

Consultation on the future “EU 2020” Strategy: The Case for Sustainable Work Systems

The conference “Sustainable work - a challenge in time of economic crises” 27-28 October 2009 in Stockholm during the Swedish EU-presidency period put the spotlight on working life research as a force to promote sustainable work systems in Europe. This is of particular relevance in times of crisis in order to prepare for the economic upturn, to increase competitiveness and to avoid social dumping. The conference was aimed at providing an input to the EU 2020 and it was organised by the Swedish Council for Working Life and Social Research (FAS), the Swedish Agency for Innovation Systems (VINNOVA) and the Swedish ESF Council in collaboration with Work-in-Net and the European Foundation for the Improvement of Living and Working Conditions (Eurofound). Most of the results from the conference proceedings support this input to the EU 2020. The invited researchers also proposed some amendments to the Commission’s consultation paper.*

More and more research results indicate that the achievement of a sustainable and socially inclusive knowledge economy depends on what happens in the workplace. It is no longer reasonable to expect that EU 2020 can be achieved solely by influencing input to production such as qualifications and levels of employment. Policy intervention should rather influence the design of work organisation to ensure that all employees can use and develop their competence and creative potential to the full. There is enough evidence to show that such forms of work organisation enhance competitiveness, quality of working life and the effective functioning of the labour market.

Europe needs growth and job creation, but not just any job. One of the key priorities in the Commission’s document on EU 2020 is *empowering people in inclusive societies*. The acquisition of new skills, fostering creativity and innovation, the development of entrepreneurship and a smooth transition between jobs will be crucial in a world which will offer more jobs in exchange for greater adaptability. However, this greater adaptability is not only a question of peoples’ adaptability, but also reflects the design of jobs and the nature of work organisation. A sustainable work system is the link to the other two priorities, namely *creating value by basing growth on knowledge* and *creating a competitive, connected and greener economy*.

The concept of sustainable work – in national programmes or policies also called Work Innovation, Workplace Development, Social Innovation, Healthy and Productive Workplaces, ESRC Future of Work Programme, Innovative Arbeitsgestaltung – is a generic policy concept. It highlights a dynamic fit between employee and working conditions, and that values, interests and competence of the employee correspond to the work tasks. The goal of sustainability is to promote the continual growth and regeneration of human, social, economic and ecological resources.

The aim is not only to design good jobs but to focus on the context-specific work design to encourage individual work careers resulting in the development of personal resources. Sustainable company production and productivity could be enhanced by relying on the expertise and commitment of workers rather than primarily rely on exploring new technologies. Company cases show that improved efficiency and greener production can be achieved mainly by using the expertise of the workers.

* Disclaimer: "The views expressed are those of the signers and should not be regarded as stating an official position of the organising institutions".

For the European Union to become the most competitive and the most innovative knowledge-based economy with sustainable growth, the organisation of work has to have a more prominent position in the preparation of the EU 2020, as it can build a bridge between the three key priorities. Work organisations promoting learning, innovation, quality of work and competitiveness are vital to achieve the goals of the EU 2020.

Besides the companies' demands for increased productivity and competitiveness, the challenge is to generate sustainable and satisfying jobs that make workers motivated and empowered. To make use of the outcome of the huge R&D investments, jobs should be designed to facilitate the commercialisation of new knowledge and the improvement of companies' competitiveness. More attractive framework conditions for R&D-based innovations and the employees' creativity are needed to be capable to launch new products and services as well as improvements of existing businesses. Policy should include measures to close the gap between science-based innovations and organisational innovations, thus improving the possibilities to deploy new technologies in new businesses.

If European policymakers include sustainable work systems in the growth strategy, they have also to provide some of the key conditions for more advanced ways of organising work, for instance the research priorities of the Research Framework Programme and the Innovation Framework Programme, making it possible to fund cross-national and multidisciplinary research as well as to improve the innovative capacity of the industry. Moreover, the European Structural Funds can provide resources to facilitate the structural change of the industry and the organisation of work to become more competitive on the global arena.

Improving skills not enough

According to the Lisbon Strategy, future Europe was intended to build on a knowledge-based economy where innovations and entrepreneurship were the major driving forces. Competitiveness should not be based on lowering standards of health and safety at work or using cheap labour. Compared to countries like China, India, Brazil and other emerging economies, the European Union can never base its competitiveness on low pay and precarious working conditions.

Within the EU many millions of workers are engaged in relatively low skill, manual jobs. The continuing salience of low status jobs, particular significant in the public sector, should not be allowed to recede from public policy analysis of the changing structure of EU labour markets. Improving the content and organisation of work in low skilled areas is a challenging but essential policy objective. The main policy objective should be to improve the quality of all kinds of work.

