



# Employee-driven innovation

– a trade union priority for growth and  
job creation in a globalised economy



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# Contents

**Preface** 5

**1. Innovation at all levels** 6

1.1. Denmark's global challenge – and opportunities 6

**2. Employee driven innovation – what are its contents?** 9

2.1. Innovation and employee involvement 9

2.2. Widespread Danish cooperative culture with potential 11

**3. Employee driven innovation; extent, effects and strategies** 12

3.1. Main results of study – prevalence and effects 13

3.2. Innovation strategies – focusing on decisive factors 16

**4. Innovation tools** 20

**Literature** 22

**Appendix** 23

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## Preface

Employee-driven innovation is part of the Danish Confederation of Trade Unions' (LO) business and research policy ("Innovation at all levels", 2005). The policy is build upon a documentation report with focus on employee-driven innovation in private and public sector workplaces ("Employee driven innovation in private and public work places", 2006). Supplementary a tool pamphlet is developed as a source of inspiration for workplaces.

This paper is a summary of the analysis mentioned above

The paper is divided into four major fields:

1. Challenges and opportunities posed by globalisation.
2. What does the concept of employee-driven innovation hold – and what are its possibilities within the structures of the Danish labour market?
3. Field experience with employee-driven innovation based upon a study in Danish workplaces.
4. How to facilitate employee-driven innovation in an organisation.

Yours Sincerely

Marie-Louise Knuppert

## 1. Innovation at all levels

The vision of LO's business and research policy strategy is to ensure Denmark's sustained welfare and growth in the global age. The goal is to develop, attract and maintain jobs with high knowledge content. The means are to ensure private and public-sector employees optimum conditions for innovation.

Globalisation and the relocation of jobs from Denmark is *not a new* phenomenon. Still – by international standards – Denmark has succeeded in generating a very high level of employment and it is one of the most competitive economies in the world. This trend can be continued, but it is a question of making use of the opportunities and rise to the challenges.

It is widely agreed that a substantial part Denmark's solution to globalisation consists of a greater emphasis being placed on training, research, high technology and innovation. Ambitions in this field need to be raised, but it is also important to embed the development across society – both among regions, companies and employees.

### 1.1. Denmark's global challenge – and opportunities

Globalisation is a process that leads to closer economic, political and cultural integration across frontiers, one result being increased trade and investments.

Globalisation must be exploited to generate growth and welfare. This also applies at the international level where less developed countries should also be able to reap the benefits of enhanced international integration without jeopardising the environment and social standards. An international framework is needed for the global movements of goods, capital and labour and for the treatment of natural resources and the environment.

The technological development has led to dramatic changes in the international distribution of work and has lowered trade costs. Moreover, political changes regarding the EU and WTO have dismantled a large number of barriers preventing goods, services, capital and labour from moving freely across borders.

However, international cooperation needs to be strengthened in many forums such as the EU, UN, OECD and WTO to prevent liberalisation from running wild and leading to social dumping, among others.

Above all else, stronger international cooperation will facilitate the creation of a framework for globalisation so that it does not take place on market conditions alone. It is important to establish higher social and environmental standards in less developed countries. International agreements serve this purpose by providing a fundament for development.

The trade union movement participates directly in many international contexts and cooperation – not least in connection with the Lisbon process in the EU.

Often, the globalisation process is seen as a *threat* to small and open economies like Denmark characterised by relatively high wages, a finely meshed social safety net and strict safety and environmental requirements. However, globalisation also presents obvious opportunities for Denmark. If it hadn't been for globalisation, Denmark would never have been able to maintain its position as one of the richest countries in the world at a time when competition grows increasingly fierce.



Empirically Danish *companies* have demonstrated that they are adaptable and innovative although only a small number are research-oriented. Innovation and adaptability is driven by a market approach focusing on the users needs. Danish *employees* are characterised by a high degree of independence, cooperative skills and openness in regards of development in the company<sup>1</sup>. Furthermore, given their practical knowledge of customers, markets and needs they take on an important role in the process of innovation in the companies.

All things considered, Denmark is well prepared for the challenges posed by globalisation. However, this fine starting point must not become a pretext for doing nothing. The requirements for adaptability, professional development and innovation are challenged constantly and focus should be on how to provide the right conditions to give Danish companies the optimum basis for being innovative<sup>2</sup>. There is still a great need to strengthen initiatives, if Denmark is to remain one of the richest and most socially cohesive societies in the world.

1) Innovation Council (2005)

2) OECD (2005) Economic Survey of the Euro Area 2005 and the Ministry of Economic and Business Affairs' Division for Research and Analysis, FORA (2005), Innovation Monitor. Denmark's innovation capacity. From benchmarking to policy.

