The Existing Policy Framework to Promote Modernisation of Work: Its Weaknesses

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A. Purpose of this study

The purpose of this study, commissioned by the European Commission DG Employment and Social Affairs, is to identify gaps in the existing policy framework for modernisation of work, and to assess the possible roles of actors to be involved in filling these gaps. This report has drawn in particular on extensive dialogue with researchers from across Europe and beyond, at a series of seminars and conferences since 1997, cited in the annotated bibliography. In addition, the author has worked with a number of national and European Commission programmes, engaged in action research, and developed new projects concerned with European regional development coalitions.

B. Background

1. Initiatives

Since the launch of the 1997 Green Paper "Partnership for a New Organisation of Work" (European Commission 1997), the European Commission has taken a number of initiatives to promote the modernisation of work organisation. In a number of Member States of the European Union, governments have also set up programmes to support modernisation of work organisation. There was considerable policy momentum in 1997, as the "Partnership" agenda coincided with the launch of the European Employment Strategy (Larsson 1998, Ennals 1998). Some of those engaged in pilot projects across the European Union assumed that the Green Paper was launching a substantive change in policy direction, to be followed by new European programmes with significant funding. The Green Paper was a consultative initiative from the European Commission, while additional funding would require approval from the European Council, based on committed support from governments of Member States.

2. The lack of capacity

There has been a lack of adequate capacity, in many Member States, to encourage and resource workplace innovation and work organisation on a widespread basis (EWTC 1998). The encouragement and resourcing of workplace innovation and work organisation is not a trivial matter (Andreasen et al 1995). It is not simply a matter of funding top-down programmes, and rolling out solutions. Evaluations of major national programmes such as the Swedish Working Life Fund (Gustavsen et al.1996) have shown that successful sustained innovation involves a complex mix of ingredients, with sensitivity to the social, economic and cultural context. In particular, investments in training need to be linked to organisational development (Toulmin and Gustavsen 1996) in order to bring the desired benefits in terms of productivity and innovation. Subsequent work in Norway (Gustavsen et al 1997, 2001) supports the argument that innovation is not an isolated phenomenon, or peculiar to single enterprises, but arises from "innovation systems", typically operating at a regional level.

The Green Paper did not argue that the process of modernising work organisation was easy, but that it was important, and added "work organisation" as a new ingredient in the policy debate. The European Commission was leading the way as an opinion former, drawing on research: practice in Member States trailed behind the aspirations of DG Employment and Social Affairs, which does not itself allocate major project funding: this is a matter for the European Social Fund, and for Member States.
Capacity building would have to precede major programmes if they were to be sustainable. This meant building a platform on uneven foundations across the European Union, for example in terms of social partnership, and the involvement of universities in regional economic development, due to the diversity of circumstances (Brulin and Ekman Philips 1998; Baburoglu and Emery 2000. Bessant and Tsekouras 2001). At the end of 1997 the European Work Organisation Network (EWON) was established to maintain communication between national efforts, and to engage in some enabling research.

The lack of capacity may include:

a. Limited awareness amongst policy makers and social partners

The impression of limited awareness of the issues of work organisation is reflected in studies of individual Member States. The situation in each country reflects their particular background in terms of policies and institutions, and adherence to established ways of working. There has been limited unified discourse, as each Member State started by speaking from their own distinctive experience, and actors lacked experience and knowledge of the situation elsewhere in the European Union. As a result, discussions of the "modernisation" of work could be at cross purposes, with some consultants interpreting "modernisation" as endorsement of outsourcing and privatisation (see the “GovAgency” case study in Business Decisions Ltd 2001). Effort was required to develop constructive dialogue.

The European Employment Strategy is predicated on maintaining a balance between "flexibility" and "security" (Larsson 1998; Rouilleault 1998): individual governments of Member States may take different positions, depending on the extent of their emphasis on flexible labour markets and reduced costs for employers, and changing with the political balance of the day. Thus agreement with the conclusions of the Lisbon Council, regarding future developments in the European knowledge-based economy and society, can be given many different interpretations. The same applies to commitments to "quality in working life", at the Stockholm and Laeken Councils. Quality needs to be given substantial form, for example through the development and application of indicators, and the use of profiles at organisational and country level (European Foundation 2001, 2002; Rantanen et al 2001; European Foundation 2001, 2002). The "third way" (Giddens 1997) is broad, and paved with good intentions.