At present the differences between the Member States are significant when it comes to the approach to work organisation issues at policy level as well as in practice. The more sustainable forms – the learning, discretionary work organisations - are found in the Nordic countries and the Netherlands. Lean production is common in the Baltic countries, Poland, the UK and Ireland. Tayloristic modes of production are mainly seen in the Eastern European countries. Due to the current crises, a backlash in the organisation of work has occurred and employers have gone back to older modes of production.

More research and improved knowledge transfer

New forms of work organisation are seen as means to improve productivity, quality of work and, in general, to be superior to old Tayloristic models. Although research-based knowledge about what constitutes sustainable work system exists, more theoretical and conceptual work is needed to refine the concepts. There is also a undeniable case for new research on the

connections between work organisation, productivity and performance. Comparative research would help to elucidate the critical causal linkages. More demand-driven research is also needed. Attention should as well be paid to the access to data for comparative studies and the demands of high scientific quality. The seven to eight European research networks about working life could be mobilised for these purposes.

In general, employees' participation, the "employee voice", has a positive impact on the outcome of organisational change and, most of the time, it is a prerequisite for a successful process. Employee voice is an irreducible element of dynamic, sustainable work systems. Yet employee voice issues are commonly neglected in high level policy analysis and debate.

There is a compelling case for new research and policy initiatives to secure a better understanding of the dynamic effects of employee voice in promoting sustainable work systems. Models of cooperation between management and researchers in behavioural science are also needed in order to implement and evaluate work organisations. Other crucial fields concern work life balance in a gender perspective as well as the impact of an ageing society.

Relevant indicators and other evaluation tools of successful, healthy and resilient workplaces are lacking. Existing labour market indicators provide little information about what people are doing at work and the quality of their work. Further research is needed to develop indicators making it possible to monitor and benchmark across the Member States, and create guidelines for sustainable work systems. Measures of productivity applicable to knowledge-based production and high-skilled professions should also be developed. An important challenge for future European work places is to create and support trans-national learning networks between countries, regions, social partners and other relevant actors.

Available financial resources to improve cross-national and multi-disciplinary research on sustainable work systems could mainly be provided by the European Research Framework Programme and the European Innovation Framework Programme, while the dissemination and, partly, the implementation on national levels could be funded by the European Structural Funds, for instance pilot projects and reviews of good practice. National support or national programmes have proven to be successful in Finland, Germany, Ireland and the UK. European level policy support could thus stimulate national activities.

A Green Paper on work organisation was published in 1995, but it was never followed up by a White Paper. Today the Social Partners agree that a Directive is not needed. However, work organisation and sustainable work systems have to be brought back on the European long-term policy agenda – the EU 2020. This could be achieved through an updated Green Paper, the use of the Open Method of Coordination and through the EU Social Dialogue.

Proposal for amendments to the Commissions working document EU 2020

1. Headline *Recognising constraints and facing new challenges*: 4th paragraph, 2nd sentence: ... context of an ageing society. Another challenge is the unemployment among young workers. There is a real risk of a lost generation of potential employees in Europe. Targeted, proactive labour market policies combined with social and educational policy will be required to avert the worst scenarios.
4th paragraph, last sentence: needs of society. Furthermore, still millions of European workers can be found in relatively low skilled, manual jobs. The continuing salience of low status jobs, particularly significant in the public sector should not be allowed to recede from public policy analysis of the changing structure of EU labour

markets. Improving the content and organisation of work in low skill areas is a challenging but essential policy objective.

2. Chapter 1. *Creating value by growth on knowledge*. New paragraph after 5th paragraph: The EU needs to provide more attractive framework conditions for sustainable work systems. Work organisation for learning, innovation, quality of work and competitiveness is vital for EU 2020 to achieve its goal. Research is needed to refine theories and concepts and extend empirical evidence. Models of cooperation between management and researchers in behavioural science are needed in order to implement and evaluate work organisation.
3. Chapter 2. *Empowering people in inclusive societies*. 4th paragraph, 2nd sentence: ... skills are needed. The challenge is also to generate sustainable and satisfying jobs that make workers motivated and empowered. Employee's involvement in organisational change is positively associated with business performance and total factor productivity.
4. Chapter 3. *Creating a competitive, connected and greener economy*. 7th paragraph, 2nd sentence: ...competitive challenges of the future. Relevant indicators and other evaluation tools of successful and resilient sustainable work systems should be developed. Existing labour market indicators provide little information about what people are doing at work and the quality of their work. New indicators to monitor, benchmark and create guidelines for sustainable work systems would help to implement the new industrial policy.

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