## 2. Employee driven innovation – what are its contents?

### 2.1. Innovation and employee involvement

The most important elements of the concept of innovation are that the idea must be new – this may be an idea for new products/services or new processes in the organisation. Next, the idea must be implemented to create value, i.e. improve the conditions for one or more stakeholders (the company, its customers, etc.).

Innovation is a **new idea** which, once **implemented**, creates **value**.

The values for the company can be both “hard” values such as a higher turnover, better bottom-line results, etc., and “soft” values such as greater job satisfaction, reduced stress, etc. The concepts of *implementation and value creation* thus play a very central part and are exactly what distinguishes innovative thinking or inventions from innovation. Inventions that are not implemented or create an improved output are not innovation.

Different types of innovation exist. *Product innovation* is about producing a new product. Products mean specific products and solutions and/or services rendered to a customer or a user. However, *process innovation* is intended to improve and optimise the processes in an organisation so costs can be reduced, a larger amount of work can be performed or results can be improved for users or customers. For instance, innovation can take place in the production, sales, purchasing or communication processes.

Moreover, innovation can be *radical* or it can be *incremental*, i.e. a small change of existing practices. Applying a technology in a completely new manner in an entirely new market is one example of radical innovation. This type of innovation is very time-consuming and resource-intensive and, therefore, quite rare. Incremental innovation is on the other hand about gradual or ongoing improvement in existing markets.

Some organisations adopt a *centralist* approach to innovation. In this case, contributions to the innovation process rest with a number of key staff with responsibility for development and/or research-oriented activities in close cooperation with the top management.

However, some organisations adopt a *broad* approach to innovation involving employees in the development of new products and/or work processes. In general, employees can play an important part in the creation of innovation, one reason being that they possess experience-based knowledge such as new knowledge on customer needs, new ideas conceived at the production plant, etc.

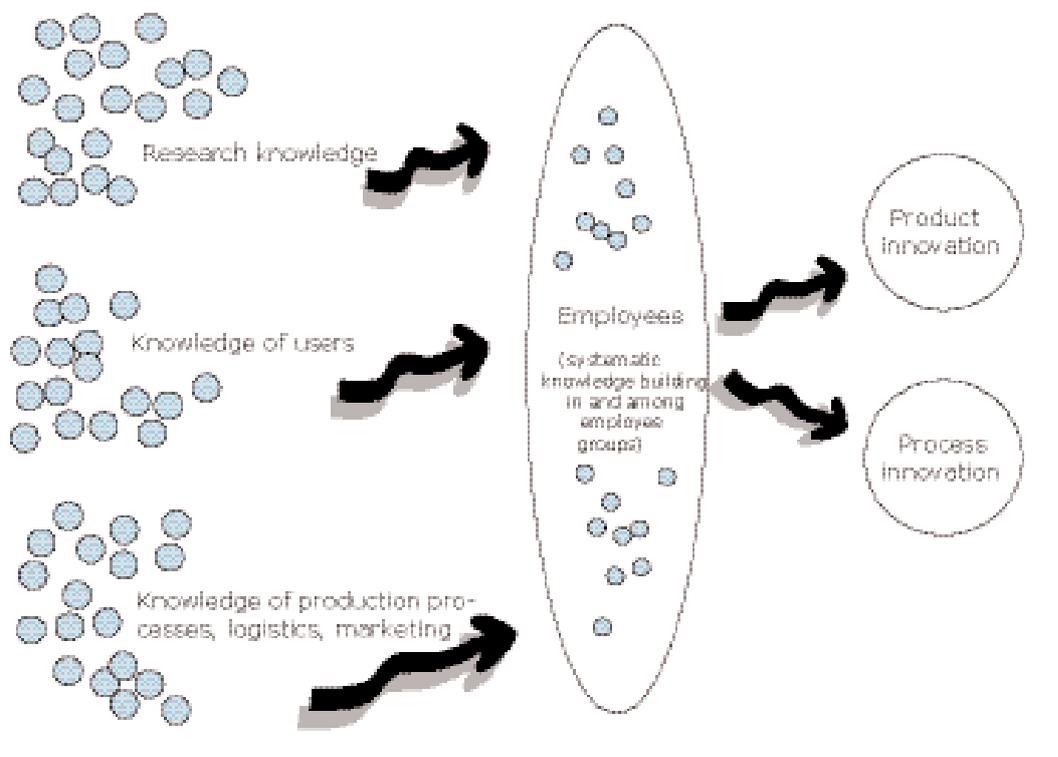
Employee-driven innovation means that the employees generally contribute **actively** and **systematically** to the innovation process.

In other words, employee-driven innovation is *bottom-up* instead of *top-down*. In the context of employee-driven innovation, conceiving ideas, implementing ideas and value crea-

tion based on ideas do not rest with a limited team of, say, engineers and other highly educated people, but are based on systematic involvement of all employee groups.