Policy makers and civil servants, by virtue of their conventional career paths, can have limited perspectives, with promotion and advancement often based on winning territorial battles between departments. For some, working with partners across government, and with the private sector, is a novel experience.

Social partners may lack European language skills and knowledge of European institutions, which are required if they are to take full advantage of new policy developments. This needs to be considered by those developing education programmes or managing career development. Career trade union officials and employer representatives now require a European perspective, and new role models are emerging, as national leaders progress to international office.

Where trade unions have had an established institutional position, such as in Scandinavia (Johansson 1994), the European Employment Strategy seemed relatively unexciting. Where they had developed the habit of "dancing", rather than "boxing" (Gregory 1996, 2001; Huzzard 2002), they felt ahead of European policy developments. In those Member States where trade unions have had to fight for their survival, their resources have been limited, and the capacity to respond at speed to new initiatives has been finite. There was no one single “social partnership” arrangement, and both trade unions and employers have had to develop their own networks and policy-making structures. Time is an important factor: a new generation of trade union officials and employer representatives have gained experience
during the years of the European Employment Strategy (Bergström 2000), and are moving into positions of influence.

The European Commission may have been somewhat over-optimistic in expecting immediate responses, from the social partners, to invitations to take responsibility in the area of work organisation. Culture change cannot be produced overnight in such diverse contexts. The environment has had to change, creating new possibilities, and enabling social partners to re-express priorities in their own terms, for their own constituencies. This has taken five years, while the European Employment Strategy has developed and matured. What happens now, given that awareness has spread (EWON 2001)? For example, the new invitation to the social partners in 2002, to consider stress at work as part of the social dialogue, is highly significant, but will take some time to mature.

b. Too few opportunities to share good policy practice between Member States

Because of the separate distinctive histories of Member States, demarcations between institutions and government departments vary. There is competition for public funds, allocated according to national priorities and established procedures. Traditional hierarchical approaches continue at national level, with vertical reporting. This may not include arrangements for partnership, either social partnership or between organisations, even within the country concerned. Informal networks have been nationally based.

Experience of participation in European collaborative programmes has been valuable, but has affected only a minority of actors within the arena of the European Employment Strategy. For the majority of actors at national, regional and local level, the workings of the EU, and other Member States, remain unfamiliar. University students may have had access to mobility programmes such as Erasmus / Socrates, but this is rarer for shop-floor workers. On the other hand, there is now increasing experience of bringing practitioners together from different regions around Europe, with practical benefits (Ennals and Gustavsen 1999; Fricke 1997, 2000). This presents new challenges in overcoming barriers of language and culture.

c. Weak policy frameworks at national and/or regional levels

The roles of national governments vary between Member States, with an increasing tendency for governments to pass responsibilities to the private sector and market forces: the UK led this trend, sometimes described as "modernisation". As a consequence it can be difficult to make simple comparisons between countries. Discussion of work organisation raises further complications, as it cuts across departmental boundaries: there are issues for economic development, employment, industrial relations, technology transfer, regional policy, education and training (Totterdill 1999). "Joined up thinking" is the exception, rather than the rule. The situation can be eased by the presence of national institutes and infrastructures for research, development and technology transfer (Alasoini et al 1997, 1998). Such institutes can develop their own rigidities.

Although a "Europe of the Regions" has many adherents, in some Member States, such as the UK, devolved policy structures and frameworks at regional and local level are undeveloped, inconsistent, and as yet lacking in democratic accountability. In the UK, the devolution of responsibility to a Scottish Parliament and a Welsh Assembly has left unresolved the question of regional government in England. There is no shared European understanding of what is meant by a "region". History is
recalled in terms of nation states. One challenge for the European Union is to regard this diversity as a source of collaborative competitive advantage (Wynne 2002).

d. A lack of appropriate institutions capable of designing and delivering appropriate measures

In the absence of a local tradition of social partnership, it takes time to develop sustainable institutions. This challenge is being addressed in the applicant countries, with collaborative input from the European social partners UNICE, ETUC and CEEP: this casts light on some problems within the European Union. In the UK, where the Thatcher government from 1979 had eradicated tripartite institutions, with the exception of the Health and Safety Executive, the UK Work Organisation Network (UKWON) was founded in 1997, as a bottom-up national network. There have been encouraging signs, and the beginnings of constructive social dialogue (Ennals, Totterdill and Ford 2001).

