



# CREATING AMAZING COMPANIES

The Leadership Guide to Workplace Innovation

**WORKPLACE  
INNOVATION**  
People centred change



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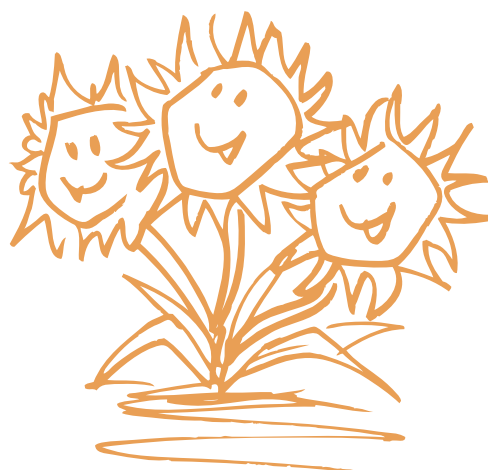
Welcome to Workplace Innovation! We hope you enjoy our Guide and will find it useful in your own company. There is so much to gain in terms of improved performance and better ways of working, and it is within your grasp. Let us know how you get on!

**Rosemary Exton**

**Peter Totterdill**

Workplace Innovation Europe CLG

**[www.workplaceinnovation.eu](http://www.workplaceinnovation.eu)**



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Workplace Innovation Europe CLG is a not-for-profit organisation created to help private and public sector organisations achieve enhanced performance, innovation and better working lives.

# Introduction

Companies face unprecedented challenges in an economy dominated by globalisation, rapid technological advances, demographic change and fast-shifting consumer demands. The ability to reinvent products, services and processes continually is becoming essential for survival and success.

Tackling these challenges can't be done by senior teams alone: they need to harness the creativity, insights and engagement of the entire workforce. Leaders need to empower others to take the initiative, coaching and supporting them towards successful outcomes. They must become the champions of employee empowerment, participation and voice.

Leaders are responsible for aligning the whole organisation to a shared vision and strategy, and this is often the biggest challenge they face. Companies can easily accumulate a jumble of inadvertent practices, traditions, sub-cultures and interests. Inherited structures get in the way of the cross functional collaboration needed to generate sustainable solutions and fresh thinking. Middle managers may act as a barrier reef, slowing the wave of change across the organisation as they defend their own areas of control.

Getting everyone to pull in the same direction can feel like an impossible challenge.

And employees, reputedly 'our greatest asset', then begin to feel disillusioned and start to disengage. There is never time to listen to their ideas for improvement or innovation. Or worse, they're told to keep their heads down and not raise difficult issues.

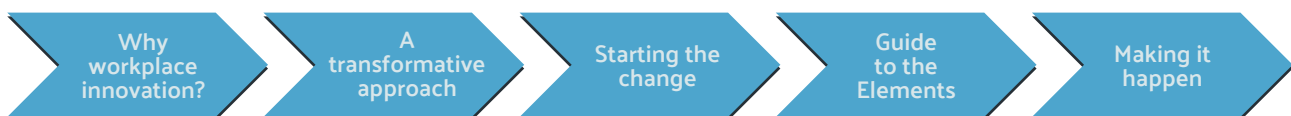
Innovation, productivity and engagement are being discussed everywhere. So why are they so difficult to achieve?

The challenge for leaders is to take a systemic view of their own organisational structures and practices. Creating the culture of innovation and enterprise needed for twenty-first century challenges requires tenacity. It means confronting deeply embedded attitudes and behaviours, asking difficult questions, and being open to experiences from a diverse range of other organisations.

The concept of workplace innovation offers a practical approach, grown from years of experience and decades of research evidence. This short guide offers inspiration and solutions, helping you to assess current practice in your company, suggesting pathways to change, and signposting you towards further sources of information and support.

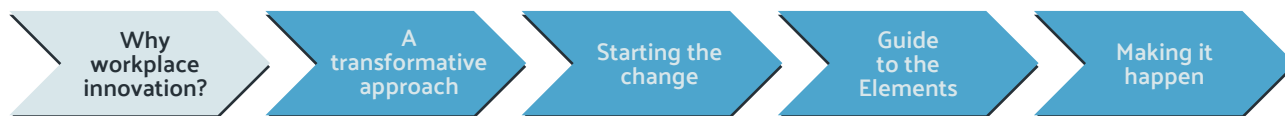
The Guide is built around five challenges:

- 1. Why is workplace innovation important?**
- 2. How can workplace innovation transform your organisation?**
- 3. Where to begin?**
- 4. What are the 'Elements' of workplace innovation?**
- 5. How do you make it happen?**



The end results will surprise you! Organisations of every size and sector report higher performance, better places to work and an enhanced culture of innovation. So start the journey now ...

# 1. Why workplace innovation?



Transforming leaders see their organisations as systems of interdependent parts. They know that change succeeds when individual initiatives are reinforced – rather than undermined – by management behaviours, performance metrics, fluid structures and employee voice.

So what does a systemic organisational vision look like?

**The key concept here is workplace innovation. It describes workplace practices and cultures which enable employees at all levels to use their knowledge, competences and creativity to the full. It builds workplaces in which people come to work to undertake their functional tasks in the most effective way possible and to improve the organisation. Evidence shows that workplace innovation leads to significant and sustainable improvements in both organisational performance and employee engagement and well-being.**

Our team and its partners co-created workplace innovation as a concept and we're delivering it in practical ways to organisations across Europe. Workplace innovation is spreading. It is part of the EU's strategy for innovation and competitiveness, adopted by governments to boost economic growth and prosperity and by companies across Europe.

## The Productive Organisation

Researchers have accumulated a vast body of evidence relating to the impact of workplace innovation on productivity, quality, customer service, financial performance and a broad array of other business outcomes.

One of the most significant studies, the Employee Participation and Organisational Change (EPOC) survey of 6000 workplaces in Europe, confirms that direct employee participation can have strong positive impacts on productivity, innovation and quality. Of firms which implemented semi-autonomous groups, 68% enjoyed reductions in costs, 87% reported reduced throughput times, 98% improved products and services, and 85% increased sales.

A representative sample of 398 Finnish manufacturing firms with more than 50 employees found that practices such as employee empowerment and labour-management cooperation are positively correlated with firm productivity. Research among 650 Dutch SMEs also indicated that companies with workplace innovation initiatives achieve higher productivity and financial results compared with other firms.



Another study based on 932 Dutch companies of different sizes in different private business sectors demonstrated that factors including participative and dynamic management practices, flexible organisation and smarter working lead to better performance in relation to turnover, profit, market share, innovation, productivity, reaching new clients and reputational capital.

Extensive Swedish surveys found a very clear link between flexible, empowering forms of work organisation and performance: flexible organisations were more productive (+20-60%), showed a much lower rate of personnel turnover (-21%), and a lower rate of absence due to illness (-24%) compared with traditionally organised operational units.

A review of some sixty American articles shows that the magnitude of the impact on efficiency outcomes is substantial, with performance premiums ranging between 15% and 30% for those investing in workplace innovation.

### **High performance and good work: mutually supportive, not a trade-off**

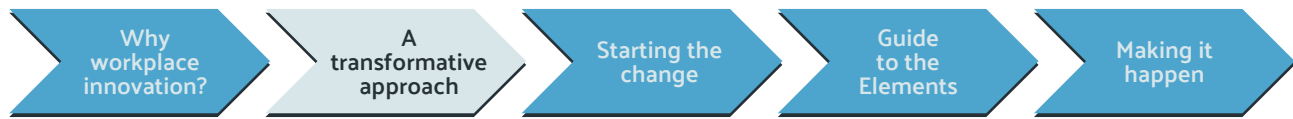
As well as enhancing business performance, empowering work practices increase employee motivation and well-being, playing a particularly important role in reducing stress, enhancing job satisfaction and mental health, and improving retention.

An evaluation of 470 workplace projects undertaken in Finland between 1996 and 2005 shows that improvements in quality of working life have a strong association with improvements in economic performance, and indeed may actually enable them. Findings suggest that participation is the main driver of this convergence between economic performance and employee well-being.