The sources of innovation may differ and draw on knowledge from research. Innovation is then research-driven. Another possibility is to involve knowledge of users and their needs. This is known as user-driven innovation. The third option is to apply knowledge on production processes, logistics or marketing. This is known as price-driven innovation, because an attempt is made to minimise costs or utilise existing resources to achieve more competitive prices. Employees always play an important part when sources are translated into innovation (see figure 1).

**Figure 1: Employees as a key element in conversion of knowledge into innovation**



The figure shows how different types of knowledge are absorbed, processed and exchanged among and across the individual groups of employees. The relevant knowledge which is absorbed will then contribute to product or process innovation.

The possibilities of employee involvement in research-driven innovation will be limited in the first part of the innovation process. However, if research-based innovation is to be put into production, unskilled/skilled workers can contribute at a later stage in the innovation process when the production employees are able to assess what is actually feasible in practise.

User-driven innovation is another matter. It provides ample opportunity to give the employees a framework by means of which they can make use of their knowledge on the companies' users and their needs. This may, for instance, be the social and health care wor-

ker at the old people's home or a clerk handling customer complaints, etc. Persons who daily accumulate knowledge of customer needs and are thus able to offer input to the development of new services/products. Thanks to their regular contact with users, employees may serve as "channels" for what is in demand or could be needed.

Price-driven innovation also offers fine opportunities for employee involvement. The employees will be able to point to possible improvements of company processes and logistics or how to use market information for selling products.

For a number of years, theoretical approaches to work organisation have offered various suggestions to modern management philosophies that focus on the delegation of responsibility to employees without direct focus on employee-driven innovation. A theoretical basis for employee-driven innovation can therefore be provided by involving management philosophies such as The Learning Organisation, The Developing Workplace, Value-based management, LEAN manufacturing and Entrepreneurship.

## **2.2. Widespread Danish cooperative culture with potential**

Different initiatives throughout the 90's and the beginning of the 2000 paved the way for employee-driven innovation in a bottom up perspective. The tendency towards less hierarchical organization, more horizontal communication across company departments and with customers and suppliers meant a more holistic organizational approach to innovation. Responsibility has been widely delegated to employees and the development of companies' human resources is becoming increasingly important.

The Danish corporate culture is characteristic on a number of central points involving employees in the development of companies. In Denmark, direct staff responsibility rests with line managers rather than a central HR function, and this makes communication more informal. Similarly, the power distance in the workplace is shorter than in many other countries. This means that Danish employees at all levels are briefed to a large extent, contribute to defining skills development needs and have more equal access to educational activities<sup>3</sup>. Furthermore, it is often possible for Danish companies to find flexible solutions by cooperating with the shop stewards in the workplace. The significance of this cooperation is emphasized by the fact that most change-oriented companies give the cooperation with shop stewards an important and positive part to play in the process<sup>4</sup>.

All things considered, Danish workplaces have a high degree of formal and informal employee involvement. This is reflected in a tradition of critical and self-managing employees, who feel a joint responsibility for the development of the company which could serve as the solid foundation of future investments in employee-driven innovation. However there are still many challenges to overcome for organizations trying to foster employee-driven innovation. Both in the literature and in the field this theme remains rather unexplored and more research needs to be done.

3) Rogaczewska 2004

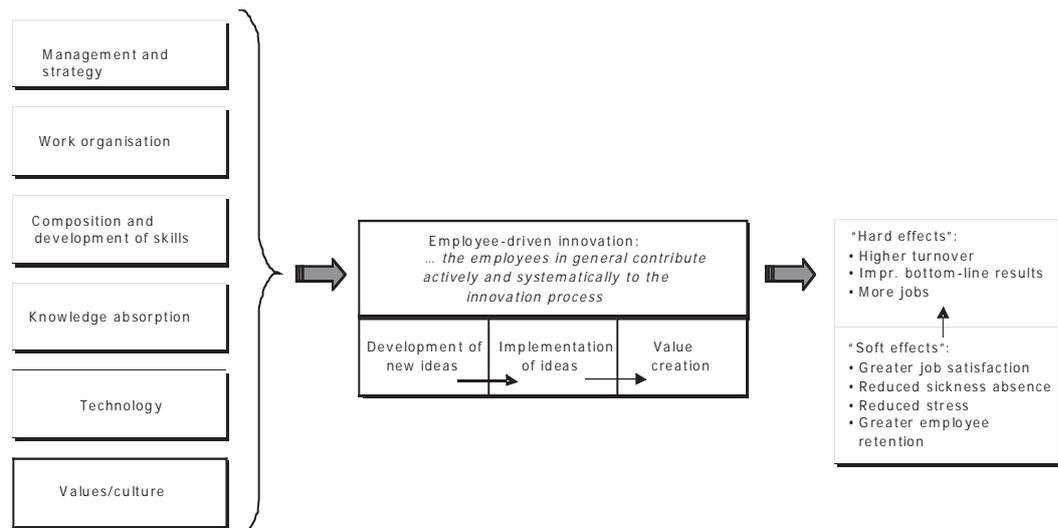
4) The DISKO project was completed as a three-year project between February 1996 and February 1999 at Aalborg University. The project consisted of four subprojects: the company, company cooperation, the company and its external environment and the innovation system in general. The project has prepared eight subreports published under the auspices of the Danish Council for Trade and Industry. A number of different modules in the project have subsequently been updated, including the large database of companies on which the studies were based

