

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 1<sup>st</sup> INTERNATIONAL CONFERENCE

ATHENS (23-25-1-04)

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

With the Support of the European Committee

ATHENS 2004

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## **PARTNERS AT WORK? LESSONS FOR EUROPE'S POLICY MAKERS AND SOCIAL PARTNERS**

**Peter TOTTERDILL**, Professor at Nottingham Trent University, Director of The Work Institute (Nottingham Trent University)

### Abstract

#### **Background**

Emerging forms of work organisation represent an under-utilised resource in Europe, offering the potential for enhanced competitiveness, employment growth, healthier work and social dialogue. Yet the potential offered by this 'High Road' of organisational innovation is scarcely recognised by employers, social partners, policy makers and other actors.

This paper reports on the findings of a European study<sup>1</sup> on the emergence of new forms of work organisation, recently completed for the European Commission. The Hi-Res project was commissioned to provide an insight into the 'state of the art' of organisational innovation in Europe, including its drivers, characteristics, obstacles and benefits. It draws on a cross-section of research to create a framework for the analysis of data from some 120 European organisations including large and small enterprises and public bodies. Hi-Res concludes that public policy intervention can be an effective means of animating and resourcing workplace innovation by helping to overcome the multiple obstacles to change, though such initiatives remain relatively rare across Europe.

#### **Emerging Forms of Work Organisation in Europe**

A key task for the Hi-Res project was to establish a clear and usable definition of 'work organisation'. Experience suggests that it is commonly used as an umbrella term covering many types of work practice both inside and outside the workplace. In our view this is unhelpful, diverting attention from the core focus on workplace innovation. While we have not attempted a rigid definition of work organisation, we have focussed on those factors in the work environment which determine the extent to which employees can make full use of their competencies and creative potential.

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<sup>1</sup> *Defining the High Road of Work Organisation as a Resource for Policy Makers and Social Partners*. Project undertaken for the European Commission by a consortium of partners from 6 Member States led by The Work Institute at Nottingham Business School. See Totterdill, P., Dhondt, S., Milsome, S., 2002, *Partners at Work? Lessons for Europe's Policy Makers and Social Partners* (available at [www.hi-res.org.uk](http://www.hi-res.org.uk)).

This importance of this approach is that it seeks to identify the potential for ‘win-win’ outcomes – the scope for convergence between organisational performance, employment and quality of working life:

- Improving competitiveness and organisational performance through successful innovation in products, services and processes. Benefits reported by case study organisations include enhanced rates of innovation, greater responsiveness to customers, improved productivity, better quality, cost reduction and lower staff turnover.
- Higher rates of innovation in products and services leading to economic growth and new job creation.
- The enlargement and enrichment of jobs, allowing employees more control over their working environment and greater opportunities for innovation, enhances learning, workplace health and quality of working life.

Critically these outcomes cannot be achieved by training and technology alone. Returns on investment in skills development or technological innovation are rarely realised in full unless they are accompanied by appropriate organisational innovations.

## **Analysis**

While the logic of ‘best practice’ is pervasive, the supposition that there are definitive ways of organising – even for specific types of organisation - remains problematic. It is also inconsistent with the many observations that innovation and creativity are the key to sustainable competitive advantage, whereas ‘best practice’ largely relies on mimicking the innovative practices of others. We stress that workplace innovation cannot be defined in terms of the identification and implementation of a series of blueprints to change discrete aspects of an organisation. Although the traditional way to accomplish change is through the application of generalised concepts to specific problems according to a predetermined set of rules, it is now increasingly argued that this approach has emerged as a roadblock rather than a motor for change in organisations. Rather it is important to understand the complex learning paths which characterise change in real situations. Several commentators are very critical of a-contextual approaches and argue for greater focus on the internal and external contexts which drive, inform and constrain change. They criticise the common perception of change within management texts as rational and incremental, thereby conducive to the use of normative change models. They argue instead that change is a dynamic and uncertain process which emerges through the interplay of many factors. In this analysis, organisational innovation struggles towards a virtuous circle in which reflexive practices capture employee knowledge and experiences to create a dynamic interaction between product or service innovation and organisational change.

