

WORK ORGANISATION

Work organisation – UKWON guiding principles and practice *By Campbell Ford, The Work Research Foundation*

UKWON is attempting to codify some guiding principles and practical advice on the introduction of new forms of work organisation. This working paper is published here to enable interested parties to comment or make suggestions for its improvement.

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The wider picture

The need to stimulate innovation necessary to create self-sustaining growth and support high quality jobs is now recognised as being of supreme importance in many parts of Europe. In response, policy makers have tended to concentrate on issues such as capital investment, the introduction of new technology, skills and employment. But the dynamic role of work organisation and work regimes, and their influence on companies' capacity to innovate, has not been considered sufficiently.

New market environments, advances in technology and changing skill and competency needs means that work organisation is now standing at a crossroad. The Taylorist (mass production) model of work organisation of the last century is in crisis, unable to respond to changing circumstances and resulting in discontinuous growth, rising unemployment and low levels of employee satisfaction and commitment. The bureaucratic organisation of work in the public and private service sectors is being challenged too, by the need to increase operational hours and to change the way people work in order to provide quality services.

A few European organisations have responded to these challenges by adopting forward-looking and exciting working practices which are adaptive, participative and equitable, and which enhance growth and the quality of jobs. But there is no vision of a **sustainable work system** to support the innovation and smooth implementation of change required for organisational renewal over either the short or longer term. Such a system would utilise both material and human resources

constructively, be in tune with the needs of the new external environment and would value and reward employees differently from the old mass production model. Teamwork, creativity, application, commitment, inter-personal skills, co-ordination and the ability to harness and use knowledge across the enterprise would all be encouraged by a sustainable work system.

These challenges will test even the largest and most sophisticated UK organisation. And whatever its size, every organisation needs to encourage co-operation both internally and with other organisations as a basis for learning and development. This is especially true for SMEs, which have much to gain from sharing knowledge and resources through local networks. Public policy makers, business support organisations and universities can support change both by contributing to such networks and by providing encouragement, resources and knowledge. Public service and private sector enterprises should be encouraged to exploit these public assets.

Challenges for the social partners

Employers need to adopt a more participative approach to management. They must understand that organisational culture is important - and that culture is largely determined by the behaviour and attitudes of managers. The long-term interests of all stakeholders need to be considered, and workers' needs and rights to be consulted should be balanced against those of shareholders. The need for a workplace that rewards innovation and encourages risk taking should be borne in mind when strategic decisions are made about the future of the business. At the same time the quality of work life needs to be maintained or improved.

Building a partnership relationship with the workforce and employee representatives that can cope with difficult and turbulent times is a high priority. Retaining workers' knowledge is important too and redundancy should therefore be a strategy of last resort; companies that retain and develop their workers are more likely to

WORK ORGANISATION

prosper in a competitive market-place than those which are continually recruiting and training new staff.

Trade unions must also be aware of the new challenges and have confidence in their ability to work in partnership and co-operation with employers. A consensual model of industrial relations presents unions with an opportunity to engage their members, particularly young people with little experience of unions, in timely and strategic dialogue with employers to enhance business performance and productivity and preserve jobs. Union officials will not be seen as compliant over the introduction of change where they continue to represent individual members' interests and rights vigorously.

Policy makers should realise that regulation in the area of work organisation – currently confined to health and safety and rights to information and consultation – is likely to be ineffective. Timely leadership through public programmes designed to animate change is preferable. This needs to be supported by a professional action-research resource, evaluated, publicised and made freely available. Policy makers should also try to stimulate social pacts, which exist in some EU states. These would operate beyond the level of the workplace and involve employer and employee representatives, business support and educational organisations. Initiatives are needed to encourage European, national and regional links to support bipartite dialogue. There is now an urgent need to consider how best to implement the stated government policy of publicising good practice. Imaginative dissemination of evidence-based research that avoids the 'one-size-fits-all' pitfall, and highlights and analyses common failures in organisational change, is required.

The modernisation challenge

Organisations will need to meet the challenges of competition in the new global economy if they are to be successful in the 21st century. This requires them to focus on their ability to do things differently and in ways that cannot easily be imitated by competitors. Products and services will need continuously to be re-engineered or re-invented to retain customers or capture new markets. Command and control organisational structures

and cultures cannot deliver this; nor can the dehumanising and stressful working methods of mass production common in all parts of the world for the past century.

Work is an essential part of human life and personal identity. Organisations need to develop a more participative management style which can maximise the skills, creativity and ingenuity of employees from all areas of the workplace, and the ability to create and foster a culture that encourages and rewards talent and innovation. A high quality of working life is central to the success of any enterprise and results in improved organisational effectiveness and stability of employment.

