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„BMInno – Betriebsräte und Mitarbeiter in betrieblichen Innovationsprozessen“ ist ein Verbundprojekt, das aus Mitteln des Bundesministeriums für Bildung und Forschung im Rahmen des Programms „Arbeiten – Lernen – Kompetenzen entwickeln – Innovationsfähigkeit in einer modernen Arbeitswelt“ sowie durch den Europäischen Sozialfonds (ESF) gefördert wird. Das Projekt arbeitet mit sechs Unternehmen aus dem Bereich der Metall- und Elektroindustrie zusammen, die unter Beteiligung der Beschäftigten und ihrer Interessenvertretungen systematisch Potenziale für betriebliche Innovationen erschließen. Im Zentrum der Untersuchung steht die Analyse von „Sanierungs- und Innovationsvereinbarungen“ und weiteren neuartigen Instrumenten des Innovationsmanagements sowie die Identifikation und Bewertung von Erfolgsfaktoren und Hemmnissen für eine beteiligungsorientierte Gestaltung von Innovation.

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## 1 Introduction

Which role and facilities are available to trade unions and works councils within the countries of the European Union to co-influence innovation in companies and institutions? This is the main question dealt with in this literature study. Four short country reports will be presented to analyse this question. It will be shown that there are substantial differences between and within countries, due to industrial relations practices, trade union power (density) and policies, government regulation and facilitation, management traditions and activities of other stakeholders.

There is a bunch of literature on the question if and how union involvement can lead to better, more social and more sustainable innovation. It is a major question in research since long. Labour economists have dominated the research area on this topic. In the US, where unions were almost only active at the work floor level, seven different research projects between 1986 and 1992 concluded involvement of trade unions had negative impact on innovation and/or R&D in companies. Two UK studies showed respectively no significant relation in single workplaces and a positive influence of unions in low tech industries. One Canadian study found no significant positive or negative relations (van Gyes, 2003). Three comparable German analyses from the same period concluded that no statistically significant negative influence of unions on innovative activity showed up from industry. At establishment level the presence of a works council – but only if union density was not "too high" – worked out positive on R&D (Schnabel & Wagner, 1992, 1994). Schnabel and Wagner argued the difference in effects between the USA and Germany reflected differences in the industrial relations systems.

More recently Totterdell (2009) analysed employee involvement in innovative activities in five European countries with quite different systems of industrial relations. He could not find much evidence of a direct positive or negative causal link between 'representative participation' (i.e. unions or works councils negotiating or agreeing innovation partnerships with employers or employers' organisations) in these countries and improved organisational performance in terms of, for example, productivity, customer satisfaction or quality of working life. It might well be the eventual positive effects on company performances can only be measured in the long run, and in terms of dissemination of results and the promotion of learning organisations, among which the unions themselves.

Another important question therefore is what involvement in innovation processes means for trade unions and works councils themselves. Influencing innovation can only be one subject

of trade union or works council operations. Pushing innovation has to be combined – and has often to compete – with other important objectives like employment protection, wage negotiations, social plans and political pressure.

Here we have to question if trade union innovation directed activities fit into the broader palette of trade union policy and activities, and even strengthen trade union positions and instruments as such. In short: do unions and works councils themselves get sufficient 'return on investment' to their eventual participation or initiatives in innovation?

A third question concerns the direction and outputs of innovation. Do we measure effects only in market and employment terms (higher productivity, strengthening the position and results of the company, better perspectives for the company, retainment of employment within the company), or do we - also - validate the results in terms of quality of products, services and employment, which most labour economists tend to neglect? In particular innovation towards greening of the economy (a pillar in the EU 2010 policy) and the quality of new employment resulting from innovation could be essential elements of this last orientation.

The fourth and last question emerging is about the (pre)conditions and facilities needed to enable unions and works councils to play a role in this field. Do regulations exist that guarantee unions and councils a place in the innovation processes? Or does their role depend from what management accepts? From which moment can they be involved? And which are the main facilities needed to play a role as an important stakeholder and co-owner of these processes?