Case study data provides useful rich description, but its translation into ‘key lessons’ has been notoriously difficult. Part of the reason for this lies in a replication of the



‘one best way’ logic, whereby analysts have attempted to make *universal* generalisations, which simply cannot be supported empirically. Even those check lists, or ‘key learning points’ which make no claim to universality, have often failed to offer much more than a list of organisational truisms – useful, but failing to go beyond managerial commonsense.

Another difficulty of the checklist approach, is that many of the issues appear discrete when there is evidently considerable overlap between points of advice. It is difficult to tackle issues like ‘partnership’, ‘teamworking’ and culture separately because the boundaries between them are obviously blurred.

Thirdly many change recipes suggest that transformation occurs through a rational and incremental process. Lewin’s analysis that organisational transformation occurs through linear ‘freezing-unfreezing-refreezing’ processes has provided the theoretical basis for many contemporary change agendas. However, a growing number of academics stress that the actual practice of change is far from tidy; rapidly changing markets, technologies and labour market expectations have rendered the logic of rational-incremental change redundant – even assuming their practical relevance in the first place.

Of course, the organisation should not be viewed as impermeable and there will be an interchange of ideas and experiences between other organisations and intermediaries. The market environment may well influence strategic choices at the local level, but the model does not suggest that any single factor will explicitly determine the organisational response. Rather the model suggests a relationship with external structures and contexts as reciprocal. Knowledge, ideas and expertise may instigate a process of learning and experimentation within individual enterprises, but it is unlikely that there will indiscriminate adoption of external solutions without some form of adaptation and shaping by local actors. Similarly innovation processes may permeate individual organisations and influence others in their sector, their region or across the EU. Renewed research attention on sectors, company networks or clusters of interrelated activity may reveal how firms both learn from and contribute to the *cognitive arenas* in which they associate.

Organisational boundaries are also becoming increasingly blurred in operational terms, with increasing dispersal of production and innovation vertically through supply chains and horizontally through sectoral and knowledge clusters. Arguably the network will become the dominant organisational form of the 21<sup>st</sup> Century, a possibility which is considerably enhanced by advances in ICTs and the consequent emergence of the ‘virtual organisation’.

This analysis is therefore designed to:

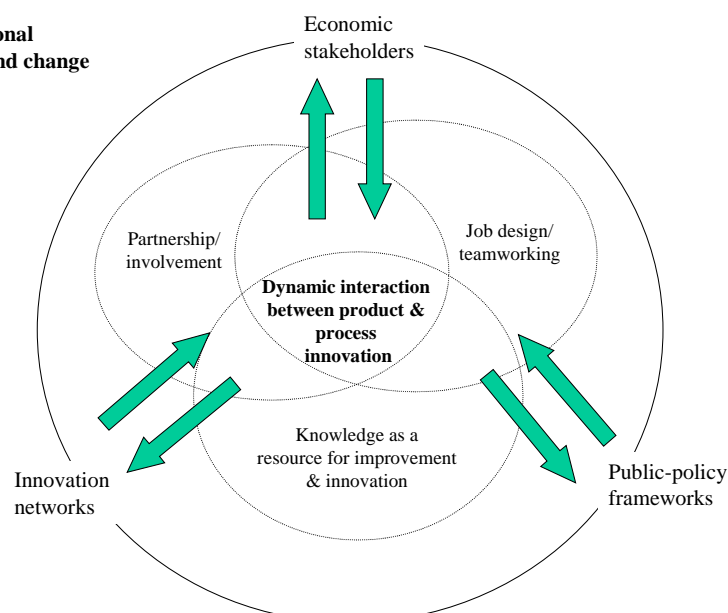
- a) Avoid prescription.
- b) Allow for change processes to be explored in ways which recognise the complex and untidy path which change may take.
- c) Move beyond a list of ‘key learning points’ and offer opportunities for deeper analysis and exploration of the dilemmas and choices posed during the change process.
- d) Facilitate a more integrated analysis of overlapping themes and issues.
- e) Allow for the inclusion of external influences upon change processes.