### 3. Employee driven innovation; extent, effects and strategies

In 2006 LO has commissioned Rambøll Management to map out the extent of employee-driven innovation in Danish workplaces, private and public alike, and the results of such innovation. The main focus is on how and to what extent LO employees contribute to innovation processes within three sectors: industry, services and public-sector workplaces.

The study is based on a *questionnaire survey* conducted among some 500 companies with the collection of "paired responses", i.e. both the management and the shop steward from the same workplace are asked the same questions (about 1000 responses altogether) to ensure that the responses are mutually validated<sup>5</sup>. Furthermore it is based on nine case studies based on qualitative interviews with managers, shop stewards and employees. Moreover, a literature study of existing knowledge in the area has been conducted.

#### Analytical framework of study:



The figure shows that the study takes into account a number of factors that may inhibit or facilitate employee-driven innovation, which is ultimately aimed at achieving favourable results, or *effects*, which may, again, be divided into the specified hard or soft categories.

5) The management's responses were collected first. To the extent that shop stewards from the same company did not want to respond, responses were collected from shop stewards from other companies. In practice, about 70% of the responses were "paired" responses from the same company.

### 3.1. Main results of study – prevalence and effects

The outcome of the study of employee-driven innovation is revealed in:

- A *documentation report* integrating the survey results with the results of nine selected case studies in private and public-sector workplaces that pursue employee-driven innovation
- A *tool pamphlet* to serve as a source of inspiration for Danish companies and political decision-makers, providing examples of concrete innovation tools.

#### Great potential for improved innovation processes

The questionnaire survey shows that innovation has been placed on the agenda in by far the majority of companies. Innovation is in focus and both public and private-sector companies regularly develop new products and processes.

It turns out that there is relatively great unexploited potential for improving the present innovation processes in Danish companies and organisations – this applies within both the industrial sector, the service sector and the public sector.

Employee-driven innovation with the involvement of skilled/unskilled workers is *not very significant*; a mere 41% of the responding companies involve both unskilled and skilled workers in the development of new products, solutions and services to a high or some degree. The involvement of unskilled and skilled workers in the development of new work processes is slightly higher. Here, about 50% of the companies involve skilled and unskilled workers in the innovation process.

The questionnaire also points to the fact that skilled workers are more involved in both product and process innovation than are unskilled workers. One hypothesis could be that skilled workers are more involved in the innovation process because of their broader technical knowledge compared with unskilled workers. This is not immediately apparent from the case studies, which do not distinguish between the involvement of unskilled and skilled workers. By contrast, the case studies show that unskilled workers are also capable of contributing to innovation, especially with knowledge of work processes – for instance how an idea is best implemented in the production system.

When the unskilled/skilled workers are involved, this is most frequently done at interdisciplinary meetings or in working groups. Some companies also point to the fact that the employees "collect" valuable knowledge of customers' requests, demands and ideas for product development in their day-to-day business and that this knowledge can be put to beneficial use in the innovation process through broad, interdisciplinary involvement. This may be employees at the call centre, in customer services, at the front office, in the sales department, etc. who are in daily, direct contact with the companies' customers and, therefore, accumulate strategic knowledge of customer demand.

In other words, the companies view employee involvement as a way of strengthening user-driven innovation in the companies.

If the non-significant prevalence of employee-driven innovation is compared with the fact that many of the companies *are not completely satisfied with the benefits* of their innovation processes. A mere 40% of the responding managers are very satisfied with the benefits of

the innovation process, whereas 31% of the shop stewards are very satisfied with the benefits. This might indicate *unexploited* potential for the involvement of skilled and unskilled workers in product- and, maybe in particular, process innovation.

Like other similar surveys, the survey shows that product and process innovation are closely related and that great potential remain unexploited so far. This area provides a potential path for achieving greater benefits from the innovation endeavours in the Danish companies where the employees possess valuable knowledge.

### **Employee-driven innovation affects bottom line and satisfaction**

Both the survey and case studies indicate that employee-driven innovation has a positive impact on the company's total profit performance. Hence, the involvement of skilled and unskilled workers can stimulate and support the company's development of new products and processes.