Against the background of these key questions we will roughly compare the policies and activities of trade unions vis-a-vis innovation in four European countries. Elements for this comparison are:

*What is the influence of industrial relations, national systems and initiatives, social dialogue practices and trade union strategies on involvement in innovation in four different EU countries? Which legal and other incentives help unions to play an active role in innovation processes, also directed at greening of the economy? Do and can unions facilitate members and representatives in this field? And how does the national picture relate to trade union policies and involvement at EU level? Which legal and other incentives help unions to play an active role in innovation processes, also directed at greening of the economy? Which are results for the country as a whole, for companies and for trade unions and employees? And how does this relate to trade union policies and involvement at EU level?*

To answer such questions we selected four EU countries with different industrial relations histories and various innovation policies at the national level. Germany was not among the po-

tential countries, as in this country a special project BM INNO has been running from 2008 - 2010, to analyse and exchange experiences with German unions, managers and works councils influencing innovation. As a sort of benchmark for the German project, our research has been pushed for by ETUI and the German project management.

## **2 Research design and methodology in short**

This short study has an exploring character and is only based on literature. The literature analysis was mainly oriented at country levels. Partly also at trade union involvement in innovation in a more general sense – not directly linked to single countries or industrial relations systems – to develop a common framework. Differentiation between trade unions and works councils has not been given too much room. Both institutions represent employees, but works councils have to focus on the employees in one company, where as unions represent their membership and are mostly involved or active at more levels than workplace or company. In countries with this dual representation the formal regulation concerning unions and works councils varies. Only when very necessary to understand the analysis, this report differentiates explicitly between the two.

For this a study a quite general concept of innovation has been defined, only differentiating between product/service/process innovation, social innovation and innovation of trade unionism and industrial relations. Four European countries with various industrial relations systems and trade union orientations have been chosen for a somewhat more detailed description of experiences, systems and facilities:

- the United Kingdom, as a West-European example of trade union innovation orientations within a system of more antagonistic industrial relations, with a higher union density than in Germany, but below 30%
- Finland, as a representative of Nordic inclusive industrial relations, with one of the highest union densities in Europe
- the Netherlands, a mid European country with comparable dual representation at company level (trade union and works councils, both with representative rights and facilities to participate in innovation processes); union density is at an equal level with Germany, around 20%

- Spain, representing southern European countries with relatively influential unionism at national level and a more antagonistic approach at company levels; union density is at 15 % lowest of the four countries studied.

First trade union innovation participation will be analyzed in general, to identify the most crucial research question for country exploration. The main findings of this effort can be found in paragraphs 3 - 5. The experiences in the four countries follow in the next paragraphs (6 - 9).

Taking in account the German experiences in the BM INNO project and the main topics in general literature four target questions for description of the situation in these four countries have been selected, followed by one more general question :

1. What can be said about the national trade union orientation towards (influencing) innovation, what is their formal position at various levels, which facilities/rights are available to play a role in this field?
2. Which have been the main involvements and activities in the field of innovation trade unions (and in some countries: works councils) have participated in?
3. Are data available about the effects of eventual innovation activities from a union perspective, for companies and industries, for the employees involved and for (their position of) unions and works councils?
4. As the EU has forwarded innovation into 'greening of the economy' as one of the sustainable ways out of the actual crisis, have unions in the various countries recently played a role in this special field of product, service and process innovations?
5. Can we formulate lessons for European trade unions in general and their representatives at European level in particular? (See the final paragraph of this report)

These are not all the relevant questions literature presents. The innovation processes themselves could be analysed more in depth, as well as the role of other stakeholders (management, experts, consultants, disseminators, or researchers), formal trade union policies on innovation.

This would be too much for the small scope of this research. But it should be kept in mind: in just using the general framework 'trade unions and innovation' a lot of varieties and special features of innovation development will not be covered in the paragraphs following.