Likewise a German study examined companies in the production, trade and services sectors where positive improvements were made in physical workload, sickness absence, ergonomics, work organisation, safety, style of leadership, and stress management. Managers in these companies reported improved performance across a range of indicators, resulting both in a decrease in absenteeism and an increase in social and vocational competences.



## 2. Workplace innovation is transformative



These benefits are only fully realised when workplace innovation practices run throughout the entire company including individual learning and discretion, self-managed teams, open and fluid organisational structures, delegated decision-making, simplified administrative procedures, a coaching style of line management, regular opportunities for reflection, learning and improvement, high involvement innovation, entrepreneurial behaviour at all levels, and employee representation in strategic decisions.

Transformative changes in performance and working life can be achieved when senior teams, line managers and employee representatives share a common understanding of workplace innovation and a commitment to making it happen.

*One of the most significant causes of failure in trying to create high performance and fantastic places to work is partial change – not recognising that organisations consist of interdependent parts which either nurture or obliterate innovative ways of working.*

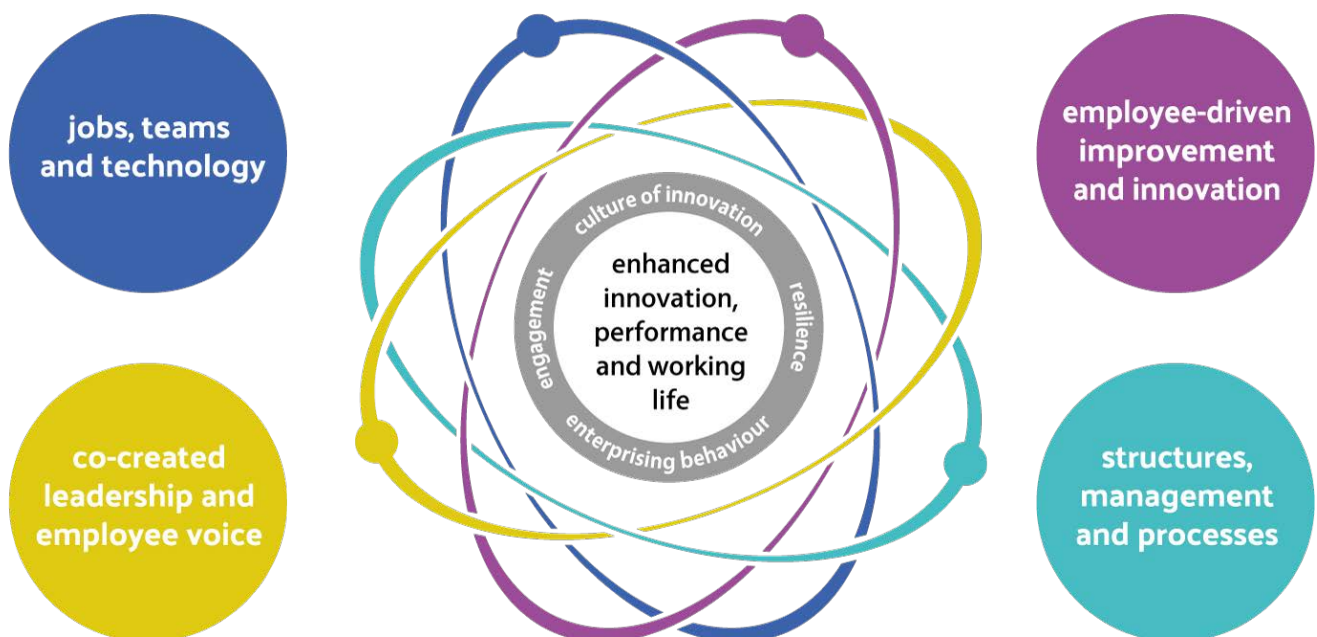
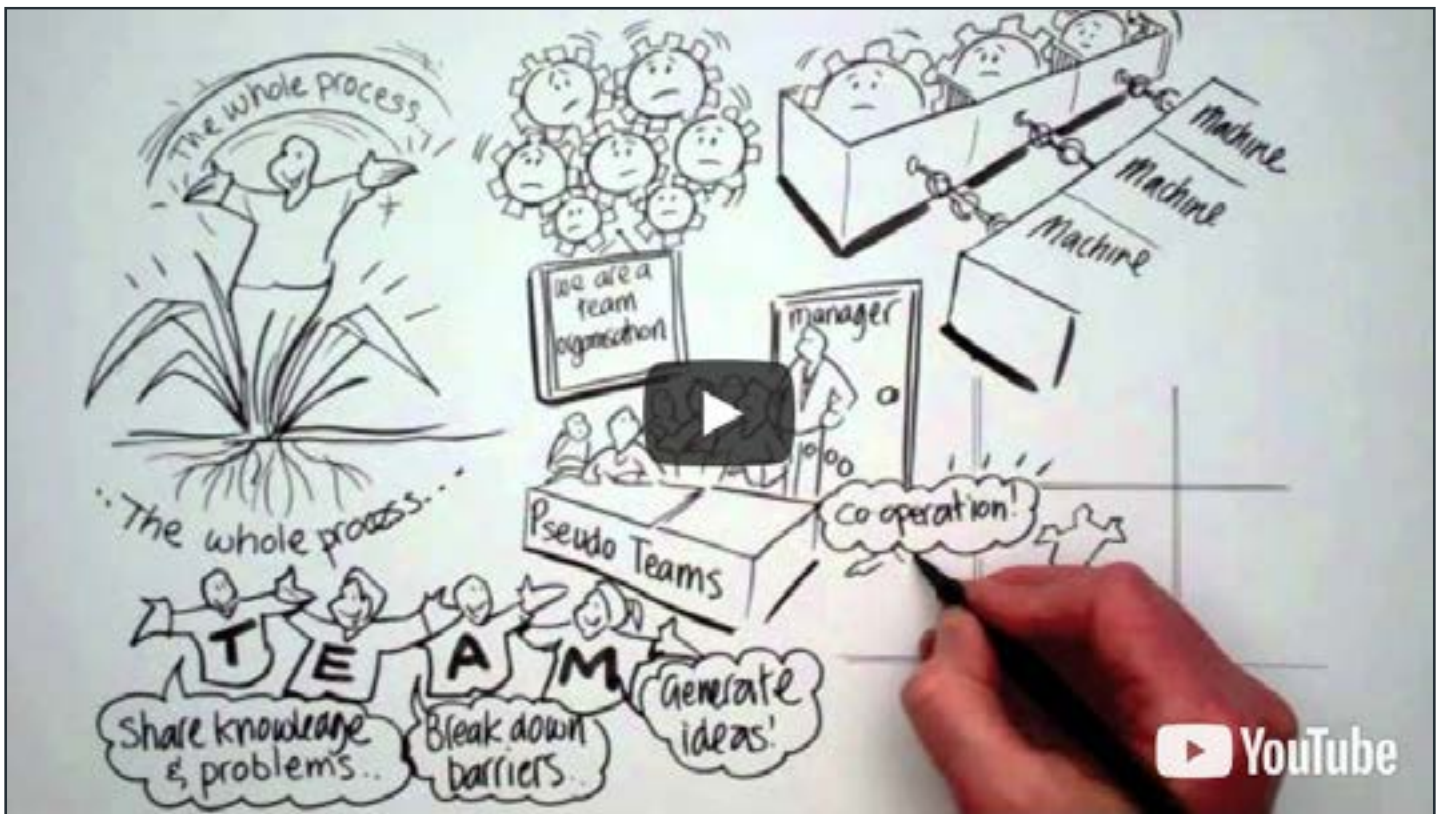
Our approach offers a practical, evidence-based approach to understanding workplace innovation and its impact on performance and working life. Grounded in extensive research and practical experience, **The Essential Fifth Element** explains the working practices that are becoming such a powerful force for innovation in a growing number of European companies and public sector organisations. It is the meeting point between high performance and great jobs.