This conclusion is based on a comparison of subjective assessments of the importance of the innovation process to bottom-line profits among companies that involve unskilled/skilled labour and companies that do not involve unskilled/skilled labour in the innovation process. 58% of the managers in workplaces where unskilled and skilled workers are involved in the innovation process assess that their financial performance in bottom-line terms has improved as a result of their approach to innovation. In comparison, 41% of the managers in workplaces where unskilled and skilled workers are not involved in the innovation process assess that their financial performance has improved as a result of their centralist approach to innovation ( see table in appendix. The advantage of a subjective assessment is that it takes into account that innovation can generate results both in the short and long term.)

Comparisons of objective indicators of bottom-line effects (companies' profit margins) reveals the existence of a segment of traditionally organised companies with a more centralised innovation process which also perform well financially. The reason for this may be that there are traditionally organised companies that pursue innovation which is so technology-based that it does not make sense to involve unskilled and skilled labour to any significant extent. In these cases, innovation is primarily created by highly educated people.

The survey further shows that employee-driven innovation fosters *happy and satisfied* employees. Evidently, companies actively involving its employees in the development of value-creating products and processes report higher employee satisfaction than do companies with traditional innovation processes.

Besides, it is interesting to note that demands innovative employees may lead to both lower and higher levels of *stress at the workplace*. The case studies indicate, however, that there are both "good" and "bad" types of stress. In the words of one employees: "*Good stress is when you manage to work within deadlines and show commitment in performing your duties – bad stress is when you can't perform your work within deadlines*". The employees do not want to trade "good" stress for less influence and responsibility.

## Employee involvement – not equally obvious in all companies

The study has also identified the types of companies and organisations that work with employee-driven innovation where skilled/unskilled workers are involved - including the different approaches of companies and organisations to innovation and the characteristic features of companies that work with employee-driven innovation.

The analysis identifies five segments:

1. *Employee-involving innovators*, who involve the employees in the innovation process. The members of this segment assess that they will reap the greatest benefits from the innovation process and also have the highest score in terms of number of new products and processes within the past three years.
2. *Traditionally organised innovators*. These companies have a centralist approach to innovation, created by a circle of highly educated people, who are responsible for development and research in new product and service opportunities. They are typically large industrial companies that are good at product innovation, but not at process innovation.
3. *Sceptical small and medium-sized companies*, which are the least innovative and most sceptical to the value of focusing on innovation. This can be ascribed to inadequate financial resources or insufficient innovative management focus.
4. *Employee-involving public-sector service institutions*, which - in line with the private sector - involve their employees in the innovation process.
5. *Traditionally organised, public-sector workplaces*, where a no-fault culture ensures services/administration in compliance with current law - without scope for innovation.

The companies and public-sector workplaces that involve skilled and unskilled labour in the innovation process typically have a relatively flat organisational structure, maintain a high degree of interdisciplinary cooperation, are project-organised and work strategically with employee involvement.

In view of a comparison of the five segments, the indications are that additional benefits can be derived from a higher degree of employee involvement. If the employees' experience-based knowledge is involved to a larger extent, it is therefore possible to reap greater benefits from the innovation process, either in the form of an improved financial performance or spin-offs such as increased employee satisfaction etc.

However, it should be borne in mind that some companies among the traditionally organised innovators pursue innovation which is so research-driven that it is not relevant to involve unskilled and skilled labour in this initial part of the process. In most cases, though, unskilled and skilled workers will be able to contribute during the later stages of the innovation process. The case studies thus provide examples to illustrate that skilled/unskilled workers may play a central part in the implementation of the defined plans.

Moreover, seen from a socio-economic perspective, it is interesting to note that Denmark is home to a wide array of sceptical small and medium-sized companies that do not have the required resources or the required innovative management focus and, therefore, might need external assistance.

Small and medium-sized companies make up the core of the Danish business community,

and innovation in these companies is of particular importance to Denmark's economy. Here, increased focus on employee-driven innovation could be an obvious possibility. Bringing the employees closer to centre stage does not necessarily call for large-scale, lavish organisational changes. Instead, it requires the company to work on its workplace culture.

### **3.2. Innovation strategies – focusing on decisive factors**

Based on the companies' responses to the questionnaire, this section looks into the factors that have made some of the companies assess that the benefits from the product- and process development have been greater than other companies and, against this background, have defined valuable advice on how to optimise the innovation process.

A quantitative analytical model<sup>7</sup> identifies the factors supporting a beneficial innovation process. The analysis cuts across the boundaries of industrial companies, service companies and public-sector companies.

The benefits of the innovation process constitute an interesting and solid goal because the manager and shop stewards have the opportunity to assess the potential benefits of the innovation process – considering all factors such as market terms, level of technology, industry-specific factors, etc. Furthermore, a more general assessment is obtained. This does not solely include the bottom-line results of innovation, but also the possible spin-offs such as increased employee satisfaction, improved workplace culture, better branding, stronger market positions, enhanced customer satisfaction, etc.