### 3 Levels and categories of trade union involvement with innovations

Within a country, trade union influence (and works councils influence respectively) on innovation can be analysed at five different levels at least. Activities at these levels can be connected and interrelated, but research shows this is not always the case. Here an overview of these five levels:

- Influence at *workplace level with the involvement of individual employees*: facilitating or involving employees (by a union and/or a works council) in the processes running
- Influence at *company level* – the innovation strategy and activities of firms: negotiating the main conditions and the “management” of innovation processes, being part of the innovation process itself, providing tacit knowledge and ideas from employees in and outside the company (by a union and/or a works council)
- Influence at *sectoral level*: promoting innovation of sectoral objectives, providing sectoral funding for innovative activities and specific competence building, providing tools, helping to disseminate corresponding results in outside the sector
- Influence at *national or regional level*: participation of unions in innovation fora and programs, partnership in strategic planning of R&D and research dissemination
- Influence at *transnational level*: the role unions can play in framing innovation (policy) in the European Union, in European branches and in multinational companies (included the input from European Works Councils)

At these different levels a variety of fields for influencing innovation is available. Here we differentiate between three main categories:

- *Product and services innovations* (partly including process innovation) in order to improve the productivity, the quality (of products and services) and the performance of companies. This can be short term (one or two new products or services developed) or longer term (the future of the company and the sector, towards 'greener' products and services,
- *Innovation of work organisation, Human Relations (HR) and the social aspects of company management*, in some countries referred to as “social innovation”: This so-

cial component of innovation can also act as an important condition for product or services innovation, as the “innovation paradox” illustrates. <sup>1</sup>

- *Innovation of industrial relations and of the institutions in which they operate* - trade unions as innovators of their own activities and organisations.

In all these cases, the role of trade unions is at least to protect employees from being victims of the innovation plans – and, at best, to play an active role in the innovation process, and to provide opportunities for employees to become co-creators of innovation.

#### **4 Representative participation involved – a success factor for innovation processes? And how to measure effects?**

As mentioned earlier, evaluations show little evidence of a direct causal link between representative participation and improved organisational performance in terms of productivity, customer satisfaction or quality of working life. At first sight this seems rather disappointing. Why would unions invest energy, facilities and time into processes without a certain perspective that these activities will have positive results for all stakeholders, and at least for union members and employees in general? Totterdell (2009) gives one possible explanation for the outcomes: it might be that innovation directed representative participation as a sole activity will fail to overcome low levels of management trust in the workforce – and low trust is a bad condition for any innovation process. If unions participate in formal structures and agreements at national, sectoral or regional levels, there is no guarantee they can be successful stakeholders at the workplace.

Alasoini, one of the architects of the Finnish innovation programs in which unions play an important role, claims that unions (and employers organisations) should try to abandon conflict orientations and negotiating practices if they want to achieve structural and successful involvement in innovation processes: “The role of labour market organizations [in innovation programs] can be important in the future if they are able to consider questions related to workplace development in other ways than those based on traditional bargaining logic. They must also overcome any power struggles or unresolved issues between them that could inhibit their ability to take on this wider, development-oriented perspective” (Alasoini, 2009). However, this would not solve the lack of trust among employees. On the contrary, trade unions than would have to include (and to overcome if needed) existing conflicts and mistrust in their

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<sup>1</sup> Volberda (2005) claims that only 25% of innovation successes can be traced back to investments in Research and Development (R&D) and 75% to “social innovation” (in terms of smart ways of managing an innovative organisation of work). See also the paragraph on Unions and innovation in *The Netherlands* (5.3).

innovation strategies during the process, in order to play their autonomous and irreplaceable role. Knowledge and experience about distrust among employees and the arguments behind it are just one reason why unions will be useful and necessary partners for management.

Partnership experiences in the UK, in a context where trust cannot be expected from scratch, are of use to analyse the surplus value of agreements at company and other levels on the one hand, and concrete innovation processes in the workplace on the other hand. Research suggests there is indeed a connection between the involvement of the union and the organisational performance, but not as a direct interrelation which might be expected. A survey showed that almost all UK companies/managers with “representative structures” (as a recognised position of trade unions in the company, which is not the case in most UK companies) felt that their approach to management-employee relations kept them up with or ahead of their competitors (Guest & Peccei, 1998). Half of the respondents believed that partnership (in its broadest sense) is a potential factor for improved products and services (innovation), sales growth and volume, profit margins and overall profitability.