Innovation today is increasingly based on smart networks, the speedy collection and transfer of knowledge and coalitions of public and private sector interests. Workplace change should be well considered and evidence based. It must also be sustainable, not simply a crude downsizing exercise driven by cost reduction. Our knowledge society demands a new method of management – one that gives us the opportunity to progress to new levels of co-operation and transformation if we only take the time and care to focus on a number of basic principles.

Key areas of organisational change and learning

Clear development strategies are the best driver of change, combining long-term vision and short-term contingency. Globalisation provides opportunities as well as threats.

- Customer focus makes change inevitable, continuous and directed.
- Flexibility, cost effectiveness, reliability and customer care are just entrance factors and do not guarantee success.
- Sustainability depends on the speed with which organisations can translate the tacit knowledge and creativity of employees at all levels into new products and services.
- New forms of work organisation are essentially concerned with deepening agility, innovative capacity and long-term productivity: it can be difficult and misleading to try to establish direct

WORK ORGANISATION

links between organisational change and short term bottom-line benefits.

Workplace partnership and employee involvement is vital for effective and sustainable change

- Failure to ensure employee 'ownership' of change is a major source of underachievement and innovation decay.
- A formal and effective commitment to management-workforce partnership is a powerful resource for innovation and development throughout the organisation.
- Direct involvement of employees in the redesign of organisational structures and jobs may be expensive in the short term but is more effective and sustainable over the longer term.
- Customer satisfaction and job satisfaction are mutually reinforcing; the experience of some call centres, for example, illustrates that the reverse is also true.
- A 'bottom-up' approach to change needs careful preparation, using effective tools to promote dialogue and trust.

Traditional approaches to job design are no longer sustainable

- Jobs associated with new forms of work organisation demand a wide range of personal abilities and decision making capabilities, including problem solving, learning and self management.
- Workers should be able to assume responsibility for day-to-day decisions about work through co-operation or communication with others.
- A high frequency of horizontal and vertical contact is required to support problem solving, learning and innovation. This may take the form of ad hoc co-operation, formal or casual work contact or social contacts outside the work sphere.
- Short cycle times offer limited possibilities for learning and autonomy and tend to induce stress and injury.
- Jobs should contain demonstrable opportunities for analysis, problem solving and innovation, in which the working environment is a place of learning.

- A pattern of 'distributed intelligence' is required in which knowledge and expertise are widely shared
- or readily accessible by individuals throughout the organisation.

Building the *team-based* organisation means developing beyond *basic* teams to *extended* and *involved* teams

- Ad hoc teams are a resource for problem solving and innovation.
- Reform remuneration systems that conflict with teamwork. New ways of working need new forms of reward and remuneration.
- Rethink the role of middle management and supervisors remembering that organisational culture is by and large defined by managers' attitudes.
- Work-life balance and working time are team issues and cannot be dealt with on an individual basis without disrupting team dynamics.

Good quality of working life is a competitive advantage: creative working environments combine increased competitiveness and quality of working life

- Creative and empowering workplace environments enable employers to gain the full benefit of employees' knowledge, competence and innovative potential while increasing opportunities for individual fulfilment.
- Lean, cost-driven organisations are unlikely to be innovative: people need time [slack] to be creative together.

Investment in training, learning and development assists organisational change

- There is a strong link between the success of new forms of work organisation and investment in workforce development.
- There needs to be more emphasis on learning than on skills related training.

Technology is an important factor in facilitating change

- New forms of work organisation maximise the returns on investment in technology.
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WORK ORGANISATION

- ICTs offer new horizons for creating network organisations able to harness a much wider range of talent while at the same time offering individuals more fluidity and freedom in working patterns.
- The design of technology often makes assumptions about work organisation and has neglected the input of the end user. At best, this can be unhelpful; at worst disastrous.
- Workforce participation in the design and implementation of new technology leads to mutual gains.
- Partnership and work organisation are reflective processes: there is no end state.
- Continual appraisal of research into evidence-based practice is a stimulus for improvement.

Management values and attitudes deeply affect the nature and effectiveness of the change process: there can be no effective change without senior management commitment

- The introduction of workplace partnership and new forms of work organisation is as much an investment as the introduction of new buildings or equipment.
- 'Change management' may be a misconception: managers can't manage what is usually a messy and unpredictable process.
- Real change is difficult to achieve and set-backs are inevitable: anticipate them and keep your nerve.

There are plenty of recipe books, but do they ever work?

- The task is not to try and catch up with 'best practice', but to innovate by learning from validated practice.
- Innovation is, in part, the result of questioning established expertise and authority.
- The learning organisation is good at networking; it is close to all its stakeholders; it accumulates, distributes and uses knowledge effectively; and it proactively manages the value chain.
- Successful change always involves painstaking research, negotiation, experimentation, critical appraisal and redesign over many cycles.

Continuous improvement needs to be a central part of the culture