Such outcomes are not the product of a simple initiative or a leadership development programme. They are only found when four basic building blocks, or Elements are in place and combine to create surprising synergies:

- **Jobs, Teams and Technology**
- **Organisational Structures, Management and Processes**
- **Employee Driven Improvement and Innovation**
- **Co-Created Leadership and Employee Voice**



Watch our animated film on The *Essential* Fifth Element.

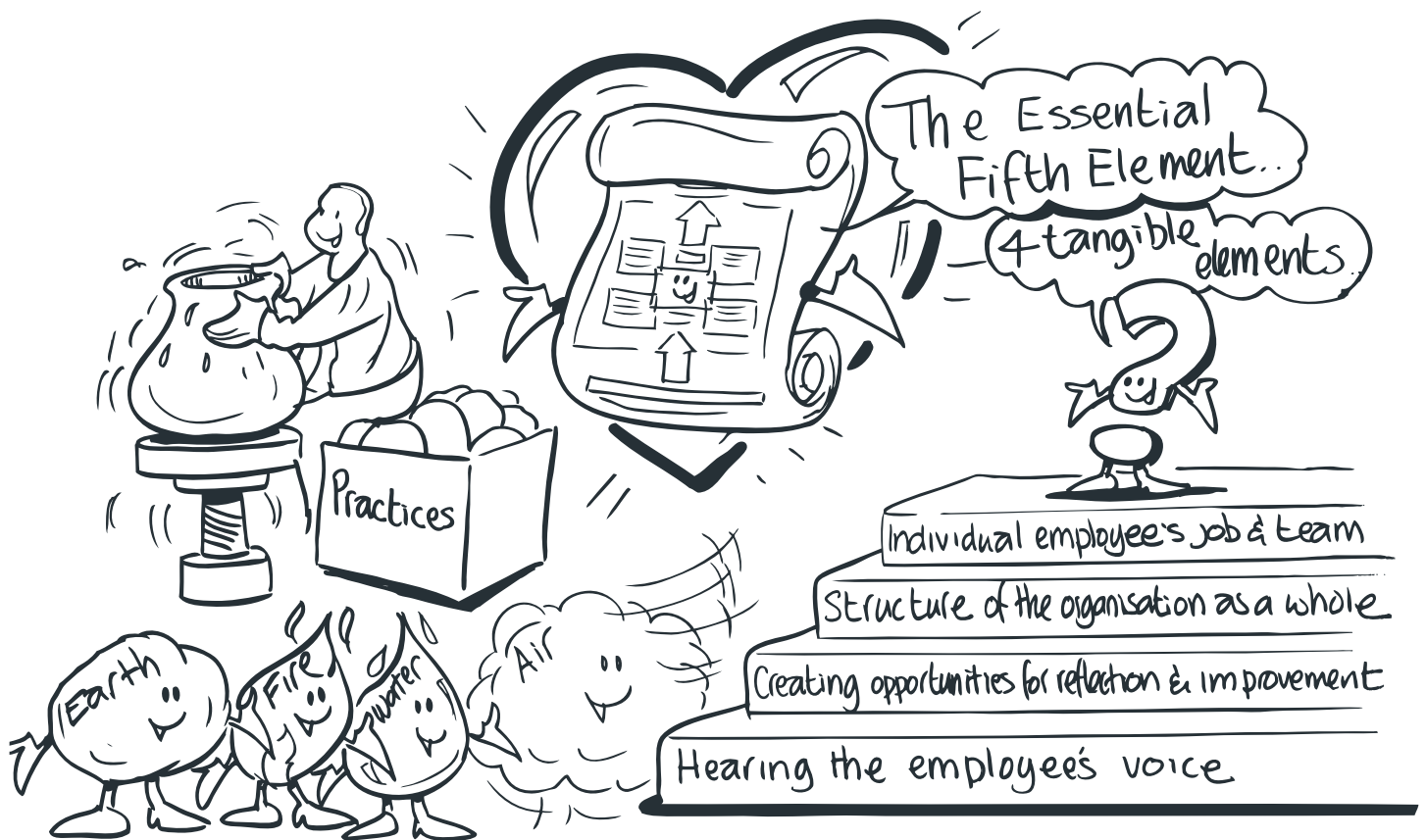


The *Essential* Fifth Element

## So if it's that good, why isn't everyone doing it?

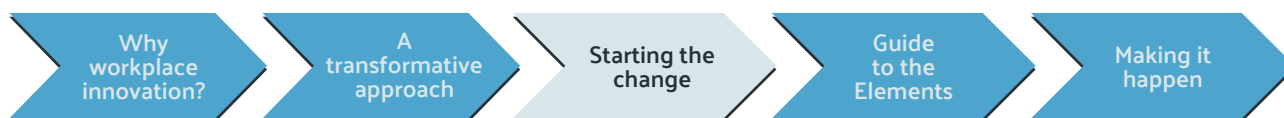
Great question! We know that only a minority of businesses and public sector organisations are making full use of these evidence-based practices. In the UK for example, less than 20% of employees are in jobs that allow them to use discretion and judgement in how they undertake their tasks, according to evidence from the European Working Conditions Survey. This puts the UK close to the bottom of the league compared with other Western European countries.

Long-established ways of doing things are, of course, a powerful force for inertia. Change can be disruptive even when we know that current ways of working are inefficient or prevent us from taking full advantage of new opportunities. Some managers feel threatened or are simply resistant to the idea that employees should be empowered to exercise discretion in their work, contribute to improvement and innovation, and play a wider role in decision-making.





### 3. Where do we start?



Another great question! And the answer will be different for every organisation, each with its unique history, relationships, challenges and opportunities.

**The Workplace Innovation Diagnostic®**, a unique employee survey tool using evidence-based indicators strongly associated with high performance and employee well-being, is a great place to begin.

Unlike engagement surveys, the Diagnostic targets the specific practices where change is needed and helps to ensure that interventions are successful. Results are translated into a practical, online action plan template, enabling users to create a clear strategy for effective and sustainable change.

***We should stop pretending that Engagement Surveys deliver any change and much less sustainable transformation. The Workplace Diagnostic identifies where workplace practice can be improved and in doing so delivers better culture and engagement.***

Sue Evans, Former HR Director, Warwickshire County Council

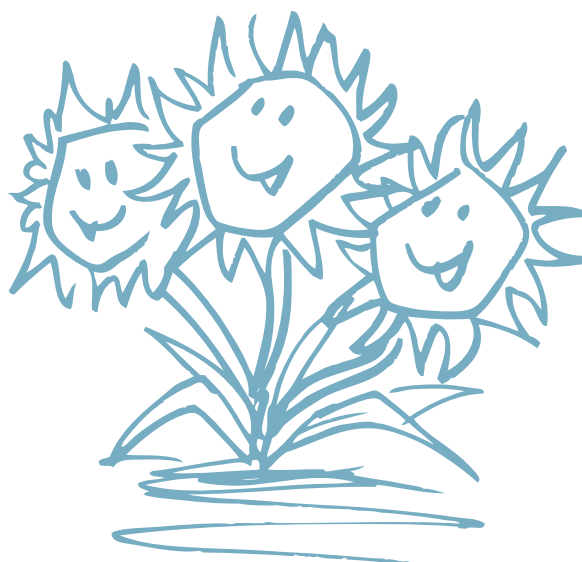
See page 22 for more information on the Workplace Diagnostic or [\*\*contact us\*\*](#).

#### Dialogue

Survey results are best shared with all employees and used to stimulate reflection and dialogue across the organisation. Senior managers demonstrate distrust and feed rumour when they hold on to survey results and worry about sharing them. Employees at all levels often tell us that they “just want to be treated like adults”.

Open and inclusive dialogue with employees, and in which senior teams are actively involved, is indispensable. Be imaginative in the way that you stimulate the sharing of ideas and experience. Openness may not come easily, especially where people have not been asked for their ideas previously, and they may need reassurance. Trust and confidence are essential.