We have explored some of the key areas to emerge from research evidence and case study data to identify the specific organisational dimensions of the High Road of workplace innovation. The figure below identifies three organisational arenas: knowledge as a resource for improvement and innovation; partnership and involvement; job design, teamworking and technology. Between these organisational spaces lie a number of more intangible and interpretive ‘cultural’ practices which both determine and are determined by the structure of work organisation. In particular case study evidence highlights the ways in which communication, commitment and trust lie at the heart of sustainable change processes, and can be seen to lubricate or impede the process of organisational and service innovation.

The analysis starts with the High Road’s emphasis on competitiveness through the continual reinvention of products and services, which places a considerable premium on the ability of an organisation to harness the tacit knowledge and creative potential of employees. It is central to the argument that this involves much more than the ability simply to recruit and retain employees with the necessary aptitudes and competencies. It requires a work environment which fully engages all levels of employee in planning, quality assurance, problem solving and innovation. Building this work environment involves a complex and contextualised process of dialogue, learning and organisational innovation based on interdependent processes in which workplace partnership, job design and teamworking are the principal organisational components. Work organisation then is a reflexive process, not an end state. New forms of work organisation are characterised by a dynamic interaction between process and organisational design:

- Knowledge, innovation and creativity are both valued and placed close to the heart of the work process at all levels of the organisation.
- Partnership and dialogue establish the preconditions for a workplace environment in which the instigation and ownership of innovation are widely distributed.
- Teamworking becomes a defining characteristic of all aspects of work, both routine and developmental. In this sense it emerges less as a formulaic model than as an approach to work organisation which broadens job design and challenges both hierarchical and horizontal demarcations in order to optimise levels of agility and innovation. It also provides the day-to-day context for enhancing the quality of working life.

**Arenas of  
organisational  
learning and change**



These key organisational components interact with other dynamic contextual factors, notably new technologies. New technologies can broaden job profiles, increase the delegation of responsibilities to individuals and teams, widen the distribution of information, and increase the speed of product or service innovation. Technological change becomes integral to the process of organisational development, facilitating adaptation and adjustment in ways of working and learning. The challenge is to secure maximum coherence between technological possibilities and organisational needs rather than simply optimising the relationship between the machine and its operator.

As the diagram depicts, many issues for organisations are overlapping. For example, to support innovation through partnership and involvement, organisations may need to create 'design space' or organisational 'slack'. Engaging employees in partnership practices may occur independently of their work tasks, but wider participation in decision-making also may directly impact their task environment. The intersections between the change arenas, therefore, provide the opportunity to discuss the interconnectedness of change activities. The activities highlighted in these areas are suggestive, and there may be other issues which could be explored in these areas. In summary the model, is not intended to be prescriptive, but aims to be a framework in which change processes can be explored and in which the strategic choices of organisations can be visualised and deliberated.

### **Animating and sustaining organisational innovation**

Sustainable organisational change requires sustained resourcing: there are few successful 'quick-fixes'. Critically the task is not to try and catch up with 'best practice' but to develop a strategy firmly orientated towards the creation of innovative and self-sustaining processes of development. Perhaps one of the most important resources for change is the development of a culture committed to research, negotiation, experimentation, critical appraisal and redesign over many cycles. An innovating organisation must also recognise that setbacks are inevitable and that the toleration of 'blame cultures' only stifles experimentation.

Organisations do not operate in a vacuum. The learning organisation is good at networking; it is close to all its stakeholders; it accumulates, distributes and uses knowledge effectively from a wide variety of sources. Change may also involve looking for external knowledge, assistance and support. Social partners, business support organisations and researchers may all help to resource change. Internal solutions may be inspired by critical appraisal of different models of leading-edge practice in external organisations, while opportunities for peer-exchange and review may also alleviate some of the 'loneliness' of the organisational innovator. Comparing divergent options for change and visiting other organisations have been shown to be effective in supporting organisational transitions. External facilitators, who can be seen as neutral brokers between the interests of different stakeholders, have been

particularly useful in supporting the development of the partnership practices which subsequently underpin other organisational innovations.

