In vehicle manufacturing, for example, long assembly lines have been replaced by small working groups, with a high degree of job rotation and task variety (EPOC, 1999).

Secondly, we are witnessing *change in information technologies*. New technology has enabled firms to process information flows promptly and make rapid adjustments in behaviour in response. Moreover, it has had the effect of lowering transactions costs thus making outsourcing an increasingly attractive strategy. The rapid development and diffusion of information technology has also become associated with the rise of the so-called 'new economy'. Gordon (2000) sees the new economy as being linked to three different trends: i) the development of the internet; ii) the increase in computational capabilities of both computers and telecommunication networks; and iii) a decline in the level of prices of both hardware and software. Above all, knowledge is increasingly seen as the key source of added value.

Thirdly, *changes in human capital* are evident. The structural dynamics associated with the two drivers outlined above will almost certainly tend to generate a shift in labour demand. The demand for skilled workers has increased steeply with respect to the demand for unskilled workers. Machin and Van Reenen (1998) show that in the last 25 years the percentage of employees with medium-to-high educational backgrounds has increased remarkably. A consequence of this shift in the demand for

labour is the dramatic change in the structure of relative wages between skilled and unskilled employees. Moreover, the ratio of unemployment rates between unskilled and skilled workers has increased sharply.

Fourthly, markets are being transformed by *changes in employment and consumption preferences*. The increase in the average educational level of employees has transformed employee preferences away from monotonous and fragmented jobs and in favour of more varied, creative and challenging work. So far as the demand for consumption goods is concerned, consumer tastes increasingly favour product variety and personalised goods and services.

It can easily be concluded that the extent of change in the European economy is profound – but mapping out the final destination is less easy. Previously, policy makers sought to maintain employment through the macroeconomic techniques of demand management by national governments and efficient and effective management of firms and other organisations through rational techniques such as planning. However, it is the central argument of this paper that as we enter the early years of the new millennium these approaches no longer seem appropriate.

Above all, the forces for change discussed above are changing the terms on which European firms are competing. There is evidence, however, that 'low road' concerns currently dominate the thinking of many if not most managers and policy makers. Such thinking is also evident in public sector organisations where cost-cutting has been prioritised over the development of service delivery. From a long-term perspective, however, such an approach to strategy will not be enough as a means for underpinning economic growth and securing employment. At best, the approach can be regarded merely as a defensive reaction to competition from outside Europe. The key to competitive success, rather, is innovative capacity, which relies on unlocking intellectual capital and human creativity throughout the organisation. This, in turn, switches the focus onto innovations in work organisation as being central to Europe's innovative potential.

Towards a new agenda for critical intervention: the rehabilitation of QWL

Competition and innovation

An innovation-based model of competitiveness implies the need for radical approaches to workplace and job design. Research suggests that organisational innovation depends on a number of factors (Rogers, 1995: 379ff). First, leaders should be positively disposed to change personally. Secondly, organisations should have a number of internal design features, ie they should have decentralised structures, be composed of diverse individuals with high levels of knowledge and expertise, should not be governed by over-reliance on formal rules, should have effective interpersonal networks connecting the various operational units, should have some degree of slack, that is, the availability of uncommitted organisational resources, Thirdly, innovative organisations should exhibit openness towards their external environments (ibid). Clearly, therefore, choices on work organisation have a major impact on competitiveness and the generation of added value.

There is, however, a need to distinguish between different types of innovation. Moreover, as the research on organisational innovations suggests, the two contrasting low road and high road options imply radically different approaches to the organisation of work. Some innovations can of course be motivated by low road options such as rationalisation and downsizing. Such innovations are likely to reduce the demand for labour as well as the quality of working life. On the other hand, high road innovation strategies geared towards the development of new products, markets or processes are more likely to have the opposite effect. Such development in basic aspects of the business, moreover, occurs in parallel with individual development of employees. The type of work organisation associated with high road innovation, as opposed to the low road alternative, is therefore likely to consist of more functional flexibility including job enlargement and job enrichment as well as greater autonomy and empowerment. In other words, high road options potentially entail the convergence between improved competitiveness and improvements in the quality of working life.

Re-Thinking QWL for the 21st Century

In the 1970s and 1980s, issues relating to the Quality of Working Life received considerable research attention. However a large amount of the QWL debate focused on job redesign within individual enterprises. Much of this research was targeted at large-scale manufacturing, and in the area of teamworking, automobile manufacturing has enjoyed an almost obsessive level of academic interest. However as manufacturing throughout the EU restructures, there is a need to reposition the QWL debate to encompass the changing labour market and the emergence of the so-called 'new economy'.