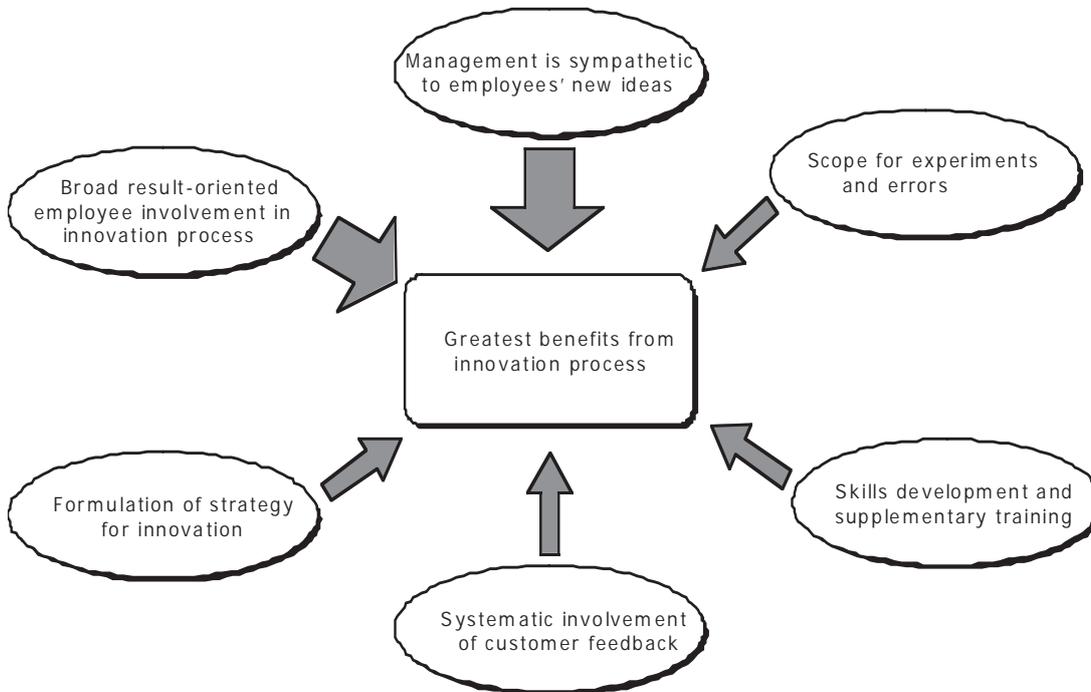
The analytical model has tested the importance of 23 possible explanatory factors to the companies' assessments of the benefits gained from the ongoing innovation process in their organisation. The tested factors included issues such as the companies' strategic considerations on innovation, organisation systems, the use of bonus schemes for remuneration of employees, corporate culture, the role of employees in the innovation process, supplementary training, company size, sector, etc.

The analysis is based on the management's replies to the questionnaire, since the management is considered to be the primary source of evaluating the outcome of the companies' innovation approach.

The figure below indicates which factors were found to be crucial to the outcome of the innovation process. Two of the arrows are bigger than the other arrows. They mark the factors that, according to the analytical model, have the most significant impact on the benefits from the innovation process.

7) A logistic regression analysis is applied – an explanatory model capable of identifying correlations between a set of explanatory factors and the explaining variable. The explanation model takes into account “false” correlations that might appear in connection with simple cross tables.

**Figure 3: Factors with significant impact on the level of benefits from innovation process**



### **Result-oriented involvement and sympathy are significant**

The model shows that broad involvement of the employees has a significant impact on the benefits from the innovation process. The employees' experience-based knowledge is therefore used as a valuable resource in the companies that assess that they will reap the greatest benefits from the way in which the innovation is carried out.

It is important to bear in mind, however, that everything revolves around the translation of the employees' ideas into concrete results. In other words, the "pro-forma involvement" of the employees is ineffective. On the contrary, it is essential that the employees can see that their ideas are actually implemented.

This is confirmed by the case studies, which show that the best incentive for making employees come forward with ideas for new products or new ways of working is by making it visible that their ideas are translated into concrete initiatives that contribute to creating value for the company and/or a facilitating everyday working life of the employees.

Hence, it is a challenge for the company management to turn the spotlight on the value of employee involvement as insufficient attention may have a "deadening" effect on the employee's inclination to contribute actively to the innovation process.

In close connection with these statements, it also appears from the analytical model that it is decisive for a successful innovation process that the management is responsive to the employees' ideas. The employees must feel that their ideas are taken into account and implemented.

The analytical model further shows that the creation of a culture in connection with which the employees see that experiments with new ideas are allowed promotes the innovation process. There must be room for experiments in the sense that the day-to-day core activities are not planned so tightly that there is no time for new thinking. Furthermore, the management must signal that it is positively acceptable for employees to pursue or test new ideas as they emerge.

