Conclusion

This report began with a survey of the literature on learning organisations in order to provide greater definitional clarity. Although the literature is highly disparate and there is nothing like a unified definition or concept of the learning organisation that has been developed and empirically tested in a cumulative manner, some common definitional ground has been identified.

First, most authors see the learning organisation as a multilevel concept involving interrelations between individual behaviours, team organisation, and organisational practices and structure.

Secondly, there is an important emphasis in the literature on the role of learning cultures understood as beliefs, attitudes and values supportive of employee learning.

Further, an important strand in the literature identifies specific HRM policies that are supportive or constitutive of learning cultures.

The multilevel nature of the concept as well as the emphasis on organisational culture poses a challenge for measurement and quantitative analysis. Drawing on the results of successive waves of the European Survey of Working Conditions carried out at the individual level, the report provides evidence on the spread of learning organisations within private sector establishments across the European Union and on the evolution of their characteristics over time.

The results show firstly that while a large share of European workers have access to work settings that draw on their discretionary capacity for learning and problem-solving, there are important variations in the spread of learning forms of work organisation across EU member nations, with the percentage of salaried employees involved in 2005 ranging from a high of over 65% in Sweden to a low of about 20% in Spain and Bulgaria. Moreover, in the nations where work is organised to support high levels of employee discretion in solving complex problems, the evidence shows that firms tend to be more active in terms of innovations developed through their own in-house creative efforts. In countries where learning and problem-solving on the job are constrained, and little discretion is left to the employee, firms tend to engage in a supplier-dominated innovation strategy.

Secondly, the results show that in many European nations, and for the EU15 on average, there has been a slight downward trend over 1995-2005 in the percentage of employees having access to work settings characterised by high levels of learning, complexity and discretion. When structural factors are taken into account in a multilevel model involving an individual level and a country level, this decreasing trend in work complexity grows in size and significance. This result is surprising given the emphasis placed in the European Union on policies for constructing knowledge-based economies,

and notably on those designed to increase the level of R&D expenditures, to augment the supply of persons in the labour market with tertiary science and technology degrees, and to promote the wide diffusion of information and communication technology (ICT).

Taken together these cross sectional and longitudinal results have some important implications for understanding the performance of national innovation systems.

Firstly, in line with the OECD emphasis on widening the concept of innovation, they imply a need to put the organisation of work more centrally in the analysis of innovation. Learning and interaction within organisations is at least as important for innovation as learning through interactions with external agents, and indicators for innovation need to capture how material and human resources are used and whether or not the work environment promotes the further development of the knowledge and skills of employees.

Secondly, policies designed to promote innovation, especially in countries that are trailing or behind, have tended to focus on the need for increased expenditures on R&D, on raising the percentage of the population with tertiary educational attainment and on furthering the diffusion of ICT. Considerable progress has been made with respect to the latter two indicators. The results presented here suggest that the bottleneck to improving the innovative capabilities of European firms might not be low levels of R&D expenditures, which are strongly determined by industrial structure and consequently difficult to change, but the widespread presence of working environments that are unable to provide a fertile environment for innovation. If this is the case, then an important policy measure would be to encourage the adoption of "pro-innovation" organisational practices, particularly in countries with poor innovative performance. While the analysis draws on European data, the lessons may be extended to other OECD regions.

Policy programmes

There exist a variety of national and regional framework programmes that have been established in order to promote workplace change and innovation. Many of these programmes combine economic performance enhancing objectives with social objectives such as promoting greater workplace democracy, improving work-life balance or reducing gender-based inequalities at work. An underlying premise, which is in keeping with the analysis of learning organisations developed here, is that there are important synergies between the economic and social objectives of organisational change. A 1999 survey of government support programmes commissioned by the DG Employment and Social Affairs evaluated 18 programmes designed to develop workplace organisation across 11 European countries (Business Decisions Limited, 2000).