There are signs that representative partnerships can have a positive influence on activities and practices leading to a better performance of the company - in fact an indirect effect. UK and US researchers analysed partnership arrangements (representative participation) in combination with “participative workplace practices” (direct participation). Where these combinations had developed, they found mutual benefits through improved information sharing and greater levels of trust between employers, unions and employees (Oxenbridge & Brown, 2004), leading to a heightened impact on performance (Applebaum & Batt, 1995).

A Canadian survey among trade union representatives and managers involved in innovation processes measured the rate of trust before and after innovation processes with involvement of both parties. For building trust two conditions seem decisive: interdependence of the actors, and (the possible amount of) risk in the face of the future and unknown behavior of their counterpart. Trust therefore 'is not a given, but is rather a social construction that develops through the interactions of the actors at work'. Both unions and managers in manufacturing showed lower levels of trust than in services, before and after the process. The trust level had gone up during the innovation activities, but less with the union representatives than with managers. *'This shows that the relationship is asymmetrical: the union representatives have less control over the situation and feel more vulnerable to potential opportunistic behaviours on the part of their management counterpart.'* The process of adopting innovations turned out

important for improving the trust relationship, both when these innovations were adopted to respond to human factors rather than factors linked to productivity, as well as when they were established through a negotiation process and a joint monitoring mechanism (Laplante & Harrison, 2008).

Boxall and Purcell (2003) characterised the combination of representative and direct practices of involvement as the employee 'voice': employees have a common voice (in the form of representative involvement), which enables them to take responsibilities and initiatives directed at innovation. In this way representative partnerships, as more formal agreements, create opportunities for employees to be involved with greater autonomy into direct participation (Applebaum & Batt, 1995). Here, formal agreements pave the path for less formal, trust based activities at the workplace. The combination is reported to produce a higher workforce commitment to the organisation, reflected in lower levels of absence, turnover and conflict, and improved performance (Applebaum & Batt, 1995; Huselid, 1995). Only in the combination with representative participation fruitful innovation projects with employee involvement at workplace level seem reality within Anglo-Saxon-like industrial relations.

For employers it can just be the other way around. Too much attention on formal representation can in their opinion stand in the way of productive innovation processes including representative participation. Those employers, pursuing high-performance, high-involvement practices were likely to be impatient with traditional adversarial approaches to collective representation (Kessler & Purcell, 1995). Not the collective representation, but the dominant way of expressing it seemed less productive in their view.

However there is more in the combination for employers than they sometimes realise themselves. Employees who experience consultation and involvement could seem to be more willing to 'go the extra mile' (Purcell et al., 2003). Teague (2005) argues that partnership can be a condition to improve organisational competitiveness: mediating between employee wishes for decent work and managerial efforts to upgrade performance, - two aspects not always together in a win-win package - the union can help overcome resistance to innovation.

Still, for many UK employers partnership is not undisputed. Many managers still favour direct communication with their employees, denying a role for trade unions. Anglo-saxon research found out they only wanted partnership agreements if unions were able to directly add value to the business (Ackers et al., 2005).

**Unions involved in innovation – only co-operating?**

For countries with less antagonistic industrial relations, or with more formal rights and facilities for unions and works councils anyway, the need for special representative agreements could be less urgent than in the Anglo-Saxon-like systems, as there could already be a base for trust in the general system and regulations as such.

Nevertheless, the findings from literature once more pose the question: Could unions only play a role in innovation if they abandon conflicts or bargaining practices? Or is it indeed their potential capacity to contribute to overcoming these conflict practices and experiences during a process of innovation which makes them interesting and productive partners?

This question is not only relevant in antagonistic industrial relations systems like in the UK. The capacity for reducing conflicts is equally important for workplace representatives in Finland, works councillors in The Netherlands and trade unions representatives in Spain, as experiences and literature in these countries indicate. Trade unions and works councils can and might co-operate with employers, and vice versa, in situations where zero-sum outcomes are not the only possible result. But they would still argue to combat and use power in other situations. Co-operating at one playing board could hinder a real powerplay at the other one.

