

## **UKWON The New Economy Seminar 9<sup>th</sup> July 2003**

**held at the Department of Trade and Industry (DTI), London  
Report by Joanna Bell, the Work Institute, Nottingham**

The second UKWON seminar, hosted at the DTI conference centre, focused on the new economy. The seminar programme provided an opportunity for a selection of excellent speakers to share their views on the new economy within their specialism. It also acted as a platform for discussion and open dialogue on the subject with views from social partner organisations, the Engineering Employers' Federation and the TUC.

To honour the memory of Lord Gladwin of Clee, the seminar began with a period of reflection as the group held a minute's silence.

The keynote address was by Dr Peter Broedner from the German Institut Arbeit und Technik. Peter's presentation focused on understanding the IT productivity paradox. He drew on previous comparative research between the USA and Europe, and his own German-based research to illustrate that, despite significant investment in technology, increases in labour productivity are negligible.

To aid understanding of this phenomenon, two approaches were proposed: micro level analysis and a re-conceptualisation of computers. Micro level analysis allows for detailed investigation at the organisation level. Information about organisational structure, collective learning processes, employee development and IT implementation contributes to a greater understanding of conditions where IT investment results in productivity gains.

The traditional way in which computers are understood, in terms of transforming mathematical objects, is detrimental to understanding the IT productivity paradox. Computers need to be conceptualised as semiotic machines, in which their domain of action is in social interaction. In other words, technology and social interaction processes are integrated. The research suggests that investment in IT technology does not in itself lead to significant performance improvements. In keeping with business strategy, organisational development must be considered when designing IT system implementation and likewise implementation must take into account organisational development issues. Specifically, IT investment that did result in productivity gains occurred when implementation was in parallel with organisational decentralisation and restructuring and investment in employee development. Peter Broedner's outline paper follows this review.

Juliet Webster, of Research and Consultancy in Work and Employment, presented an alternative perspective to the new economy debate, from the view of the employee. Taking a disutopian view, Juliet addressed the issues of those employees at the lower end of the labour market. As a consequence of increasing acquisitions, mergers, globalisation and the increase in smaller firms and new players in to the market, three main work organisation outcomes are evident: teamworking (and multi-skilling), knowledge working, and flexible working. The impact of these

negative. Employment is less stable, with terms and conditions constantly adapting. There is greater uncertainty and insecurity, career progression appears increasingly blocked, and workloads increased.

As work organisation evolves, Juliet proposed that policies are required to address the negative aspects of flexible working, burnout, emotional labour, reduced security and the trend towards low-pay/high-commitment workplaces.

Jeff Readman, of CENTRIM at the University of Brighton, questioned the value of the term 'new economy', suggesting that focusing on a distinction between the old and new economy has limited value; rather that within an economy there are new developments and that it is more useful to identify the specific issues arising as a result of these specific developments. Three issues were discussed: productivity measures; work practice, capabilities and networks; and globalisation.

Richard Ennals, of CWLR at Kingston University, questioned whether there was really a new economy, but an old European Union. He suggested that the competitive advantage of the EU could be captured through the diversity of member countries. However, to unleash this potential, recurring obstacles need to be addressed. Most significantly: silo thinking. The preference for individual policy documents in each organisation reinforces the lack of cross-functionality, resulting in inefficiency and myth development. The framework programmes may be considered a panacea for segregation reduction, a method of creating an EU that works together, and one in which collaborative networking is the norm. The importance of networks and the need to work with a network rather than control it was highlighted.

The seminar format enabled dialogue to take place between presentations and during the breaks, resulting in rich debate and an enthusiastic sharing of ideas. Parallels were drawn between the presentations in terms of lack of consideration for 'people aspects' of work organisation as companies progress and develop new forms of working and technology implementation.

Additional discussion points raised during the debate focused on the importance of networks in social dialogue and the need to work with a network rather than control it. This led to discussion around the lifespan of a network, and identification of much needed space within jobs to initiate and maintain networks. Sustainability of projects was also raised during the discussion, and the need for on-going funding to help maintain initiatives beyond the first funding duration. Lack of boundary spanning between academics and practitioners was also identified as an issue.

Our thanks to the DTI for hosting the conference. Copies of papers presented will be published in UKWON series and available in October on our relaunched website. In the meantime please contact UKWON for sight of these documents. *Ed*