Another DG Employment commissioned survey using stricter criteria identified active workplace programmes in seven EU member states (Brödner and Latniak, 2003). A recent benchmarking exercise carried out in the context of the EU WORK-IN-NET project provides a detailed description and evaluation of 10 national and regional programmes in seven European nations (Alasoini et al. 2005).[1]

While these overviews and assessments of framework programmes point to considerable diversity within Europe in terms of goals and policy instruments, they also strongly suggest that many of the most ambitious workplace development programmes both in terms of funding and outreach can be found in Nordic nations that figure amongst the highest adopters of learning forms of work organisation within Europe (see Table 2.5 in Chapter 2). Many of these Nordic programmes have been officially evaluated and while there is a need for better statistical evidence on their economic and social impacts the continued commitment of often substantial amounts of public funding to these programmes supports the presumption of a positive contribution to workplace development and change.[2] After providing brief overviews of Norwegian, Swedish and Finnish framework programmes, we identify certain common features which could serve as a basis for establishing general guidelines or benchmarks for establishing policies for the wider diffusion of learning forms of organisation.

Norway has the longest tradition of policy initiatives in this area, with programmes based on the principle of social partnership and tied to the objective of enhancing workplace democracy dating to the 1960s. A key milestone was the 1982 agreement between the LO (Confederation of Trade Unions) and the NHO (Confederation of Business and Industry) to centrally support bipartite local initiatives for workplace co-operation and organisational change. These agreements and the co-operative structures they established formed the basis of the Enterprise Development Programme (1994-2001) and its successor, the VC (Value Creation) Programme (2001-10). A key feature of the VC Programme is that it is implemented at the regional level through the creation of networks or partnerships between local firms and other organisations, including local universities, colleges, and research institutes. Funding focuses on supporting the work of researchers who are active participants in development projects carried out in local firms (Alasoini *et al*., 2005; Gustavsen *et al*., 2001).

Sweden has a well-known history of experiments with job design and re-organisation of factory layout dating to the late 1960s. These are often associated with socio-technic systems theory and oft-cited examples of putting socio-technic design principles to work include the work re-organisation projects carried out at Volvo's Kalmar and Uddevalla car plants (Sandberg, 1995). Major national programmes in Sweden include the LOM Programme

(1985-1990) which emphasised democratic dialogue as a vehicle for promoting workplace change, and the Work Life Fund Programme (1990-95) which is reported to have provided support for as many as 25 000 projects over the five-year period of its lifetime (Alasoini, *et al.* 2005). In 2001, two new agencies with responsibilities in the area of workplace development were created, FAS (Swedish Council for Working Life and Social Reseach) and VINNOVA (Swedish Agency for Innovation Systems). FAS's mission is primarily research oriented and has as a key objective the support of basic and applied research of relevance for working life. VINNOVA supports both research activities and enterprise or network development projects and is divided into six separate programmes. The 'Knowledge Creating and Organizing' programme includes within its remit work organisation (Zettel, 2005).

Finland's experience with work development programmes is relatively recent compared to Sweden and Norway, with the first national framework programme, TEKE (1996-1999), dating to the 1990s. This was followed up by the TEKE (2000-2003) and the TEKES (2004-2009) programmes. Between 1996 and 2003 the two TEKE programmes provided funding for approximately 670 projects involving a total of 135 000 active persons in about 1 600 enterprises. Projects were mainly carried out with individual enterprises and the principal aims included improving work processes, personnel management, team-based work, and external networking. Based in part on the results of the evaluation exercise for the 1996-2003 period (Ramstad, 2005), under TEKES (2004-2009) the amount of funding was increased and some changes in strategic focus and policy instruments were introduced. In 2008 alone, around 2000 research and development projects were funded for a total of EUR 516 million. Approximately 40% of the funding went to non-technological projects such as business competence and service models. TEKES (2004-2009) can be distinguished from the previous programmes by the emphasis on funding projects carried out through network of firms and organisations rather than within individual companies. There has also been an increasing focus on SMEs, with about half of the firms receiving funding employing 10 or fewer persons (TEKES Annual Review 2008).

Alasoini (2005, pp. 145-46) in a recent overview of EU programmes for workplace change brings into relief certain common features of the Nordic programmes. He identifies a traditional programme strategy focused on identifying best practice methods based on experiments or demonstration projects carried out in a small number of progressive enterprises or establishments. In such approaches there is typically a strong emphasis on disseminating these best practice solutions through seminars, training and consultancy. He suggests that this type of approach remains the most common within Europe.

In contrast to this traditional approach, he identifies a more ambitious type of policy where the aim is directly to involve a relatively large number of enterprises, including less progressive ones, in carrying out workplace organisational change. As opposed to funding design oriented research and seeking to disseminate the practices of a few demonstration cases, in the latter sort of programme competitive funding is provided for the active implementation of change within individual firms or within networks of organisations with management and staff actively working along with outside researchers or experts. Dissemination is promoted primarily through exchange of knowledge and information between different projects teams or through the practical work activity of networks of organisations.