In the cases of initiatives under the European Social Fund, delivered through national programmes administered by individual government departments, the priority is to meet needs of Member States in vocational education and training. European policy directions derived from the European Employment Strategy are seen as ancillary, and are thus diluted by national and regional authorities. Projects dealing with work organisation, which have been developed and submitted under ESF, EQUAL and Article 6, in line with EU policies, have been assigned little priority at national or regional level, and not funded. National and regional authorities invoke the principle of subsidiarity, and declare their right to determine policies and priorities.

On this basis, initiatives regarding work organisation raise constitutional issues. The European Commission may reach policy conclusions in Green Papers and Communications in line with the European Employment Strategy. These will not be translated into practical programmes at national and regional level, unless the relevant authorities at the level of the European Council and Member States decide that this is their preference, giving priority to such programmes over other contenders for support. We might conclude that the European Employment Strategy is not being implemented at workplace level. This would be misleading, as the Strategy is based on a longer term process of soft law and social benchmarking, involving cycles of development, rather than top-down imposition of a standard European Commission régime. Where an emphasis on work organisation leads to a successful outcome, this should be picked up in subsequent iterations of National Employment Plans. This requires improved information, working case study examples, a strong business case, and an ongoing networking infrastructure.

There has not been a strong budgetary lead from the European Commission, as opposed to rhetoric. The 1998 Communication on "Work Organisation" announced the formation of the European Work Organisation Network, only a limited budget was assigned for development projects, and even support for the EWON newsletter was later withdrawn. Subsequent Green Papers and Communications have led to the foundation of alternative structures, such as the Observatory of Social Change hosted by the European Foundation for the Improvement of Living and Working Conditions, in Dublin. The agenda has moved on over the years since 1997; this has not always been explicit, and not all of the actors have kept pace. This is "soft law" in practice.

Work organisation raises further issues concerning Enlargement, as the applicant countries, many of them former members of the Soviet bloc, with a tradition of central state socialist economies, typically lack a prior background and available resources. This is being addressed through European
programmes such as PHARE, and initiatives such as the Swedish-led "Work Life and EU Enlargement" programme, which involves EU institutions and the social partners.

e. Poor networking between key actors

Collaboration and networking do not arise by chance; they require a supporting cultural context, in which consensus is valued, where it is possible to make horizontal contacts between organisations, rather than everything being governed by hierarchies. Networking is a complex interpersonal skill learned through practice, not from handbooks (Castells 1997). Relationships of trust are built incrementally over time, and this has been a major argument in favour of successive European Framework Programmes, fostering patterns of collaboration. In an environment of scarce resources, where central financial controls are imposed, and initiatives are in competition, progress will be slow. The European Commission manages portfolios of projects, or delegates the management to large networks; this principle underpins the Sixth Framework Programme. There are lessons to be learned from the Norwegian "Enterprise Development 2000" and "Value Creation 2010" programmes (Gustavsen et al 2001; Levin 2002).

Whereas employees of the European Union, from different countries, have learned to work together with a common employer and build a new policy infrastructure, the development of international networking can be more complex, with issues of language, culture, administrative tradition, and finance. Initial entry costs can seem high, including steep learning curves. This is part of the challenge for institutions such as universities.

Nationally based programmes, such as the Swedish SALTSA programme in European working life, with international research partners working in association with the Swedish National Institute for Working Life and the Swedish trade unions, have helped in developing the networking culture. Sweden is relatively new to EU membership, and has traditionally had ample national research funds, so there has been limited experience of international networking in the European Union. SALTSA has provided a valuable transition to European collaborative ways of working, and opened new approaches to dialogue. The model of involving the trade unions in a pivotal role in project design and project management has been enlightening, but the problems still remain of accomplishing the transition from research to practice. Within the SALTSA Work Organisation theme, the NICE (New Innovative Coalitions in Europe) consortium developed, piloting work with regional development coalitions (Brulin 1998; Mazzonis and Ennals 1999; Asheim and Pedersen 1999; Prätorius 1999), and building sustained relationships over time.

Some long-standing European Commission research programmes, such as ESPRIT, have had a substantial underlying work organisation component, especially concerning trans-national relations between enterprises. Often the development of such relations, for example in strategic industrial sectors such as aerospace, has been as important as the particular technologies, which are the ostensible focus of attention. This may have been the reason why evaluators decided in favour of funding the project when proposed. Despite this, project management tends to have concentrated on “hard” technology, at the expense of the “softer” areas of work organisation. Research management needs to take more account of the network culture, and the culture of research management itself needs to change.
f. Underdeveloped roles and responsibilities of social partners, universities and business support organisations

We should not expect a uniform pattern of organisation and networking across the European Union. It is however vital that the European research culture supports social partnership consistent with the European social model, as opposed to adversarial industrial relations. This may have been taken for granted in Scandinavia, where in particular the Swedish social model provided stability over several decades (Johansson 1994), providing senior trade unionists and employers' representatives with insights into government. In Ireland, 9 years of social partnership preceded the New Work Organisation in Ireland programme (Savage 2000). The evaluation model, including a team of international evaluators, both provided insights from overseas, and also provided valuable experience for those at an earlier stage in the partnership process, such as in the UK.