**Monitoring and dissemination of results - the union as multiplier?**

One special role for representative participation is facilitating the dissemination of results to other places and employees. As unions can operate at the different levels (summarised in par. 3), they should be able to bring experiences from company level to sectoral and national level and even to transnational levels - and vice versa. Involving unions could serve a better dissemination of what is going on, and maybe speed up and intensify processes in a sector, nationally or even within the EU.

In theory this is indeed one of the longer term surplus factors union involvement can produce. In reality this is less simple to realise. First, innovation processes do not seem to be pushed forward by simply following good examples. Each company situation is different from most of the others, and innovation often implies changes in routines, culture and employment of the employees. That is why the Finnish TYKES program changed its dissemination spearheads from communicating the best practices into promoting and organizing 'dialogue' between innovators and others. The way lessons can be learned is and should be decided by the stake-

holders in each company and cannot be implemented by a 'waterfall' model. Dutch researchers claim that management has to handle a series of dilemmas to solve on their way to innovation, instead of just following a 'shoppinglist' (Prud'homme van Reine & Dankbaar, 2009). Qualitate qua this is also the case for unions at company and other levels. There is not one dissemination strategy. Instead, the organisation of a targeted dialogue within and outside the union, in combination with internal trade union knowledge management seems the best solution to contribute to innovation intensification. Precondition is that the union is active and reflecting at several levels, and brings these elements together.

In many European countries engagement of trade unions and employers' organisations is seen as a positive factor for development and effects of national innovation programs and incidental initiatives. At the policy level social partner involvement in initiatives affecting the workplace is not an exception, as it is seen as an essential precondition for success, dissemination and sustainability of innovation programs. Social partner involvement also can help to seduce and recruit companies and their management to participate in these programs.

Totterdell (2009) evaluated five recent national innovation programs in North and Western Europe (Germany, Finland, France, Ireland and Norway). In all cases social partners were formally involved. Their role however was more advisory than one of active participants. In each of these five programs, workplace trade union representatives were automatically consulted and involved in projects from the design stage onwards. They were seen as potential sources of knowledge and as experts who understand "what really works" in an organisation, as well as sources having the power to confer legitimacy to the project in the eyes of the workforce.

Experiences in countries with national initiatives helping social partners to enter the innovation arena show that formal rights for involvement of trade unions and works councils are not the main success factor. Not the formal right to participate, but the condition to make this participation effective and sustainable is a key argument for unions to invest in innovation or not. Have workplace union representatives and works councillors been provided with the knowledge and/or competencies to act as effective participants? In the programs and countries Totterdell evaluated, this was not the case. Many social partner representatives seem to lack the relevant capacity.

Concentrating innovation activities at other levels than the workplace would be a mistake for the sake of innovation as well as for trade unions, alienating themselves from the playing fields where innovation and employees involvement are most essential and influential. Here

we agree with Totterdell (2009): *"Professional union officials at regional and sectoral levels can be involved and do their best, but they should not be seen as substitutes for frontline union representation, lacking the tacit knowledge of the individual workplace."*

## **5 Role, position and competencies of trade unions at various levels, and the consequences for innovation processes**

These findings illustrate one major element in the relation between trade unions and innovation: It is not the formal rights and facilities, which are the deciding factor for the role and the position of unions and their representatives in innovation processes, how important they might be as preconditions for better involvement. In this regard, at least two other questions seem to be important:

- Are unions capable – and is it permitted within the national industrial relations system and regulations – to influence innovation at different levels and to facilitate employees in workplaces to be relevant stakeholders and involved players?
- Are unions able to operate as “learning organisations” in the field of innovation policy, enabling their members and officials to use experiences and knowledge from one (work)place or policy level to other ones and vice versa?

The competences and positioning unions need to serve their membership in innovation participation are not identical or comparable. Influencing innovation at a certain scale implies strategic choices and investments in organisational logistics and competences. Organising employees and interest based bargaining are still central tasks of any trade union in the world. For works councils the situation is somewhat more complex, but for most of them the confrontational position is dominant - which is linked with their representational role. However for specific topics this position, and the competences involved, is not enough to get optimal results. Innovation seems one of these.