Although there are significant differences between the Nordic programmes in terms of such factors as the role of the social partners at the national or regional level, they nonetheless share a common strategy of promoting workplace change and innovation through the competitive funding of a large number of projects carried out at the level of the enterprise or through networks of organisations. This approach serves to override the typical objection to developing policies for organisational change that decisions on the internal organisation of the enterprise should remain exclusively managerial prerogatives. A central feature of this policy approach is that projects are carried out by management and staff at the initiative of the employer who seeks competitive funding. Another implication is that projects for organisational change and innovation are based on research implementation strategies adapted to the local conditions of the plant, which avoids the problem of proposing universal best-practice solutions which may be poorly adapted to the local technological or organisation context.[3] Further, since projects focusing on improvements in competences, work practices and organisational methods are often incorporated into wider projects that include significant investments in new technology or are linked to processes of product or process innovation, it proves easier to integrate policies for organisational change into broader industrial policy frameworks.

There is a clear presumption in Alasoini (2005, pp. 147-48) that the traditional policy approach should be abandoned in favour of the more ambitious approach involving the competitive funding of a large number of projects in which individual companies or networks of organisations collaborate with outside researchers in the design and implementation of workplace organisational change and innovation. He supports this view primarily by observing that there have been limited spill-over effects to wider populations of firms from the successful experiments carried out in a limited number of demonstration projects. To this we would add that our own evidence on mapping forms of work organisation across the EU shows that those nations with the most sustained experience in implementing the

more ambitious type of policy approach figure amongst the leaders in the adoption of the learning forms of work organisation.

In conclusion it is worth emphasising that treating programmatic efforts for organisational change as parts of broader policy frameworks focused on issues of industrial policy and performance raises the issue of structural reforms. The analysis of institutional framework conditions for employee learning presented in this report provides some guidance for the design of national policies. The results indicate that the way work is organised is closely connected to the structure of national labour markets and to the level of expenditures on labour market policies in the form of income maintenance for the unemployed and in the form of measures designed to move the unemployed into employment. There are alternative ways to build systems of learning and innovation, and different systems tend to organise work and distribute security and protection differently among citizens. While these conclusions are preliminary and there is clearly a need for a more comprehensive analysis, they suggest that the institutional set-up determining the dynamic performance of national systems is much broader than normally assumed when applying the innovation system concept. They point to the need for a transversal approach to policy that can take into account the interconnections between learning, innovation and the different institutional sub-systems of the knowledge-based economy.

Notes

1. The benchmarking exercise included the following programs: the Finnish Workplace Development Programme (TYKES) financed by the Ministry of Labour; the 'Innovative Development of Work – The Future of Work' financed by the German Federal Ministry of Education and Research; the Programme "Work-Oriented Modernization" (MWA) organized through the Ministry of Economy and Labour Affairs of the German Federal State of North-Rhine Westphalia; the Programme "Health and Safety at Work" by the Institute for Labour Foundation (IpL) on behalf of the Ministry of Health of Emilia-Romagna, Italy; the Value Creation (VC) 2010 Programme by the Research Council of Norway (RCN); the Programme 'Goal-Oriented Projects for Small and Medium-Sized Enterprises' by the Polish Federation of Engineering Associations (FSNT NOT) on behalf of the Ministry of Scientific Research and Information Technology; the Innovation and Enterprise Centres for small and medium-sized enterprises by the Polish Federation of Engineering Associations (FSNT NOT); the Swedish Council for Working Life and Social Research (FAS); the Knowledge Platform 'Learning and Health in Working Life' and the DYNAMO Programme of the Swedish Agency for Innovation Systems (VINNOVA).

2. See Ramstad (2005) for the results of the evaluation of the Finnish TEKE programmes between 1996 and 2003.

3. This was arguably a major weakness with policy approaches advocating the wide diffusion of the 'lean' or 'high performance work practices' which may be poorly suited to organisations in such knowledge-intensive industrial sectors as pharmaceuticals or a wide range of service sector organisations.

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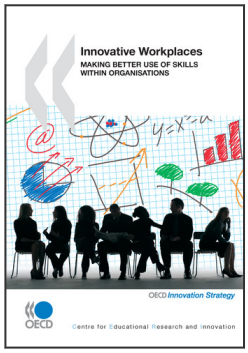

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