Facilitated peer group discussions involving employees at every level can illuminate the causes of deep-seated problems and point the way towards solutions. Managed well, these discussions begin a process of involvement which moves seamlessly from analysis to action.



## Finding Root Causes

Sometimes the answer is to start with a problem. How can we find the root causes of recurrent obstacles to high performance or employee engagement? For example:

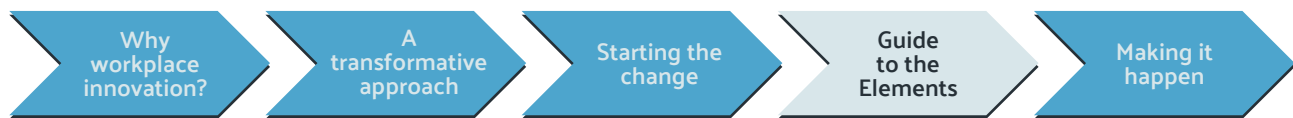
Starting the Journey: which are your most pressing issues? Score each issue: 1 = No Problem / 10 = Severe Problem		Score
JOBS, TEAMS AND TECHNOLOGY	Frequent delays caused by breakdowns and bottlenecks	
	High levels of employee turnover and/or sickness absence	
	Minor problems are escalated to senior level	
	Poor team cohesion	
	Persistent customer complaints or quality problems	
	<b>TOTAL SCORE FOR ELEMENT</b> <b>Score 5 – 14 :</b> Don't be complacent! Keep reviewing and refreshing the things you're doing right.  <b>Score 15 – 35 :</b> Focusing on effective job design, teamworking and the integration of technologies is a priority to enhance performance as well as employee engagement and well-being.  <b>Score 36 – 50 :</b> Urgent action is required to avoid further waste of opportunity and talent.	
STRUCTURES, MANAGEMENT AND PROCESSES	Line managers lack leadership skills	
	Ineffective performance management / appraisal system	
	Blame culture	
	Targets and deadlines drive out opportunities for learning and improvement	
	Departmental/organisational boundaries delay decisions and inhibit innovation	
	Work gets held up by poor co-ordination between departments	
	<b>TOTAL SCORE FOR ELEMENT</b> <b>Score 5 – 14 :</b> Don't be complacent! Keep reviewing and refreshing the things you're doing right.  <b>Score 15 – 35 :</b> Rethinking the walls and ceilings that divide your organisation is a priority to enhance performance as well as employee engagement and well-being.  <b>Score 36 – 50 :</b> Urgent action is required to remove obstacles to innovation and to avoid poor productivity as well as wasted opportunity and talent.	



EMPLOYEE DRIVEN IMPROVEMENT AND INNOVATION	We lack a culture of innovation	
	There are opportunities to improve or innovate but we rarely get around to pursuing them	
	People are frustrated that they have no outlet for their ideas	
	We need more effective ways of engaging employees in innovation and improvement	
	People are afraid or unwilling to challenge established practices	
	<b>TOTAL SCORE FOR ELEMENT</b> <b>Score 5 – 14 :</b> Don't be complacent! Keep reviewing and refreshing the things you're doing right.  <b>Score 15 – 35 :</b> Focusing on employee-driven innovation and improvement is a priority to enhance performance and employee engagement.  <b>Score 36 – 50 :</b> Urgent action is required to avoid further waste of opportunity and talent.	
CO-CREATED LEADERSHIP AND EMPLOYEE VOICE	There is a gap between senior management and the frontline	
	We don't share information with employees unless it is absolutely necessary	
	Senior managers micromanage the work of others rather than empowering them to take decisions	
	Decisions affecting the work of employees are taken without involving them	
	Our culture inhibits change	
	<b>TOTAL SCORE FOR ELEMENT</b> <b>Score 5 – 14 :</b> Don't be complacent! Keep reviewing and refreshing the things you're doing right.  <b>Score 15 – 35 :</b> Rethinking leadership roles and behaviours is a priority to engage employees and drive change throughout the organisation.  <b>Score 36 – 50 :</b> Urgent action is required to address the significant gap between the senior team and the rest of the organisation and to improve the quality of strategy, communication and decision-making.	

The following section shows how the workplace innovation practices related to each Element address problems and issues such as these, directly improving performance and working lives.

## 4. Guide to the Elements



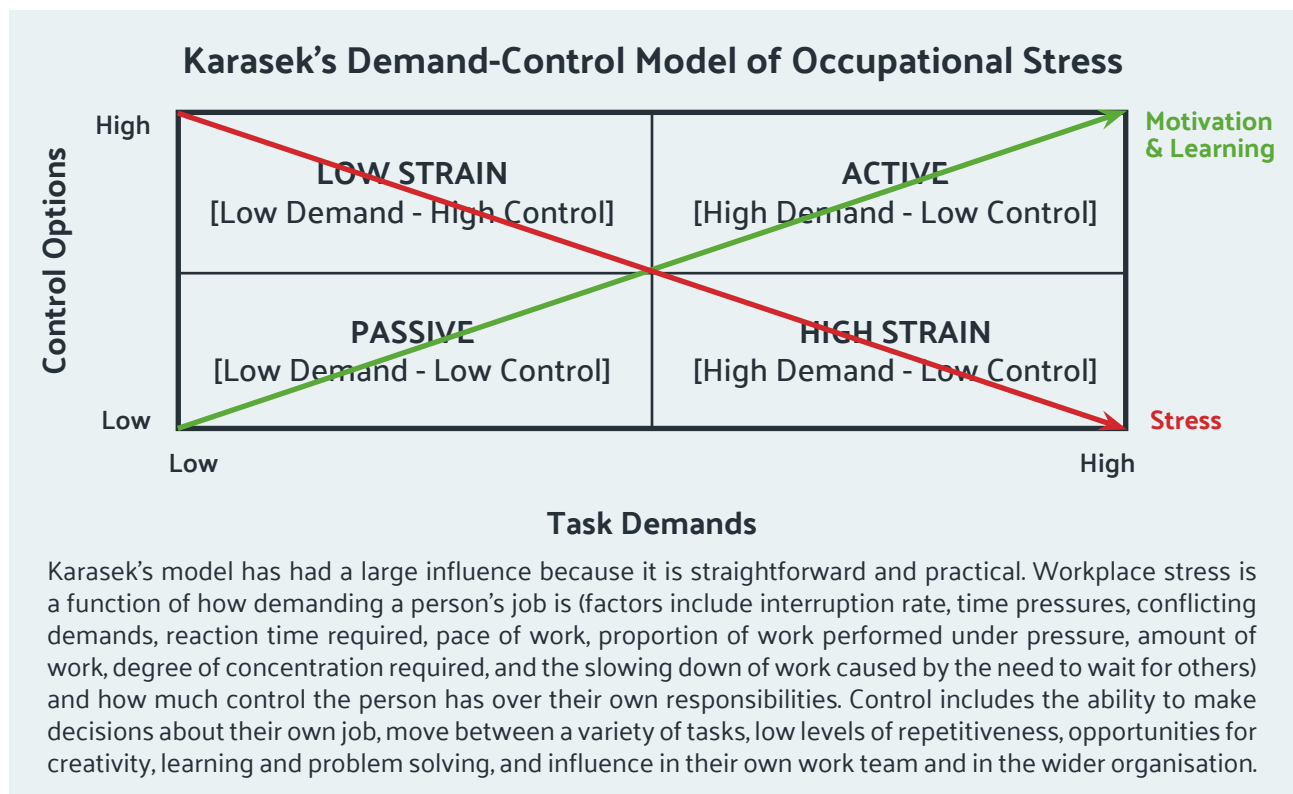
Each Element offers a potential starting point for transformational change, but it does not exist in isolation. The four Elements interact with each other and, when aligned towards a common vision, create a system of mutually reinforcing parts.

So wherever you start, the eventual journey will take you to every aspect of working practice and culture throughout the organisation.