It has been easy for governments and educational institutions to give lip service to the importance of education for the knowledge-based society, to lifelong learning, and to "higher education reaching out to business and the community" (HEROBAC, in the UK), known in Sweden as "The Third Task" (Brulin 2002). Traditional universities have often been reluctant to change, and to address a world beyond academia (Baburoglu and Emery 2000). Effective networking and delivery requires culture change, which takes time, and encounters resistance. Once in place, it can enable new forms of knowledge production, as has been argued in the case of the sciences (Gibbons et al 1994; Nowotny et al 2001). Variations in culture and work organisation impact on the form taken by lifelong learning, and affect structures such as employer learning networks. The process takes time: levels of participation in higher education have risen in recent years, and there is a backlog of remedial education required in business and industry.

It is not enough for an organisation, whether in the public or private sector, to declare itself to be a "business support organisation", and to adopt private sector patterns of operation. The role of intermediaries is vital, in particular for small and medium sized enterprises (Walters 2001, 2002; Frick et al 2000), but they need to operate in a culturally appropriate manner. It is not a question of rolling out "one-stop shops". In particular, the roles of intermediaries develop over time, but they are often introduced in successive short-term initiatives, which may lack evaluation. There needs to be a facilitating environment at regional level.

C. The Missing Link

As attempts to develop new forms of work organisation encounter problems of lack of capacity, we must ask how "work organisation" has been defined. Is an alternative perspective required? The two definitions need not be mutually exclusive. Programmes in work organisation have given us a language to discuss change in work and society. Work organisation was identified (Andreasen et al 1995) as "Europe's next step", as "the missing link"; the challenge has been identified as diffusion. Further definitions were published by EWON (Totterdill 2000).

One approach is to concentrate on the organisation of work at enterprise level, presenting models of good practice to which enterprises should aspire, based on characteristics such as teamworking and participation, perhaps offered on a website. The aspiration is given the label "high performance work organisation", seen as the culmination of a linear process of development. Particular distinguishing features and techniques are highlighted. Business Decisions Ltd have taken this approach in a series of reports to DG Employment and Social Affairs (Business Decisions Limited 1998, 2001).
We may prefer to think in terms of a variety of forms of work organisation, according to the needs of
the sector or context, and the trajectory of development of the enterprise. Concepts such as
"teamworking" and "empowerment" have often been appropriated and used in contexts which are not
to the advantage of the workforce (Ainger et al 1995). Business process re-engineering and other
approaches to restructuring have often been to the detriment of the workforce: this has been addressed
in the recent Directive on "Information and Consultation", and the Communication on "Corporate
Social Responsibility". This development of the European Social Model has, as yet, had a limited
impact on Anglo-Saxon business practices (Hutton 2002), where a voluntarist view is taken of EU
Directives.

Good practice case studies of success have been collected; often these have little to say regarding
"obstacles to the diffusion of new forms of work organisation" (Business Decisions Ltd 2001), and
how they are to be overcome. We do not know how to move from the growing collection of databases
of good practice case (see www.ukwon.net and the products of the European Commission INNOFLEX
and Hi-Res projects), to generate improvement in workplace practice. This can be due to a division
of labour, and a cultural separation, between researchers and those concerned with implementation.

An alternative, as set out by Ennals and Gustavsen (1999) is to note the limits of what can be achieved,
either by national level policy or by working with individual enterprises, especially when they are
small, and to emphasise relations between enterprises and other organisations, in the form of supply
chains, networks and development coalitions, operating at the intermediate, meso or regional level.
This builds on research on small enterprises at local level (Curran and Blackburn 1994). Processes of
learning are then encouraged within networks and coalitions, based on learning from differences
(Asheim and Pedersen 1999). From this emerges the concept of "development organisations", which
are able to assist in the process of modernising work organisation at the local and regional level. This
provides a context for entrepreneurship.