Here the capacity to combine confrontational (distrust), co-operational (trust) and expert (knowledge sharing) strategies and tools is essential. This can be a heavy burden and challenge for trade unionists and works councillors. But if lacking such competencies, they will often see no other choice than taking up a confrontational position, which will not easily lead to the best results for all stakeholders.

Obtaining a variety of skills for strategic use in various contexts is one side of the medal. The dilemma's have been analysed in terms of the metaphor 'boxing (= confrontation with a zero

sum outcome) and dancing (co-operation with chances of zero-plus results, but no guarantees). In most cases the two strategies will have to be combined to respond to the needs of the employees and the company/management (see Huzzard et al., 2004). Unions or the works council might be seen as more successful or important during conflicts – even if no single process towards innovation had been achieved – than during long term co-operation, which seems a precondition for zero-plus results (van Klaveren & Sprenger, 2004). The works council could have a comparable performance problem: Even if management and other stakeholders admire the work of the employee representatives, unions and works councils not always receive the same positive feedback from the people represented.

Combining trust and distrust dominated strategies is not only a complicated task for employee representatives. It can also hamper the other goals and activities of the union: attracting new members, organising campaigns, collective bargaining. The result can also be that the exposure of the union (power) is more difficult and less obvious than in a single boxing strategy.

This should be kept in mind when looking at the surplus value of representative participation for innovation processes in the following paragraph.

### **Summarising**

Two preliminary conclusions can be drawn, before moving to practices in four EU countries:

1. Successful representative involvement in innovation has to be part of a general union strategy in this field, taking in consideration the whole field of union activities and goals. Only than unions can offer enough skill building to combine representative and direct participation successfully, and to get optimal results from its innovation efforts.
2. The role of unions as disseminator and multiplier of innovation practices, including the trust building needed, is more difficult than sometimes suggested. First, it can only be fulfilled successfully, also for the benefit of unions themselves, if trade unions are involved in these processes at most levels of industrial relations, from workplace/company to (trans)national level. Second, it is not a question of duplicating successful processes at other places, but of using these experiences for new – and likewise different – processes else. A form of accessible sharing of innovation knowledge, eventually in cooperation with researchers, should be a first condition. Organising dialogue directly (in local or regional settings) or indirectly could be the second necessity.

## **6 Unions and innovation in the United Kingdom**

### **6.1 Partnership a facility for union involvement in innovation?**

In the UK, the 1997 New Labour government sought to make a visible break with the Conservative policies of the past that had concentrated on diminishing trade unions' influence in workplaces and in the industrial relations system. The new government was clearly more interested in the role of trade union and employee involvement at the workplace level. From 2005 unions have consultation and information rights, which could provide a certain 'entrance' in company processes. This did not lead to a direct boost in union-management innovative company initiatives (Hall, 2005).

An example of the new government orientation was the Partnership Fund, established by the Department of Trade and Industry in 1999 (the predecessor of the Department of Business, Innovation and Skills in the last Gordon Brown Labour government). The Fund supported small-scale projects to change work practices until 50 % of the costs, based on collaborative action between management and employees. These could be workplace projects (the vast majority), dissemination of key messages and strategic projects, providing support to intermediaries.

During the five years of its existence DTI has funded 249 workplace projects and over 20 strategic projects and committed over £12.5 million under the Fund up to 31st March 2004 (DTI Website).

For trade unions the Partnership Fund created the opportunity to get more involved in innovation at workplace level, as UK unions have still a relatively strong position at workplace level. Since then projects run, addressing workplace innovations such as team working, continuous improvement, working time, family-friendly practices and tele-work, in fact mainly concentrating on social innovation (HR and work organisation).

Since 2004, the Fund was no longer continued, despite a positive evaluation of its impact (Totterdell, 2009), because the government redistributed its spending after getting involved in the invasion of Iraq.