### Jobs, Teams and Technology


Employee participation and the ability to work without close supervision are highly cherished: architects, midwives and refuse collectors perform their jobs well because they make on-the-spot decisions based on background knowledge and experience of ‘what works’. They avoid delays caused by unnecessary referral to managers or manuals.

In the best cases they make time to learn and to reflect on what is working well and what should be changed. This generates steady flows of improvement and innovation. Allowing employees discretion in scheduling their own work and in controlling its pace also minimises physical strain and psychological stress.



Of course, individual jobs can't just be examined in isolation. The ability to share problems and solutions with colleagues, to learn and reflect together, to provide and receive support in challenging times and to celebrate successes plays a vital role in engagement, well-being and performance. Self-managed teamworking lies at the heart of this equation.





Many organisations claim that their people work in teams. But are those teams simply groups of people who sit together and report to the same manager, but rarely co-operate with each other? Some work psychologists call these pseudo teams.

We're concerned with real teams. Teams where people share challenges and opportunities in ways that break down barriers and demarcations; and where they generate ideas for improvement, innovation and growth using the insights that day-to-day work experiences give them. We know from a vast amount of research that self-managed teams empowered to plan and organise their own work are more productive in diverse organisations from factories to offices, and that they even save lives in places like hospitals. They also offer much better places to work.

### **What are 'good' teams?**

- Good teams are clear about their shared tasks, and about precisely who is part of the team. Once teams grow larger than 8 – 10 members it becomes difficult to maintain cohesion.
- Teams plan, schedule and organise their work, even setting their own targets.
- They are clear about the skills the team needs to achieve its purpose.
- The team is empowered to make appropriate choices about recruitment, and recognises the importance of recruiting people who are good at collaboration and sharing.
- Team members need to understand clearly their roles and the roles of other team members, so there is no ambiguity about who is responsible and accountable for each task.
- Good teams set themselves clear, challenging and measurable objectives every year. The aim is not just to get the job done but to achieve significant improvements and innovations. Progress towards achieving these objectives forms an important part of regular team meetings.
- Well-functioning teams assess and seek to improve their effectiveness in working with other teams inside (and sometimes beyond) the organisation.
- Teams with a supportive, humorous and appreciative atmosphere deliver better results and their members are significantly less stressed. They are more optimistic, cohesive and have a stronger sense of their efficacy as a team.
- Teams must also meet regularly and have useful discussions, enabling them to reflect on how well they work together and how to improve. Teams that regularly change ways of working are not only more productive but also more innovative than teams that don't. 'We haven't got time' is therefore an unacceptable excuse. Such teams are also better able to respond to work pressures and adversity by innovating rather than feeling overwhelmed and helpless.

[Adapted from Professor Michael West, *Effective Teamwork*]

## Resources for Jobs, Teams and Technology



Ederfil Becker in the Spanish Basque Country created a management model based on self-organisation in which trust, empowerment, communication, transparency and employee voice set the lines of action of its daily operations. **Read the case study and watch the short film.**



This **case study** offers practitioners fresh insights into how the principles of multi-disciplinary teamworking can be translated into a healthcare setting. It is based on an eighteen month programme at Southern Health and Social Care Trust led by Workplace Innovation Europe.

## Structures, Management and Processes

Truly innovative workplaces recognise the need for a consistent approach to empowerment, learning and development running through every aspect of corporate policy from reward systems and performance appraisal to flexible working and budget devolution.

Many organisations appear to be structured around three assumptions:

1. Hierarchies are just common sense: you need somebody to be in charge.
2. People at the frontline are of lower status and less motivated so they can't be trusted to make decisions or manage their own work.
3. Other ways of organising may be fine for some organisations, but they'll never work here.

Some demarcations may be necessary, reflecting different bodies of expertise and knowledge. Yet management layers inevitably put distance between decision-making and the frontline, disempowering and diminishing the voice of those at the lower levels as well as creating an implementation gap. Hierarchy breeds caution amongst managers, encouraging decisions to be delegated upwards with consequent loss of productivity and responsiveness.

Such vertically organised structures create silos and add to the difficulties of building bridges between functional specialisms. This often causes frustration in resolving day-to-day issues and can have a particularly negative effect on the capacity for innovation.

Conversely, a flat structure is when the business either has no management layers or where the chain of command is very short. The aim is often not to erase hierarchies entirely but to allow organisations to form hierarchies naturally. Different groups within organisations can intertwine in ways that help everyone understand other people's jobs, professions, specialisms, priorities, problems and vision.

Flat organisations rely on a decentralised approach to management and require a high degree of employee involvement in decision-making. Control in flat companies lies in mutual agreements between self-managing, self-organising and self-designing teams and employees who take personal responsibility for satisfactory outcomes. This in turn empowers employees, facilitates information sharing, breaks down divisions between roles, shares competencies, and uses team or organisationwide reward systems.



Yet even within more flexible structures, mistrust and disempowerment can be embedded in the systems and processes that shape decision-making, resource allocation and standard operating procedures. They can reflect a culture of centralised control and micro-management. Truly innovative workplaces recognise the need for a consistent approach to empowerment, learning and development running through every aspect of corporate policy from reward systems and performance appraisal to flexible working and budget devolution.

### Getting rid of annoying processes

- How much control is actually necessary? Are the risks of loosening control greater than the (real and opportunity) costs of spending senior management time on relatively trivial issues?
- Is the formal appraisal interview a 'tick box' exercise? Or is it a milestone in a continuous coaching conversation with a line manager who understands how to help each individual develop and deliver their best performance?
- Are there established procedures for shared learning from mistakes and failures in an open and blame-free way?
- Is the importance of collaboration, reflection, improvement and innovation recognised in the organisation's system of KPIs, targets and incentives?

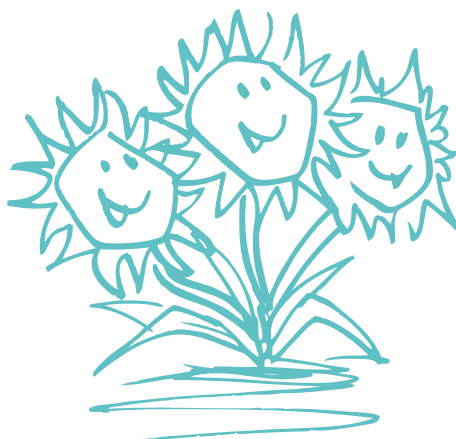
### Resources for Structures, Management and Processes



In **Bristan**, high levels of employee engagement are built on a culture of trust and leadership reflected in day-to-day management behaviour. **Read the Bristan case study.**



By removing functional boundaries and designing work spaces that encourage people to collaborate, **inet-logistics** in Austria has empowered its employees with high levels of discretion in their day-to-day work. See our **case study and short film.**

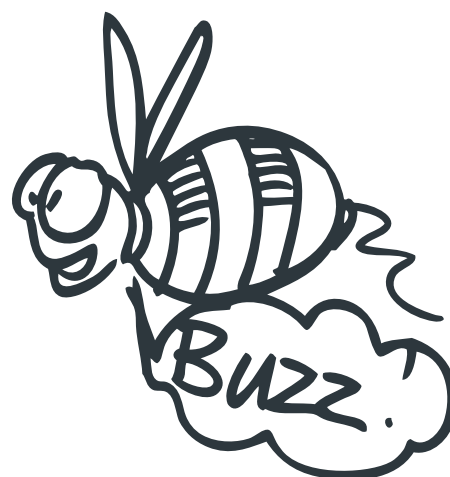


## Employee Driven Improvement and Innovation

Innovation is popularly associated with R&D, ICT investment and high-profile entrepreneurs.

However this association can be misleading. Much of the innovation in products, services and processes that leads to enhanced business competitiveness and performance is generated by interaction, dialogue and exploration within the workplace. Unsurprisingly this is more common in workplaces where employees have greater control over their own work coupled with discretionary opportunities for learning and problem solving.