Early discussions about QWL in the 1970s were built upon the premise of humanising working conditions in an era of mass markets. In addition, labour markets were particularly tight, resulting in attempts to differentiate conditions of employment. However, as competitive pressure grew in the 1990s for adaptability, high quality and responsiveness, the QWL debate was re-contextualised around issues of 'empowerment' and the development of 'high performance work systems' and the term QWL somewhat fell out of fashion.

Buchanan and Hucyznski (1997) have illustrated how QWL issues had been redefined during the 1990s, and a key objective of action research activities now is to ensure further re-appraisal relevant to the new century. Traditionally QWL has encompassed a range of issues including workplace partnership, reward and recognition, and employee involvement. However the transformation of Tayloristic working practices through job redesign has been a core preoccupation. The 'up-skilling' of work through job enlargement and enrichment processes, and the development of selfmanaging (or semi-autonomous) teamworking has provided benefits for both companies and employees in traditional organisational settings. But employment patterns are changing and there is evidence to suggest that traditional organisation and career structures will be challenged by more flexible modes of employment. So what types of change might emerge and how can the concept of QWL develop to meet emerging challenges in the world of work? The rapid change in demographics, technology and global markets will be a continuous challenge to manufacturers and service providers. Research evidence from the European Commission (2001) suggests that :

- Innovation and technological change are (and will remain) the principal driving forces in job creation.
- 1 in 4 EU countries see labour shortages as a barrier to expansion.
- While 80% claim to be 'satisfied' in their work, there is recognition that job quality must be improved in a sustainable way to avoid people falling into unemployment or leaving the labour market.

A contestable area in recent debates concerns the way in which employees themselves will view work. Richard Scase (1999) argues that work will become a 'central life interest' with a proliferation of the 'long-hours culture'. While some may indeed choose or feel coerced into working long hours, we have already noted that other commentators such as Giddens (1998) foresee problems for employers who cannot provide 'meaningful work' in an age when opportunities for travel, leisure pursuits and concerns for work/life balance are increasingly significant in employment options. For some, traditional forms of employment are too restrictive and new patterns of work are beginning to emerge, notably in the 'creative industries'. But what these organisational forms will look like, and the extent of their diffusion in coming years, is the subject of much conjecture.

A recent study led by the Future Unit of Britain's Department for Trade and Industry (DfTI) attempted to envisage the UK economy in 2015 and engaged a number of academics and policy-makers in predicting possible patterns of 'work in the knowledge-driven economy'. Two leading scenarios were devised to provide a context within which policy makers, social partners and others could develop future-orientated thinking about their own spheres of competence; these are entitled *Built to Last* and *Wired World*. In 2001 the DfTI launched its *FutureFocus* centre as a high-technology locus for such dialogue.

Built to Last is based on fairly traditional company structures but prioritises knowledge as a principle source of competitive advantage. A challenge for *Built to Last* companies is to find ways of capturing and internalising such knowledge. New forms of work organisation and employee retention are therefore key constituents of business strategy; characteristics of the *Built to Last* landscape will include the use of incentive packages (opportunities for education, share ownership, pension and healthcare), the importance of branded products and the utilisation of networking technologies.

Wired World assumes the growth of coalitions of individuals and small firms able to form and re-form on a project-by-project basis to meet the requirements of particular customers, contracts or projects. Organisations, real or virtual, are set up on an ad hoc basis in response to contingent opportunities and needs. Individuals involved are often self-employed portfolio workers linked by strong inter-personal networks. High speed Information and Communication Technologies (ICTs) play a critical role in ensuring the cohesion and responsiveness of these networks.

These scenarios are not seen as mutually exclusive: rather a key task for futurefocused dialogue is to explore how elements from each scenario might combine to form a 'matrix', and to identify ways in which key actors can influence that process. For example organisational structures at the centre of *Wired World* tend to fall outside traditional debates on quality of working life or job redesign; they provide able knowledge-workers with exciting opportunities for variety, personal development and entrepreneurship, but at the expense of considerable insecurity. As the emergence of *Wired World* begins to offer more attractive ways of working for talented knowledge workers (even if largely restricted to people in high technology or design-based sectors) conventional companies will need to transform management styles and cultures if they are to recruit and retain able staff. Indeed there is increasing recognition that employees are seeking a better balance between work and leisure, forcing many employers to introduce benefits such as guaranteed TOIL (time off in lieu), sabbaticals and career breaks.