Gustavsen has argued that the importance of development organisations goes further. Evaluation of the
Swedish Working Life Fund (Gustavsen et al 1996) demonstrated that investments in training which
are not linked to organisational development tend to give poor returns: work organisation is the
missing link, vital for employability and adaptability.

Similar arguments can be presented in occupational health or workplace health: without an
understanding of the context of the workplace, well-intentioned measures achieve little. Many
occupational illnesses can be linked to deficiencies in work organisation (Karasek and Theorell 1990;
Cox et al 2000). Changes in the world of work, such as globalisation, increased pace, and the spread of
precarious working, have exacerbated the problem, with impacts on occupational health and safety
Ennals and Knave 2001; Rantanen 2002). If we do not understand and address issues of work
organisation, problems of sickness absence will continue to mount. This is recognised in the 2002
European Commission Communication "Adapting to Change in Work and Society", in which the
social partners are invited to consider the issue of stress at work in the social dialogue.

In the field of diversity and discrimination, delivering on the equal opportunities pillar, work
organisation provides the context in which opportunities arise, and is important in the Community
Action Programme to Combat Discrimination (Wynne 2002). Studies have shown particular problems
faced by groups such as women (Menckel and Österblom 2001), older workers (Kilböm 1999), and
ethnic minority groups (Blomberg and Widell 2002); often these can be addressed through changes in
work organisation. New Directives which harmonise the treatment of different forms of discrimination,
bringing together previously separate legal arguments and institutional arrangements, will have impacts on work organisation (Bruun and Bercusson 2001).

D. Tasks performed

The tasks performed in the study are:

1. Identify gaps in the existing policy framework within the EU to support workplace innovation and the modernisation of work. The analysis covers activities in the individual Member States of the EU as well as community activities.

a. An EU Member State: the UK

We start with the UK, not as typical of the EU as a whole, but to commence a process of learning from differences, in a virtual encounter between countries. In the UK there are no national research institutes or national programmes concerned with work organisation or working life; this was the context for the foundation of the UK Work Organisation Network (UKWON) as a bottom-up networking structure, bringing together the main actors. There has been a "Partnership Fund", funded by the Department of Trade and Industry, covering diverse activities in a large number of companies, but without co-ordination, supporting small-scale short-term initiatives, and without a core emphasis on work organisation. Partnership has been favoured, but through voluntary means, and there has been little mention of the European policy context, or of the terms of particular Directives which have been transposed into national legislation.

The message regarding the central importance of work organisation has not been understood, despite five years of efforts since the publication of the European Commission Green Paper "Partnership for a New Organisation of Work". This contradicts a DTI publication in 1998, "Working Together for the Future" following the Glasgow UK EU Presidency Conference, which emphasised work organisation, and identified UKWON as the lead organisation in the field. Ministers and civil servants have changed many times in the interim.

Dialogue seminars organised by UKWON 1998-2002, supported by the European Social Fund, have revealed that that the general level of knowledge and awareness in the UK regarding work organisation and the European Employment Strategy is limited. Key phrases such as "social partners", "social dialogue", "open co-ordination", "soft law" and "social benchmarking" are not recognised. An encouraging development has been the quality of attendance at seminars led by European speakers (Bodin 2002, Rouilleault 2002), who have served to highlight the issues for opinion-formers.

In the case of the UK, a partial explanation may be that the UK had opted out of the Social Chapter in the Treaty of Maastricht, and only signed in 1997, under an incoming government, who lack access to papers of the previous government. Implementation of some of the measures concerned is now being phased in over time, and public discussion and debate has been limited, partly due to current uncertainties regarding UK joining the single European currency, and partly due to the lack of budget allocated to such matters. EU Directives are seen by many in the UK as issued from "Brussels", and there is little understanding of the policies, institutions or processes concerned. "Europe" tends to be seen as part of foreign policy, rather than it being recognised that, as a Member State of the EU since 1973, the UK is involved in the development of policies, and is then committed to implementation and compliance.
There is no shortage of accessible information material in the English language, setting out issues regarding working life, work organisation, and quality of work, but it is not being read by decision-makers. To date this has not been regarded by government or employers as a priority. UK trade unions are aware of the benefits to be derived from pursuing these issues, but have limited resources. Through the work of the TUC Partnership Institute, the UK Work Organisation Network and the Involvement and Participation Association, this situation is changing.

b. An EU Member State: France

It is particularly instructive to compare the UK and France with respect to Working Time and work organisation. In France, the 35 hour working week was introduced by law, and assistance in implementation was provided to enterprises by ANACT, the national agency concerned with working life. The key to successful implementation of reform in working time was seen as work organisation (Rouilleault 2002).