Systematic opportunities for shared learning and reflection are well embedded in these workplaces. It means the ability of employees at every level to reflect on what has gone well and what can be improved in the future, to share knowledge and skills gained in the course of recent work experience, and to anticipate and reflect on the impacts of future challenges and change. This can be reflected in times and spaces where people at work can discuss ideas with their co-workers or in their team meetings. Buzz boards enable ideas to be shared and dedicated spaces can enable people to think in different ways together. Meetings in cafés can offer a creative and reflective time away from the immediate pressures of the workplace.



A growing number of organisations provide employees with regular experience of cross-functional improvement teams, created to identify and drive forward product, service or process changes that would otherwise be lost under the pressure of day-to-day workloads.

Sometimes it involves imaginative opportunities to ‘think out of the box’ by bringing people together across different departments and divisions to share knowledge and experience, and to think creatively. It can be as simple as establishing regular forums that enable people at all levels of an organisation to leave job titles and hierarchies behind, and to explore new ideas through open and free-thinking discussion. Time-out sessions, ‘down-tools weeks’ and hackathons, bringing people together who otherwise wouldn’t meet, can also become fountains of constructive dialogue and creativity.

Sustainable and effective employee engagement in innovation and improvement cannot happen in isolation. It must be aligned with corporate strategy and play a core role in its implementation, bringing together the strategic perspective of senior teams with the tacit knowledge and experience of frontline workers. It must be driven from the top and reinforced by consistent messages from leaders, supported by organisational structures and processes, and underpinned by empowerment and discretion in day-to-day working life. Line management culture and performance measurement also invariably play a critical role in enabling, or inhibiting, employee-driven improvement and innovation.



## Resources for Employee Driven Improvement and Innovation



The culture of Cambridge-based **Red Gate Software** “is permission to fail and expectation of failure, if we are not trying hard enough that’s when we don’t fail, so let’s make sure that we’re on the edge and we’re trying to push ourselves.” **Read the case study and watch the short film.**



At London’s **Innocent HQ**, innovation is an everyday behaviour with employees actively encouraged to suggest ways to improve the business, whether it be new products and business streams or better ways of working. **Read the case study and watch the short film.**

## Co-Created Leadership and Employee Voice

It is unsurprising that enlightened leadership often plays a key role in driving workplace innovation within enterprises. Leadership theory is highly contested, but leadership development has gained increasing prominence through business schools, professional institutions and consultancy.

Early leadership theories were primarily focused on the distinction between “task focus” and “people orientation” and this remains a useful distinction. More recently theories have become less concerned with the central, charismatic individual but focus on leadership as a creative and collective process grounded in dialogue with and between employees empowered to take initiative and contribute to decision making. “Shared and distributed leadership” is a key element of workplace innovation because it releases the full range of employee knowledge, skills, experience and creativity. It means that workplace culture and practice provide everyone with the opportunity to take the lead in areas which reflect their own expertise or initiative, whether strategic, innovative or operational, while understanding and aligning their actions with those of others.

Leadership is therefore a collaborative, or Co-Created process leading to shared direction and purpose:



Co-Created Leaders	
<p><b>Don’t worry about ...</b></p> <ul style="list-style-type: none"> <li>• Charisma</li> <li>• Personality</li> <li>• Grand Strategy</li> <li>• Heroism</li> </ul>	<p><b>Do worry about ...</b></p> <ul style="list-style-type: none"> <li>• Empowering Jobs</li> <li>• Self-Managed Teams</li> <li>• Incentivising Improvement &amp; Innovation</li> <li>• Line Management Culture</li> <li>• Strategic Thinking</li> <li>• Employee Voice</li> </ul>

**Employee Voice** describes the alignment of strategic priorities and decision-making at senior levels with the practical knowledge, experience and engagement of employees throughout the organisation. It brings together **direct participation** through, for example, self-managed teams and improvement groups, with **representative participation** in the form of employee or union-management partnership forums. These represent times and spaces where senior managers and trade unions or employee representatives get together to tackle big issues in a climate of openness and trust.

Partnership between management, employees and trade unions can take many forms, but always requires openness, transparency and two-way communication. At the very least it can be an effective tool for positive employment relations, minimising conflict and resistance to change.

An important body of research has begun to show that representative partnership structures on their own may have little direct impact on performance or quality of working life. Rather they can exert a positive influence on the development of activities and practices that may do so. In short, they can become the animator and guardian of employee empowerment and engagement throughout the organisation.

When partnership arrangements exist alongside the types of participative workplace practices described in the previous three Elements, a system of mutually reinforcing practices is created that leads to improved information sharing, greater levels of trust, reduced resistance to change and heightened performance.

Resources for Co-Created Leadership and Employee Voice	
	<b>Novozymes</b> in Denmark demonstrates that strong partnership between management and unions can transcend traditional industrial relations, empowering frontline workers in day-to-day decision-making and actively involving them in improvement and innovation. 'Shop Floor Management' is a way of creating a forum where there is dialogue between employees who are working in the daily operations, the manager and the technical support.
	Leadership that articulates clear values and lives by them is recognised as a powerful driver of employee engagement and an enabling culture. <b>Skanska UK</b> has been on a sustained journey of transformation since CEO Mike Putnam's appointment in 2009, distancing itself from traditional industry practices by embracing high ethical principles relating to safety, the environment, transparency and quality.



## The Alchemy of The *Essential* Fifth Element

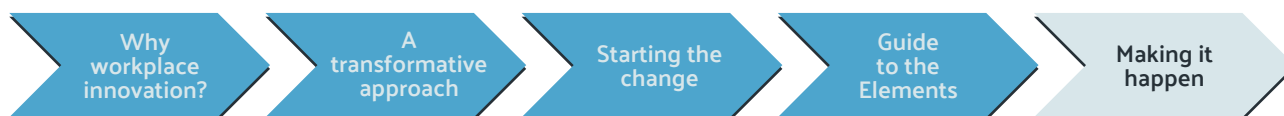
The *Essential* Fifth Element highlights interdependence between the workplace practices described in each of the four Elements. Research demonstrates that each Element is influenced, for better or worse, by the extent to which the practices within it are aligned with those of the others.

In short, leaders need to take a systemic view of their own organisational structures and practices. Creating the culture of innovation and enterprise needed for the twenty-first century requires tenacity. It means challenging deeply embedded attitudes and behaviours, asking difficult questions, and being open to experiences from a diverse range of other organisations.

*By focusing on the structures and processes that our teams work with, we are able to free them from bureaucracy. With this new-found freedom they're innovating and improving - that is the power of The Essential Fifth Element.* **David O'Byrne, Operational Excellence Lead, Argenta Dundee.**



## 5. Making it happen



Change is rarely a straightforward linear exercise. It usually involves experimentation, failure and a willingness to see failure as an opportunity for learning and development. It requires consistency of purpose combined with a willingness to rethink the vision and objectives set out at the start of the journey. The more you try to change an organisation, the more you learn about it and the higher you raise your aspirations. Your understanding of the nature and extent of the change required will certainly deepen as the journey progresses.

Above all, it means making change happen with people, not to people. They have the knowledge, experience and creativity that can make change happen, and make it stick. Use it.

### Go for it!

- Do members of the senior leadership team understand that change will involve asking difficult questions and challenging established practices? Do you really have their support?
- Have you involved all the relevant stakeholders from the beginning? Does everyone understand how they will contribute to the journey?
- Have you anticipated the potential sources of resistance? What is the best way of dealing with it?
- What are the mechanisms for two-way communication throughout the process? How will you evaluate progress? How will stakeholders be involved in shared learning and adjustments to change processes and goals during the journey?
- How will you know whether you have succeeded? And how will you celebrate success?
- How will change be embedded and sustained?

### Be inspired!

You can find many great examples of workplace innovation, including several short films, on our **[website](#)**.



## Onwards

We hope you've enjoyed this introductory Guide to workplace innovation and will find it useful as a starting point for positive change in your own company. There is so much to gain in terms of improved performance and better ways of working, and it is within your grasp.

We can't offer you a series of linear steps towards transformation because it just doesn't work like that. You must be prepared to listen, to involve, to experiment, to take risks and to learn.