Moreover, the case studies show that it is important, in this connection, to signal that occasional errors are allowed; otherwise the employees will be discouraged to pursue new ideas. A *workplace culture* where the employees focus on avoiding errors rather than on opportunities for improvement may have a negative impact on the company's innovative power. Allowing for errors may also provide a source of stress reduction.

According to the statistical analysis, *skills development* and supplementary training are other central ways of reaping maximum benefits from the innovation process. This can also be seen from the case studies which show that the employees need to be "equipped" for playing an active part in the innovation process. They need to be "*committed*" to creating innovation. The employees must have the necessary tools to be able to contribute to the innovation process and in order to view the daily routines in another perspective which includes seeing development opportunities rather than limitations.

Employee groups, such as unskilled and skilled workers, should be helped to reach a higher level of abstraction and to be able to reflect on how to improve the processes in which they are engaged. Once the employees have been trained for making this kind of observations, they may become an integral part of the workplace culture.

Innovative employees are not a matter of course. Creating employee-driven innovation is therefore just as much an investment into the employees – the return is more innovation and a future-proof skills level among the employees.

The statistical analysis also emphasises that systematic involvement of *feedback from customers/users* is instrumental in optimising the innovation process. The point is – as mentioned above, that just as the employees hold valuable information which can be translated into innovation, the information from customers/users also holds potential for the development of new products and processes. The employees are most often the ones that hold this type of information on the customers.

User-driven innovation is therefore not merely a buzz word. It is an essential element to the companies that assess they have achieved the greatest benefits from the innovation process.

Finally, the statistical analysis also shows that it is important to have a *strategy on how* to create innovation through concrete measures in the company in question. Defining goals for innovation and defining specifically how to implement this innovation at company level are thus at the core of the innovation process.

In other words, the analysis points to the necessity of being target-oriented and precise. It is crucial to adopt a strategy on how to gather knowledge in the company and translate it into new products and processes.

It is also interesting to look at the factors that, according to the analytical model, are not decisive to a successful innovation process.

### **Non-decisive factors**

Whether the company has a traditional hierarchical organisation structure or is primarily organised into projects is not decisive to a successful innovation process according to the statistical analysis.

The statistical analysis further shows that a reward for a good idea – for instance in the form of a pay bonus, a mention in the staff journal, etc. – is not necessarily decisive to whether or not the employees want to participate in the innovation process.

Furthermore, it is interesting to note that neither company size nor sector (industry, services or public sector) are significant factors in the model.

In other words, the significant factors for the greatest benefits from the innovation process are “generic” factors cutting across the boundaries of company size and sector.

## 4. Innovation tools

The results of the study provide the basis for a set of directions on how the individual workplace can get started on or promote employee-driven innovation.

Bringing the employees closer to centre stage does not always call for large-scale, lavish organisational changes. More specifically, some workplaces use a variety of simple tools, which contribute to enhancing the companies' innovative power.

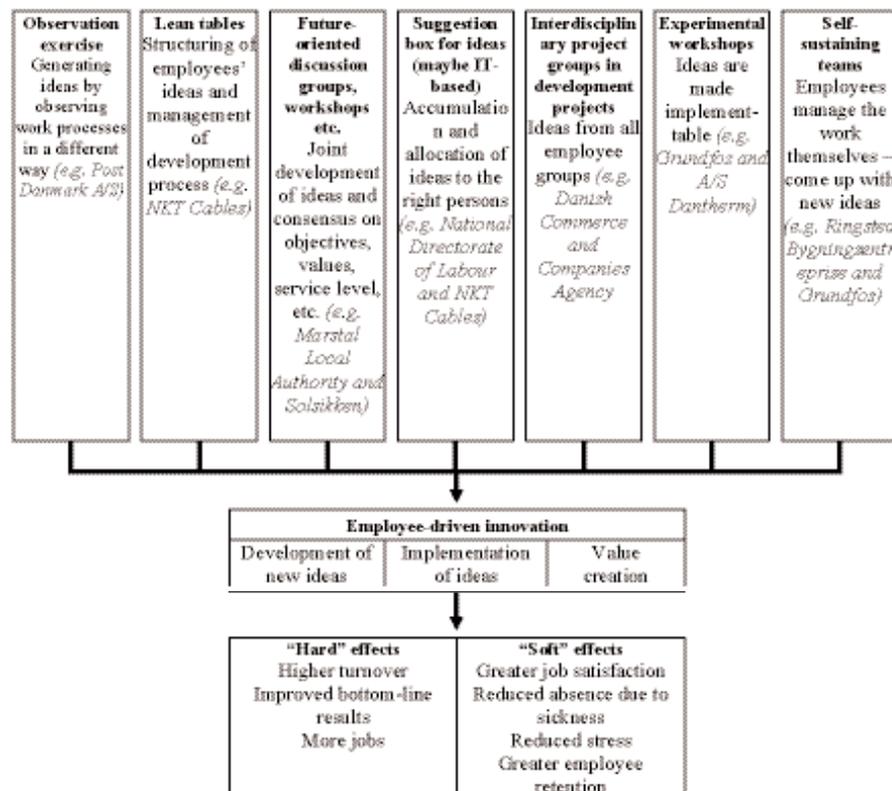
The figure below presents a broad spectrum of the tools the companies of the case analysis use for employee-driven innovation.