Towards a pluralistic discourse for change

It has already been observed that the focus of QWL debates has changed over the past thirty years or so, and table 4 incorporates Buchanan and Huczynski's (1997) attempt to illustrate this evolution. However the table has been amended to translate the principles of historic QWL debates to match emerging challenges in the 'new economy'. As the table shows, issues such as 'flexibility', 'autonomy', and 'training and development' may become even more of a concern as people opt to shape their own careers and working lives. As ICTs increase opportunities for interconnectedness between individuals and organisations, so may opportunities grow for more autonomous working. This represents a serious challenge for traditional models of organisational development and QWL. Similarly, organisations that continue along the 'built-to-last' track may not only face demands for participation and partnership from workers seeking greater opportunities for self-fulfilment and gainsharing, but will also answer to an increasing body of customers and investors who recognise that employee involvement is a key constituent of organisational effectiveness.

Accordingly, our belief in the need to refocus the debate on competitiveness in Europe includes the rehabilitation of QWL. In doing this we are advocating a balanced approach to the employment relationship. This not only encompasses conditions at the workplace, but also sees the relationship as being inextricably bound up with external factors such as the support frameworks of policy makers, the issue of work-life balance and the linkage between value creation at the workplace with the broader components of social capital (Putnam, 1992).

Yet each country in Europe has different institutional, cultural and employment traditions and such differences are reflected in differences in how QWL is defined and how debates on working life have evolved throughout the continent. In France, for example, QWL is seen in terms of the relationship between remuneration and working hours on the one hand and learning and achievement in organisations on the other (Sacquepèe and Dufau, 2001). In Scandinavia, debates on 'Good Work' have tended to focus more on objective parameters of work organisation (Banke and Norskøv, 2000; Huzzard, 2000). The debate in Spain has focused more on occupational health and participation (Oncins et al, 2002). Other versions see QWL as being more of a

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We also argue that QWL and competitiveness should be seen dynamically – as central concepts in processes of change management. Crucially, we reject the view that the management of change in organisations has to require the concentration of power within top management. Indeed, the history of change programmes across the continent provides ample evidence that such approaches are often doomed to failure. We also wish to avoid arriving at conclusions on change that comprise of simplistic checklists drafted around supposedly tried and tested change parameters. The challenge, rather, is to provide discursive tools for dialogues on change among the social partners that help develop new perspectives on reality. For this reason, too, we do not intend to proceed with a tight, closed definition of QWL. Rather, it is more useful to see QWL and convergence as an alternative discourse for critically inspired interventions (Gergen and Thatchenkerry, 1996).

QWL in the 1970s	Empowered teams in the 1990s	Aspirations for wor	k and leisure in 2010
Aimed to reduce costs of absenteeism and labour turnover and increase productivity	Aims to improve organisational flexibility and product quality for competitive advantage	Built-to-last	Wired-world
		Recruitment and retention strategies key issues in a tightening labour market. Organisations seek to differentiate their working conditions and allow for greater work life balance.	Individuals and organisations develop 'networking' abilities. Virtual organisations may form to provide custom services.
Based on argument that increased autonomy improves quality of work experience and job satisfaction	Based on argument that increased autonomy improves skill, decision making, adaptability and use of new technology	Team autonomy, the development of organisational creativity and the use of collective memory central to product and process innovation.	Individuals have autonomy to design portfolio careers in locations of their choice, and which coincide with leisure aspirations.
Had little impact on management functions	Involves redefinition of management function, particularly for supervision	A loosening of 'command and control' management approaches. Employees may be invited to participate in decision-making, strategic thinking and financial gain-sharing initiatives.	Individuals become self-managing and are the architects of their own networks, employment patterns and career paths.
'Quick fix' applied to problematic groups	Can take significant time to change organisational culture, attitudes and behaviour	Organisational culture aims for trust relationships built upon dialogue and partnership. In addition, the diversity of employees will be seen as a key organisational resource. The organisation may offer opportunities for social and community initiatives.	Network culture based upon mutual trust. The Internet will link individuals and small enterprises, but social contact will remain vitally important There may be a blurring between work and leisure pursuits which will occur both through electronic and physical contact. There may be a blurring between work and leisure pursuits.
Personnel administration technique	Human resource management strategy	Holistic people management techniques, such as work organisation, job enrichment, family friendly policies will provide measurable 'bottom-line benefits.	Career development may be self- directed but intermediaries such as government, business support agencies and universities, may broker contacts, knowledge and facilitate both technological and geographical networking.