Leaders require discipline to maintain the momentum on top of a busy schedule. But it's surprising how far you can go once you unleash the trust and enthusiasm of people throughout your organisation.

## Let us help you

Workplace Innovation Europe CLG is a not-for-profit organisation created to help private and public sector organisations achieve enhanced performance, innovation and better working lives.

Our unique, accredited approach builds on a robust evidence-base, helping your change leaders and managers acquire the knowledge, skills and resources required to achieve successful, systematic and sustainable transformation, supported by practical in-house facilitation and coaching.

We can help you achieve two complementary objectives:

1. Building internal capacity in your company by creating a team of accredited Workplace Innovation Practitioners, qualified and resourced to lead effective and sustainable change.
2. Creating and implementing an action plan based on a robust Diagnostic process, supported by expert facilitation, coaching and practical tools and resources.

In short, we will help your change leaders and managers acquire the knowledge, skills and resources needed to achieve systematic and sustainable transformation, supported by in-house facilitation, coaching, practical tools and peer-to-peer networking.

Learn more at [www.workplaceinnovation.eu](http://www.workplaceinnovation.eu)

*"I highly recommend the Programme and suggest that everyone should go on it. It works for every size of business."*

**Chris Owens, IOM**

*"This programme affects the way people involved in change think and act, and gives a power to the change process."*

**Sara Blanco Rodriguez, Kilco**

*"I can see a difference also in the two people that have been on this course and I can see how they are keen to see that change to be replicated within the business. For me it has exceeded all expectations, probably gone beyond the boundaries of where I thought it would go, it goes right under the skin of the business. I am happy that we are now at the other side of it, that it's made a big difference."*

**Martin Welsh, Booth Welsh**



# Beyond engagement surveys

Engagement surveys are the norm in many companies, demonstrating that employers are listening to their people. But what do you actually do with the results? And do they measure the right things?

**We think that companies are being overcharged for surveys that fail to support real change.**

Engagement is the outcome of day-to-day experiences that shape working lives. People are more engaged when they use judgement and discretion in their daily work, contribute to improvement and innovation, and are involved in decisions that affect their work. Evidence also shows that these workplace practices are highly associated with performance, health and well-being.

And they can be measured in ways that identify clear and direct opportunities for improvement and transformation.

## The Workplace Innovation Diagnostic®

We have created a unique employee survey that provides a detailed understanding of where change is needed in order to enhance engagement and performance. It focuses on evidence-based workplace practices including Jobs, Teams and Technology; Organisational Structures, Management and Procedures; Employee Driven Improvement and Innovation and Co-Created Leadership and Employee Voice.

Unlike engagement surveys, the Diagnostic targets the specific practices where change is needed and helps to ensure that interventions are successful. Findings are broken down by department, team, professional group or other variables provided by you. Discrepancies between senior manager perceptions and staff experience are also calculated.

Results are translated into a practical, online action plan template, enabling users to create a clear strategy for effective and sustainable change.

We support you throughout, including a half or full-day pre-Diagnostic briefing, and an interpretation and action planning session once results are available.

You also have access to online and in-person opportunities for knowledge sharing through our **Fresh Thinking Labs** platform and event programme.

*“The Diagnostic allowed us to pin point the areas of the business where we needed to focus and prioritise. This focus allowed us to tackle the real challenges on site. Without the Diagnostic there is a danger that we would have looked for the traditional ‘low hanging fruit’ or more improvement initiatives.*

**David O’Byrne, Operational Excellence Lead, Argenta Dundee.**

*“All of a sudden there was a method of measuring the issues we could see in the company. Once you can measure it, you can actually analyse it and do something about it.”*

**Martin Welsh, MD, Booth Welsh.**

Discover more [here](#) or [contact us!](#)



# Leadership for Workplace Innovation

We help you identify senior team members and 'natural leaders' throughout the workforce who will drive the process of action planning and change forward. Our programmes combine individual learning and qualification with in-house support for delivering effective change.

These flexible, customised programmes can be delivered in-house or online, and include:

- Making the business and policy case for change.
- Enabling highly effective jobs and teams.
- Aligning organisational structures, management and procedures to high performance outcomes and employee engagement.
- Engaging employees at every level in improvement and innovation.
- Leadership to enable others to lead.
- People-Centred Change.

On successful completion participants are awarded the Institute for Leadership & Management (ILM) Level 5 Certificate in Leadership. Assessment is designed to avoid the need for lengthy assignments and is based on personal experiences of organisational change and leadership.

You will have one year's access to Fresh Thinking Labs including the online learning platform community, providing practically focused evidence, case studies, tools and your on-line individual learning log, building on the programme support and action planning.

You'll also have the opportunity to interact with other organisations, and take part in Fresh Thinking Lab's growing programme of online and in-person activities involving companies and public sector bodies across Europe.

## **The Workplace Innovation Foundation Programme**

Gain the knowledge and skills you need as a change leader through distance learning using our Fresh Thinking Labs platform, supported by our experts through on-line coaching and interactive forums. Successful completion of your Learning Log leads to the award of your ILM Level 5 Certificate in Leadership. Optional in-person coaching and mentoring from our highly experienced team is also available.

## **The Workplace Innovation Practitioner Programme**

Gain an internationally recognised leadership qualification while leading a successful change initiative in your organisation, supported by a blend of distance learning and in-person coaching. Whether or not you choose to use the Workplace Diagnostic, we provide on-site support for action planning and implementation in your team or department, together with continuing coaching and interactive forums. Successful completion of your Learning Log leads to the award of your ILM Level 5 Certificate in Leadership together with accreditation as a Workplace Innovation Practitioner, signifying your competence in securing effective and sustainable workplace change. You will continue to benefit from Fresh Thinking Labs' community of practitioners for a further 12 months, after which accreditation can be renewed.

Alternatively, the action-focused Practitioner Programme is available in-house or as an open programme shared with other organisations on comparable journeys:

### **The Workplace Innovation Practitioner Programme**

#### **Available as an In-House or Open Programme**

Designed for teams of 5 or more change leaders, the tried and tested Workplace Innovation Practitioner Programme combines individual learning and qualification with practical support for delivering effective in-house change initiatives.

Our Programmes, customised to meet the needs of each client, typically include:

1. Interactive workshop sessions on each of the six modules, strongly orientated to action and directly addressing the challenges and opportunities facing your business.
2. Access to **Fresh Thinking Labs'** online learning platform, providing practically focused evidence, case studies and tools that build on the workshop sessions and support action planning.
3. Support for participants through 'critical friends' action learning sets at regular intervals, enabling them to discuss challenges, share problems and celebrate successes with their peers.
4. In-house support, including individual coaching and on-site facilitation of engagement events and task groups. Past examples include the **facilitation of change workshops for employees** and/or senior teams.
5. Participation in online and in-person networking and events, nationally and internationally, with other companies on the **Fresh Thinking Labs** platform.

In addition to achieving the ILM Level 5 Certificate in Leadership, you will be accredited as a Workplace Innovation Practitioner, signifying your competence to play key roles in securing effective and sustainable workplace change.

You will continue to benefit from the Fresh Thinking Labs community of practitioners for a further 12 months, when accreditation can be renewed after completing a short, online updating course and/or a face to face coaching session with one of our experts.

Our **Leadership for Workplace Innovation Senior Practitioner** programme takes Workplace Innovation Practitioners to the next level. They upgrade to an **ILM Level 5 Diploma in Leadership and Management**, acquiring the competencies and resources needed to train others as Workplace Innovation Practitioners in their own organisations.

Programme durations are flexible and reflect the time envisaged for designing and implementing change. Discover more about all our Programmes [here](#).

**Variations of these packages are available to suit your requirements - [contact us](#).**

*"The Programme has definitely been worthwhile, we wouldn't be where we are now without it."*

**Colin Maxwell, Premier Hytemp**

*"The Programme exceeded all expectations and was enjoyable and rewarding. Invaluable facilitation of cultural change."*

**David MacPherson, Charles River**



## About us

We are a not-for-profit organisation created specifically to stimulate and share better ways of working that lead to enhanced performance, higher levels of innovation and better working lives.