The tools take into account all the employees' ideas and resources and have offered the companies added growth, improved procedures, a higher service level and greater employee satisfaction.

The tools can easily be combined – some workplaces thus use two or more of the tools in combination.

The tools have one thing in common. The tools are backed by a workplace culture that encourages the employees' inventiveness. Hence, employee-driven innovation consists of an interplay between the use of specific tools, such as the ones mentioned in the figure below, and an underlying innovation culture which is broadly embedded in the employees.

### Overview of tools:



Changing the workplace culture is not always an easy task. It may be difficult to change the self-perception and identity of the employees and the management.

An innovation culture at the workplace implies that the individual employee not only focuses on performing his or her duties, but also considers whether the duties could be performed more appropriately and has the resources for changing the solution of tasks. An innovation culture also implies that the employees are capable of cooperating with other specialist groups regardless of educational background, etc. Furthermore, an innovation culture implies, not least, that the management listens actively to the employees' ideas and encourages them to take part in the innovation process.

In this connection, is it worth noticing that the national study points to some concrete advice for the management with a view to creating such an innovation culture at the workplace:

1. The management should be open to the employees' proposals and ideas - "pro-forma" involvement is ineffective.
2. Allow the employees to see that their ideas and proposals are translated into concrete initiatives - the employees are primarily motivated by seeing that they make a difference.
3. Offer the employee's skills development which will provide them with the tools to see development opportunities in their day-to-day working life - the employees must learn the required skills for participating actively in the innovation process - the capacity for innovation does not come about automatically.
4. Provide scope for experiments in the day-to-day working life - take care that the employees do not only focus on avoiding errors, but instead dare challenge existing practices and constantly try to improve them.
5. Start where the company is today - "check" your workplace culture - do the employees contribute to innovation in broad terms?

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## Appendix

### Extent of EDI: Process innovation

	Share	Total
Both unskilled and skilled workers involved to a high degree or to some degree	51%	172
Unskilled workers involved to a high degree or to some degree + skilled to a low degree/not at all	2%	5
Unskilled workers involved to a low degree/not at all + skilled workers involved to a high degree or some degree	31%	106
Both unskilled and skilled workers involved to a low degree/nor at all	16%	55
Total	100%	338

Source: Survey among leaders. No significant difference between leader's and shop steward's replies

Not relevant/don't know n= 192

### Effects off EDI: Economic bottom line

What has the company's approach to process innovation meant to the company's economic results?

	Better	Unchanged	Worse	Total
<b>Management's assessment</b>				
Companies where unskilled and skilled workers are involved in the innovation process	58%	41%	1%	100% (n=147)
Companies where workers are not involved in the innovation process	41%	52%	4%	100% (n=137)
<b>Shop stewards' assessment</b>				
Companies where unskilled and skilled workers are involved in the innovation process	55%	41%	4%	100% (n=73)
Companies where unskilled and skilled workers are not involved in the innovation process	39%	49%	12%	100% (n=47)

### Effects off EDI: Job satisfaction of workers

What influence has the company approach to process innovation had on the contents of the work?

	Better	Unchanged	Worse	Total
<b>Management's assessment</b>				
Companies where unskilled and skilled workers are involved in the innovation process	71%	27%	2%	100% (n=147)
Companies where unskilled and skilled workers are not involved in the innovation process	52%	43%	4%	100% (n=143)
<b>Shop stewards' assessment</b>				
Companies where unskilled and skilled workers are involved in the innovation process	55%	39%	7%	101% (n=132)
Companies where unskilled and skilled workers are not involved in the innovation process	41%	45%	14%	100% (n=93)

### Effects off EDI: Stress

What has the company's approach to process innovation meant to the stress level among the workers?

	Higher	Unchanged	Lower	Total
<b>Management's assessment</b>				
Companies where unskilled and skilled workers are involved in the innovation process	26%	56%	18%	100% (n=145)
Companies where unskilled and skilled workers are not involved in the innovation process	26%	66%	8%	100% (n=132)
<b>Shop stewards' assessment</b>				
Companies where unskilled and skilled are involved in the innovation process	30%	50%	21%	101% (n=123)
Companies where unskilled and skilled not are involved in the innovation process	38%	53%	10%	100% (n=95)

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