## 6.2 Union position

The role of trade unions in these projects was to negotiate partnership agreements with company management and to guide/monitor the innovation projects with the help of shop stewards and officials. Already in 2001 TUC and the employers' organisation CBI made a joint statement that "*optimal results are achieved where there is a mix of direct employee involvement and indirect participation through a trade union or works council*" (CBI-TUC, 2001). Although the Trade Union Congress (TUC) had clearly welcomed partnership as one path towards improvement of work and workplaces, the concept was not generally accepted or embraced by all British unions. It was difficult in the UK industrial relations system and union cultures, to combine the partnership concept with more conflict-oriented strategies like wage bargaining (also at company level) and 'organising' campaigns, although unions did not always make unilateral strategic choices.<sup>2</sup>

The disappearance of state funding (the removal of the Partnership Fund) and the ambivalent positions within the UK trade union movement did not wipe out the necessity to involve trade unions in innovation processes. Close to the end of its term of office the British Labour government commissioned an analysis of practices and ideas on "engagement" of employees in relation to performances. The researchers identified many examples of successful innovation projects with a key role for employees. Both unions and employers/managers assessed the examples and the potentials of employee-based innovation positively. Formal involvement of trade unions was seen as a precondition. In some of the cases consulted unions expressed their fear employee-based innovation could lead to higher productivity without rising employment costs (unpaid overtime), if the unions could not co-decide on the conditions of innovative projects (MacLeod & Clarke, 2010; cf. UKWON, 2010).

Former Secretary of State for Business, Peter Mandelson, commented the results of the study as follows: "There has never been a more important time to think about employee engagement in Britain. This report helps take forward that debate. It sets out what government can do to help promote an understanding of just how much greater employee engagement can help improve innovation, performance and productivity across the economy. It launches a challenge that my department will take forward in the months ahead".

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<sup>2</sup> Although Heery (2002), evaluating partnership and organising strategies in UK unions, found that unions act rather pragmatic, and that they combine partnership in some companies with conflict strategies in other companies, depending on the conditions for influence.

It is to be questioned if the new Cameron administration will honour this prospect. However, the report provides an overwhelming amount of practices and suggestions to speed up and support processes like these for the near future.

### **6.3 UK unions and innovation towards greening of the economy**

In April 2009, the TUC launched a new publication which documents the results of research in which organisations were asked what they were undertaking in order to tackle climate change (TUC, 2009). The report contains a series of recommendations for unions, government and employers, including:

- The government should produce new guidance on adapting workplaces to deal with the impacts of climate change.
- Employers should be encouraged to adapt their buildings so that their staff are secure and can work comfortably.
- A new maximum temperature should be introduced, above which employees would not be expected to work.
- Employers should work with their employees and unions to develop adaptation policies that work and that are sustainable for the long term.

Does this policy document at national level reflect a practical involvement within companies? Not automatically. In its conclusions TUC observes most initiatives towards a greener economy at company levels come from the public administration, external forces and shareholders. Exceptionally an employee takes the lead. Representative participation is scarce and that is not a positive sign: *'It appears that adaptation in UK organizations (public and private sector) is currently driven by Government policy and legislation, potential (or actual) changes in insurance policies, and concern from investors. In a few cases, the underlying driver has been heightened awareness of the issues and a particularly motivated member of staff. These drivers lead primarily to a focus on outward-facing adaptation, with the risk that issues of employee welfare may be overlooked.'*

TUC also tries to prepare employees and its members for important future changes in workplaces and employment, due to green challenges. The fact that these perspectives can bring lots of insecurity to employees is an extra argument for the unions to be involved in the discussions and the processing of these innovations from national to workplace level (TUC, 2008; Syndex et al., 2009).

TUC is quite active in mobilising for green innovation involvement. A guide for members was developed, aimed at union representatives and members who are interested in becoming involved in green issues at the workplace (TUC, 2007). It describes the role of a *union green representative* and contains information on issues such as carbon offsetting, lighting, water and recycling. It helps to achieve 'quick wins' and longer-term improvements at work.