Adapted from Buchanan, D., and Huczynski, A. (1997) Organizational Behaviour. London: Prentice Hall.

Discussion: some critical caveats

Researchers arguing from what could be described as a 'purist critical theory' standpoint are sceptical about the prospects for intervening on change at all in ways that serve any interests other than those of capital or managers as agents of capital (Pruijt, 2000). The view is that short of some sort of systemic shift, efficiency and emancipation are fundamentally in conflict and that intervention attempts that aim to promote the latter are ultimately doomed to fail. So job redesign is dismissed as mere adaptation to turbulent product markets that in reality involves work intensification (Kelly, 1982) or is just another 'control strategy' (Doorewaard, 1989). Work reforms are little more than ephemeral tactical concessions by managers (Ramsay, 1985). Similar scepticism is evident in union quarters – for example, Parker (1985), writing from the experience of the early QWL programmes in the US, saw QWL-based change initiatives as company driven and amounting to 'shotgun weddings' that taught employees how to 'Think the Company Way' and undermine pluralism at the workplace.

In this paper we have shown that such views are too dismissive not least because they do not stand up to empirical scrutiny. Having said this, our advocacy of a rehabilitation of QWL as a discursive tool for intervention is not unproblematic and as we proceed we should be mindful of a number of caveats:

- The spaces for innovation that are opened up in high road firms may simply involve temporary organisations or projects that become uncoupled from the main organisation wherein routine Tayloristic labour processes remain untouched.
- The greater empowerment associated with high road solutions may not reduce control, but simply involve the replacement of traditional control with new forms of control based on culture and cognition. These can have the affect of closing down alternative voices and calling into question the true nature of 'autonomy'.
- Greater empowerment in certain occupations with people-centred services such as health care may *increase* stress through greater emotional intensity as empowered workers find it harder to detach themselves from the objects of their labour during non-work periods.
- In many organisations low road solutions will still make good business sense, particularly where entry barriers are robust.
- The 'new economy' may in fact be more accurately depicted as a switch from manufacturing to low skill service work rather than a universal spread of 'knowledge work'. Hence scepticism of knowledge discourses could well be warranted.
- As with all action research, we should be mindful of our own roles as interventionist researchers in constructing organisational realities.

Accordingly, what we are advocating here should be seen as a tentative move, but one worthy of exploration. At the end of the day, the most appropriate response to the convergence debate is to get out into the field and do the research. Surely, however, the advice of Alvesson and Sköldberg (2000) for critical reflexivity in such endeavours would be well taken.

Conclusion

Many researchers argue that action research interventions aimed at workplace development in Europe have been most successful where they were concept-driven and, above all, that the 'how' (process) of change has been of more significance than the 'what' (content) of change (den Hertog and Schröder, 1989; Gustavsen et al, 1996). Research in the 1990s emphasised network building rather than field experiments (Gustavsen, 1998). But the challenge now is to enter a new phase where networks and other tools are created that enable workplace development in the new context of the knowledge-based economy and the business focus on high value markets. Above all, network building should be a means for facilitating interorganisational learning not just on the content of new workplace innovations, but also, and probably more importantly, learning on the processes of how to learn from others.

The quality of working life concept disappeared from organisational discourses in the middle of the 1980s as a neo-liberal ascendancy sought to usher in a period of employer prerogative. Yet 'hard' options, based on unitarism, assorted TLAs and a relegation of union influence failed to boost Europe's competitive standing. Given that the competitiveness of European organisations now rests upon harnessing people's competencies as the driver of innovation, it is time to develop new methodologies for workplace intervention by rehabilitating and reinventing QWL as a central plank in the high road strategy.

We remain of the view that action research based OD is a legitimate goal of critical management studies – but the key issue is in whose interests are change and development processes conceived and played out – and how (Gustavsen, 1992). In an era of market deregulation and the globalisation of labour, the apparent priority is for generating organisational knowledge on products and processes that enables competitiveness in high-value markets. This requires a dynamic but loose conceptualisation of QWL and an emphasis on local knowledge (Engeström, 1992) and local progress (cf Lyotard, 1984). Accordingly, a key role of action research is to establish arenas and discursive tools for local actors to define local progress themselves as well as buildi ng networks for learning from each other (Gergen and Thatchenkerry, 1996; Gustavsen, 1998).

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