Our unique, accredited approach builds on a robust evidence-base, helping your change leaders and managers acquire the knowledge, skills and resources required to achieve successful, systematic and sustainable transformation, supported by practical in-house facilitation and coaching.

Our approach combines hard, evidence-based argument with the ability to stimulate and engage diverse business audiences. We work with leading international universities and research institutes to capture and analyse leading practice, and to translate it into practical tools and learning resources for organisations. Workplace Innovation is an accredited provider for the Institute for Leadership & Management (ILM).

We have worked with diverse business and public sector clients including Acas, Argenta, Aviva, British Council, BT, BWB, Charles River, Cornerstone, E.ON, European Commission, GE Mining, Leonardo, Liberty Steel, Nottingham City Council, Orbit Housing Group, Saint-Gobain, Scottish Enterprise, Skills Development Scotland and the South Korean Government.

Since 2013 we have co-led the European Workplace Innovation Network (EUWIN), established by the European Commission to spread knowledge and awareness of workplace innovation amongst businesses. EUWIN's Knowledge Bank, established and curated by us, includes several hundred case studies and articles of value to people leading change, and achieves many thousand hits per month. We created a unique portfolio of films to inspire and inform change leaders, and are the authors of **The Essential Fifth Element**, an actionable guide to workplace transformation supported by a robust body of evidence, case studies and practical resources.

In 2016 we launched Fresh Thinking Labs, a unique Online and In-Person platform for knowledge sharing and collaboration between organisations. Members enjoy bespoke introductions to others with similar interests and challenges, an online search and connect facility, open and closed online communities, and several opportunities to meet their peers through company visits and workshops. ([www.freshthinkinglabs.com](http://www.freshthinkinglabs.com)).

See [www.workplaceinnovation.eu](http://www.workplaceinnovation.eu) to learn more about our work.

*“Rosemary and Peter from Workplace Innovation have taken all participants on a learning journey. Their programme has been excellent for learning from other organisations who strive to improve in their own business. The content of the programme has varied greatly and been geared to ensure all organisations gain something from the experience. For Cornerstone, we are introducing a new business model called Local Cornerstone and this programme has certainly helped guide and support us as we commence our three years Strategic Plan to bring transformational change to Cornerstone and the Care Sector.”*

**Mairi Martin, Cornerstone**

Discover our other events and opportunities at [www.workplaceinnovation.eu](http://www.workplaceinnovation.eu)

## Meet our Team Leaders

Our work with you will be designed and delivered by Peter Totterdill and Rosemary Exton, supported by other senior members of Workplace Innovation Europe's team:

**Peter Totterdill** is a Founding Director of Workplace Innovation Europe. He is Visiting Professor at Kingston University and Associate Professor at Mykolas Romeris University Vilnius.

A passionate advocate of organisational practices that combine high performance and high quality of working life, Peter's career has focused on building bridges between academic knowledge and practice. He has led successful innovation and change initiatives in a wide range of private and public sector organisations. Peter is a highly experienced communicator and speaks frequently at conferences and seminars to enterprises, trade unions, policy makers and researchers throughout Europe and beyond.

Peter's Board-level experience includes seven years as a Non-Executive Director at Nottingham City Hospital NHS Trust. He was European Policy Director with Ecotec Research and Consulting from 2006–8 and is a Trustee of three charities.



### Relevant Experience

Peter has been stimulating, facilitating, evaluating and supporting organisational change initiatives since the early 1990s. His approach is typically 'hands on' while ensuring that the client organisation takes full ownership of the change process. Likewise, he is committed to evidence-based practice and draws on research and knowledge of workplaces from across Europe. At the same time his role in change and development projects is very practically orientated and largely uncluttered by jargon or obscure academic concepts.

Peter is lead expert on Fresh Thinking Labs, the international Online and In-Person platform for knowledge sharing and collaboration in the field of workplace innovation. Current projects include co-leadership of the European Commission's workplace innovation network (EUWIN) involving more than 7000 subscribers and activists in 30+ countries. Peter is co-facilitator of the Workplace Innovation Engagement Programme (WIEP) for Scottish Enterprise.

**Rosemary Exton** is a Founding Director of Workplace Innovation Limited and co-founder of Fresh Thinking Labs.

Building on many years' experience as a clinician, manager and trade unionist in the NHS, Rosemary has provided programme management, leadership and development training and support to several organisations.

Rosemary has wide experience of driving change and working effectively across organisational boundaries including the facilitation of dialogue workshops, training for the facilitators of employee forums, action learning, and supporting those leading innovation. Recent work includes the design and implementation of high performance teams.

Rosemary is an acknowledged expert in workplace partnership and employee engagement. She has a particularly strong interest and expertise in employee empowerment and employee-driven innovation.

Rosemary gained an MA in Management and Leadership from the University of Leeds in 2008. She has published articles on workplace innovation and entrepreneurial behaviour and is a regular speaker at international conferences.



### **Relevant Experience**

Relevant recent and current projects include:

- An extensive culture change programme in a medium-sized freight forwarding company based in the UK and US. This involved leadership development and workplace innovation at board, senior management, middle management and team levels in both countries.
- Leading the development and implementation of an innovative approach to multi-disciplinary teamworking in the maternity service of a health service trust in Northern Ireland.
- The design of a management development programme in a Midlands housing association, including the introduction of forum theatre using workplace innovation's own team of professional actors.
- Contributing to a large scale transformation programme in a 1200 employee, service delivery division of a city council in the West Midlands.
- Co-facilitator of the Workplace Innovation Engagement Programme (WIEP) for Scottish Enterprise.





**Lesley Cramman** is a facilitator, enabler, consultant and coach who creates environments for learning, innovating and leading change. Her work specialises in creating dynamic learning experiences, focusing on developing leadership at all levels of organisations, whole systems change using participative processes and building the potential for self-organisation to support sustainable change.

Lesley is known for her energising, effective and sensitive facilitation that leads to voices being heard, creativity unleashed and sustainable change happening. She loves facilitating large scale conversations through the World Café and Open Space, sometimes involving hundreds of people, as well as working with small groups and individuals.

She has more than 25 years' experience of supporting individuals and teams to learn through challenging times through individual and team coaching, action learning and other learning events. She is a coach and mentor to senior figures and to those starting out in their careers alike. Clients include BT, Birmingham Royal Ballet, Outward Housing and several SMEs.

Lesley is also experienced in evaluating qualitative change through action research including Learning Histories.

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**Sue Evans** is a people professional with over 30 years of public service experience gained from her career as a teacher, Army Officer, HR and Organisational Development leader. Her teaching skills have proven both useful and transferable throughout a career focused on people, leadership, learning and development in the Army, and subsequently in central and local government. Sue is also a Past President of the Public Sector People Managers' Association.



Sue's experience and passion enables her to champion excellence in people management across the private and public sectors, and to lead thinking, practice and innovation in HR and OD.

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**Harry Gilfillan** has over 30 years' experience in training and development, notably in the design and delivery of leadership programmes in both public and private sectors. He has introduced innovative approaches to learning and development at workplace level, engaging leaders, managers and frontline employees alike in creating more productive and healthier ways of working.

Harry is a qualified Business Coach and is responsible for Workplace Innovation's ILM accredited courses in Leadership, Management, Coaching and Mentoring. Relevant recent and current projects include the design and delivery of several bespoke courses for clients including hospital trusts, local authorities, care homes and large and small companies in diverse sectors.

Harry's early career was in training and consultancy with Thorn EMI and subsequently with Dale Carnegie. He then worked for 12 years within Nottinghamshire County Council's Economic Development Division, providing advice and consultancy support to small and medium sized businesses through a portfolio of highly innovative programmes. This work focused on developing empowering enterprise cultures throughout the workforce, enabling business owners to take a more strategic leadership role.





**WORKPLACE  
INNOVATION**  
People centred change