By contrast, despite being covered by the same set of EU Directives, the UK negotiated individual opt-outs concerning the Directive on Working Time. As a result, the UK continues to have the longest working hours in the EU (Merllié and Paoli 2001), accompanied by low productivity compared with both the USA and EU partners. As the UK opt-out is reviewed by the European Commission, and as working time is consequently reduced, work organisation is likely to prove pivotal to success in productivity and innovation (Cressey 2002). This issue was addressed at a UKWON dialogue seminar in London, with speakers from France and from the UK social partners. It was evident that there is much to be learned from different experience, and that an environment in which such dialogue can be conducted is valuable.

c. Member States

We can continue to make individual national comparisons, developing case study accounts from which we can learn (as in Ennals and Gustavsen 1999).

- We might take the German situation, noting comparisons and contrasts with both France and Sweden, with respect to the structures of, for example, trade unions and regional government.
- We might highlight regional diversity in Italy, including distinctive patterns of networks and regional development coalitions as between Emilia-Romagna and Veneto, and compare the situation in Spain and Greece.
- As we are dealing with 15 Member States, soon to be 25 Member States, it may be more effective to use the European Employment Strategy as a tool. This approach has begun with the Swedish "Work Life and EU Enlargement" programme, with the applicant countries.

Every government of an EU Member State expresses commitment to "innovation" and "modernisation", even if they do not share definitions of what the terms mean in practice. When they refer to the four pillars of the European Employment Strategy, scope for different emphases remains. The meaning of the European Employment Strategy, and the words within it, will be seen in practice. The challenge is to present the arguments so that decision-makers recognise the central importance of work organisation in their policies for productivity and innovation. There was widespread consultation on the 1997 Green Paper "Partnership for a New Organisation of Work", reported at the UK EU Presidency Conference in Glasgow in April 1998, which meant that the terms were widely used. There
was a subsequent 1998 Communication, but no specific Directives are envisaged, and there has been no specific major programme led from the European Commission.

Diverse initiatives are led from departments and Directorates-General, who are always careful with regard to demarcation. In addition to research programmes supported by DG Research, and development work under the European Social Fund, both DG Employment and Social Affairs, and DG Health and Consumer Protection, have responsibilities in the area of health promotion and workplace health (ENWHP 1997, 1999). DG Information Society supports research in knowledge management in organisations, including "communities of practice", based on new forms of work organisation (Hearn and Joubert 2002, McDermott 2002). Such demarcation issues are not peculiar to the European Commission but are reflected in Member States, and in UN agencies.

The debate in each country is typically expressed in national terms, rather than in terms of the European Employment Strategy (Walters 2001, 2002). Protagonists in national debates are often unfamiliar with the European context. This is changing, as European experience becomes essential for officials responsible. There are current debates regarding "security" and "flexibility", and the consequences of externalising many aspects of employment relations. Some of these issues are addressed in the Directive on "Information and Consultation", and the Communication on "Corporate Social Responsibility", which deals with responsibilities of employers in the context of restructuring.

2. Specify appropriate recommendations for future initiatives to overcome the identified gaps. These recommendations should be specified as to the responsibility the involved actors are to carry.

a. Raising the Profile of the European Employment Strategy

The European Employment Strategy provides the appropriate framework and mechanisms for the diffusion of new forms of work organisation. We need to use the framework as it matures, and draw on research experience with new forms of work organisation. The central importance of work organisation needs to be emphasised, using arguments addressing the concerns of both Member States and Community institutions. Given that the European Employment Strategy is multi-faceted, and has developed incrementally over a period of 5 years, this report takes the opportunity to develop an integrated view, reflecting the state of the art, from the perspective of work organisation. This should not detract from an emphasis on workplace practice.

Once we regard work organisation as a reflexive characteristic of societies and economies undergoing change, rather than a separate specialist field of study and implementation at the level of single enterprises, we can use work organisation as a means of exploring the principles and pillars of the European Employment Strategy. This opens the way to a new policy debate, anchored in practical examples. Confirming the importance of the European Employment Strategy does not imply that everything must continue as at present. To date the Strategy has had a largely superficial impact, providing an envelope in which previously separate policies and initiatives have been brought into closer alignment. More needs to be done to complete the processes of embedding and mainstreaming, with the added pressures of the Enlargement process to be taken into account.