Management values and attitudes deeply affect the nature and effectiveness of the change process. The necessity for 'top down' senior management commitment has been identified by many researchers, and the analysis confirms that this is of crucial importance in securing the legitimacy and effectiveness of 'bottom-up' change strategies. As the previous discussion emphasises, effective change requires widespread involvement and participation across the whole workforce. Innovation arises in part from making it possible to question established expertise, received wisdom and authority.

Many managers understandably find the implications of this difficult and threatening. Such potential obstacles need to be anticipated and addressed, often through the significant redesign of management roles and responsibilities as well as by developing new management competencies.

However while proactive management and leadership plays an essential role in creating the conditions for workplace innovation, change can rarely be 'managed' in a linear, planned way. The idea of the 'change agent' leading successful innovation from the front needs to be challenged. A condition of successful change appears to be that it is multi-voiced, messy and unpredictable. Some more imaginative examples of practice actively embrace chaotic and widely dispersed possibilities for organisational innovation. Ericsson Radio in Sweden for example has introduced a number of staff at all levels of the organisation as 'Inspirers' with a specific brief to 'sense the feeling' of the organisation, identifying possibilities for innovation which combine improved performance and enhanced quality of working life.

There is also a strong link between the success of new working practices and investment in workforce development, and substantial education and training may be required. Greater emphasis is needed on nurturing core competencies such as team skills, communication and problem-solving. However learning needs to become embedded in day-to-day working practice rather than existing only as a separate activity.

In summary, emergent practice identified within this analysis challenges the commonly held notion of 'best practice'. Rather it provides a perspective in which organisational renewal is inspired and resourced by both external and internal dialogue and negotiation. Using the three conceptual arenas – organisational knowledge, partnership and teamworking – the analysis has sought to identify the common challenges, choices and design principles characteristic of High Road organisations, aiming to avoid the prescriptions of some change management recipes and checklists. The approach stresses the interconnectedness of development strategies and thereby attempts to portray change as the dynamic interplay between people, structures, technology, cultures, histories, resources and the environment. In this way it seeks to avoid the problems associated with reductionist accounts of change which focus on single factor effects and linear causalities. Organisational innovation is not a rational, incremental process and any attempt to capture its complexity will have major failings. However it is hoped that the approach developed here facilitates a more dynamic portrait of the characteristics of the High Road.

### **Problems of Dissemination: Public Policy Implications**

Although demonstrable benefits can be achieved through the modernisation of work organisation, the process of change is hard to achieve. The case study evidence demonstrates conclusively that all companies face very tangible obstacles in designing, implementing and sustaining change.

Evidence suggests that the spread of successful organisational innovation in these arenas remains weak in Europe. This may be attributed to a number of mutually reinforcing factors including:

- low levels of awareness of innovative practice and its benefits amongst managers, social partners and business support organisations;
- poor access to evidence-based methods and resources capable of supporting organisational learning and innovation;
- countervailing trends in the design and application of new technologies;
- limited distribution of the competencies associated with new forms of work organisation amongst the workforce.

Action by public policy makers and social partners is of proven value in overcoming these obstacles through, for example:

- the provision of knowledge-based business services and other publicly provided forms of support;
- the creation of opportunities for networking and peer exchange between management and employee representatives;
- the capture and dissemination of knowledge and experience of from workplaces across Europe;
- action research to pilot innovative approaches to change, especially in new contexts;
- the creation of development coalitions to close the gaps between key actors and stakeholders with an interest in work organisation.

For the EU this poses a number of questions and challenges, notably:

- creating a climate of awareness and concern amongst policy makers and social partners in Member States;
- ensuring that existing resources (such as the European Social Fund) are targeted effectively to support the modernisation of work organisation;
- acting as a broker to maximise exchange of knowledge and experience across the EU;
- identifying fast-track strategies to support the modernisation of work organisation in the applicant countries.