National policies have traditionally been based on the experience of large enterprises, while the dominant form of employment in each EU member state is small and medium sized enterprises (SMEs) (Oliveira 2001). The nature and needs of SMEs are different from those of large enterprises, but cannot sensibly be considered as uniform. Often these issues are handled more effectively at
regional level, and by making use of intermediaries who have the confidence of both the enterprises and the authorities (Walters 2001). Policies, including for SMEs, tend to have been framed in terms of individual companies, and the way that their work is organised internally. If we are considering diffusion, it is vital to take account of the organisation of relations between enterprises, and their location within "innovation systems" (Gustavsen 2002).

European dialogues in the field of employment and social policy involve representatives of member states, who have been mandated to maximise the benefits to their own country, rather than necessarily acknowledging a common European identity. The EU is itself a development coalition (Ennals and Gustavsen 1999), in which the individual Member States can preserve their distinctive identities, but further their own objectives by working together. There is still limited awareness in individual member states as to how similar problems are addressed in other member states.

This highlights the need for an integrated understanding of the European Employment Strategy. The need is all the greater because of the impending process of enlargement. Applicant countries are aware of what is required of them, after prolonged negotiations regarding the acquis communautaire, but some current Member States may be less aware of what it means for them.

b. New Forms of Work Organisation

The 1997 Green Paper “Partnership for a New Organisation of Work” could be simplified as stating that "Taylorism is dead, and Europe needs to develop new forms of work organisation appropriate to the challenges faced in the new century”. In practice, Taylorism continues, at times in reinvigorated form, such as through National Vocational Qualifications in the UK, in which there is little understanding of the nature of skill (Göranzon and Josefson 1988, Göranzon 1995).

Europe’s "next step", or Europe’s "competitive advantage" (Andreasen et al 1995), must derive from regarding our diversity as a source of collaborative competitive advantage (Wynne et al 2002). This is a radical change of perspective. Continuous improvement depends on a preparedness to make step changes. As a precondition for moving forward, we need to identify examples of new forms of work organisation, both successful cases and those encountering different types of difficulty. There is considerable experience from which we can learn, with interesting cases across the European Union.

c. Diffusion Mechanisms

The traditional approach is to identify key objectives, find star cases which demonstrate the desired characteristics, then “roll out” the necessary approaches across a region, sector or country. There is little or no evidence that this works in practice. It is far from easy to transfer lessons learned in star cases (Gustavsen et al 2001), however many we accumulate in databases and on websites. It is not difficult to produce handbooks, toolkits and other dissemination material, but it is hard to point to resulting processes of sustained learning. It is easy to announce the formation of new "learning networks", but more effective, where it can be done, to add learning dimensions to existing groupings such as supply chains and networks, which have their own organic means of sustainability.

The European approach, as spelt out in the European Employment Strategy, is social benchmarking, otherwise understood as "learning from differences" (Toulmin and Gustavsen 1996; van Beinum 1998). One way of progressing in the solution of a particular problem is to consider how similar problems are addressed by others, considering one’s own experience against the background of the
experience of others (Gustavsen 1992). This was the basis of the New Innovative Coalitions in Europe (NICE) project, which was supported by the Swedish SALTSA programme (Totterdill and Fricke, in preparation). The vital mechanisms for diffusion are those which enable learning from differences; search conferences (Emery 2000), dialogue conferences (Shotter and Gustavsen 1999), regional networks (Totterdill 2000; Brulin 1998; Fricke 2000) and development coalitions (Gustavsen et al 1997, 2001).

The new structures need access to new tools which reflect their needs and priorities, both physical and virtual. There is a mass of material available on websites, but thought needs to be given to the case for developing a portal on the European Employment Strategy, opening access to the existing diversity of issues, debates and cases. This can then support a programme of dialogue workshops at regional level, enabled by regional workplace forums. One approach, using the recently launched www.1do3.com as a model, and the European Employment Strategy as a framework, would be to identify what users may want to do, in the field of work organisation, and to point them to websites which may meet some of their needs. Such a facility could operate in support of regional workplace forums. In principle, given that the 15 EU Member States are covered by the same Directives, there should be comparable approaches to common tasks.

d. Regional Workplace Forums

The European Commission should support the development of a network of regional workplace forums, within the context of the European Employment Strategy, bringing together the workplace actors, with the social partners, to engage in dialogue and practical activity, including social benchmarking. These European arenas for discourse are intended to provide supportive contexts for the development of new forms of work organisation, within and between enterprises (Gustavsen et al 2001).

In some cases there are existing bodies to take on this role (Savage 2000, Alasoini et al 1997, 1998; Prätiorius 1999; Ennals et al 2001). In other cases new networks and coalitions will need to be formed, bringing together the necessary actors (Brulin 2002, Levin 2002). The contexts will vary; regional workplace forums may have been developed to address workplace health (ENWHP 2002, Vallée 2002, Dhondt 2000), as dissemination mechanisms for new universities engaging in the “third task” of working as partners in regional economic development (Brulin 2002, Fricke 2000, Baburoglu and Emery 2000), or as ancillary to structures of support for local networks of enterprises (Mazzonis and Ennals 1999, Ashheim and Pedersen 2001).

With the acknowledged limitations of national policy, and the dilemmas facing policy makers at a distance from the workplace, it is not enough to work at national level. We can pilot and develop a new structure, which can link across national and departmental boundaries, supporting communities of practice (Hearn and Joubert 2002, Hopson 2002), and enabling new patterns of development of knowledge (Brulin 2002). This gives work organisation a role in Europe as a missing link between the concerns of DG Employment and Social Affairs, DG Health and Consumer Protection, DG Information Society, DG Research and the European Social Fund.

The intermediate meso level (Totterdill 1999) needs to be given visible reality, with structures to foster dialogue, building on research experience in recent years (Castells 1997, Whyatt 2001). “Region” is to be defined flexibly, taking account of different contexts. There should be no attempt to start with complete coverage, but European infrastructure support for regions which seek to develop a workplace forum, building a constellation of different examples from which to learn. In some EU Member States,
such as Germany and Italy, regional government is well established (Mazzonis and Ennals 1999, Prätorius 1999), and the natural regional boundaries are recognised. Elsewhere, such as in the UK, the structures and boundaries are still under debate (Totterdill 2000, Ennals et al 2001).

Regional workplace forums fit into the development of social dialogue, as the social partners seek to address a new range of issues such as stress at work. Research (Karasek and Theorell 1990, Cox et al 2000, Paoli 1997, 1999; Levy 2001, Härenstam et al 2000, 2001; Rantanen 2002) has shown evidence for links between psychosocial factors arising from work organisation and the full range of occupational illnesses, including musculoskeletal and coronary heart disease. Such problems are not addressed by conventional occupational health services and workplace health promotion. Regional workplace forums should be developed in association with networks of small enterprises, with an additional set of intermediary actors.

The workplace is now recognised as an arena for public health and lifelong learning, but issues of dissemination and development have received limited attention. The new regional workplace forums, by bringing democracy and participation into working life at regional level (Reason and Torbert 2001; Pålshaugen 2002), offer an opportunity for innovation, learning, and increased sustainability, within the broader context of the European Employment Strategy.
E. Appendices

1. The Author

Richard Ennals chaired the quality review panel of the European Work and Technology Consortium in 1997, was rapporteur for the Swedish "Work Life 2000: Quality in Work" project 1997-2001, a rapporteur for the Belgian "For a Better Quality of Work" conference in September 2001, and a founding member of the UK Work Organisation Network and the company which now manages it, the Work Research Foundation Ltd. In the UK, he has worked on projects on new forms of work organisation, supported by the DTI Partnership Fund and the European Social Fund. He is rapporteur for the European Network for Workplace Health Promotion (DG Health and Consumer Protection), a consultant to DG Information Society, and works with the Norwegian "Value Creation 2010" national programme of enterprise development, and the associated doctoral programme "Participative Organisational Change Strategies", as well as the Swedish SALTSA programme, UNESCO and WHO. He is an editor of the journal "Concepts and Transformation", and review editor for "AI & Society".

2. Annotated Bibliography

The argument above may be regarded as an updating of the core arguments of “Work Organisation and Europe as a Development Coalition” (Ennals R. and Gustavsen B. John Benjamins, Amsterdam 1999.) Chapter 6 provides extensive case studies from a number of European countries.


For case studies of work organisation considered by the UK Work Organisation Network, see www.ukwon.net. The website proposal above is the basis of a feasibility study being undertaken by Kingston Business School and the Royal Institute of Technology in Stockholm, in association with Duckdriver Software, hosts of www.1do3.com.

Evidence that the agendas in Europe and the USA with regard to work organisation are related, but often expressed in different terms, comes from the report of the EU-US workshop in 1998 (Ennals and Christopherson 1999).
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