Since April 2009 TUC runs a monthly online newsletter 'Green Workplaces News'. Annually it runs a climate change conference. And with the help of government funding the TUC has established a national Green Workplace project in which union environmental representatives in just over 1000 workplaces get training, material and support from a project officer support. This should help these green representatives to develop skills and position themselves as a link between staff and management to encourage change (Broughton, 2009). A striking example is the role of environmental reps at the British Museum, resulting in a decrease of the energy budget of around BP 700,000 (BERR, CBI & TUC, 2009).

For other union representatives the TUC offers a series of courses helping them to recognize environmental changes affecting workplaces, to find appropriate environmental legislation, policies and information, as well as identify environmental problems and opportunities for trade union action.

#### **6.4 Concluding**

UK trade unions seem still ambivalent about the need and results of union-management cooperation in workplaces to foster innovation. In the field of greening the economy, where TUC and unions are rather active at national and workplace levels, common activities seem less problematic. The green agenda at national level, combined with many incentives and facilities for representatives in companies, shows the British unions are able to take a multilevel approach in innovation, despite scarce institutional and financial means compared to unions in some other countries.

## **7. Finland**

### **7.1 Trade unions and national workplace development programs**

Finnish trade unions have a strong position at national level as well in companies. Although trade union density gradually decreased like in most EU-countries, still 7 of 10 employees are members. From the beginning the unions have participated in national programs aiming at a more innovative and productive economy. This participation reflected the integrated position of Finnish unions in national debates and policy making.

The first common program fostering innovation was the National Workplace Development Program (TYKES), introduced in 1996. It was a common activity of the Ministry of Labour and social partners for four years. In 2000 the government decided to extend the program. Its main focus was on:

- 'change promotion' which should result in productivity gains and a better quality of working life in the workplace
- dissemination of information on workplace development
- skill and capacity building to expand knowledge and expertise on working life and workplace development

The program was based on the assumption that more has to be done than pushing towards productivity gains in workplaces through the introduction of new information and communication technology and related workforce skill building. Investing in the development of work organisation is a second necessary pillar of innovation (Alasoini, 1997). TYKES is primarily a development program. It connects innovation with productivity, in combination with better HRM, upgrading of the innovation capacity of companies and active involvement of employees in workplaces. TYKES is research based, facilitating stakeholders in using (research) knowledge to feed the development. The budget, 72 billion Euro from 2004-2009, is not only available for individual workplaces, but also helps disseminate knowledge and experiences stemming from these processes, and build an adequate national infrastructure for workplace innovation. Trade unions participate in decision making at national level, and can be involved in companies.

Since the outset, a distinctive characteristic of TYKES has been its engagement with national innovation policy, developing the strong proposition that workplace innovation should be

considered as an essential part of the national innovation system. This proposition is also reflected in the 2008 transfer of TYKES from the Ministry of Labour to the Finnish Funding Agency for Technology and Innovation (TEKES), indicating that the main policy intention has moved from a social (Industrial Relations) objective to a more industrial and competitiveness policy framework (Alasoini, 2009).

Between 1996 and 2003 TYKES provided financial support for nearly 670 projects in approximately 1,600 Finnish workplaces, many projects covering more than one workplace. The clear majority were Development projects, based on the needs of the workplaces, with a duration of up to three years. The projects were focussed at innovation of work processes (= process innovation), the functioning of the work community, personnel management, a team-based organisation of work, external networking, as well as developing expertise and wellbeing at work. In fact HR and work organisation innovations (social innovation) were dominant. The program also supported smaller, diagnostic activities, lasting a few months, as well as network projects designed to test organisational innovations.

The focus of the program was the provision of expert support: consultants, research institutions and internal specialists. Industry and construction were best represented. The number of projects in the private service sector rose slowly during the project periods. From 2003 2/3 of the activities were in small and medium-sized enterprises, a target group for TYKES.

In 2008, the Ministry of Labour and the Ministry of Trade and Industry merged.<sup>3</sup> This in fact consolidated the position of social innovation and development by establishing it as a permanent research and technology area within TEKES.

## 7.2 Union position

Programs in the framework of TEKES are based on tailor-made funding criteria. The philosophy of the program heavily stresses close cooperation and interaction between the three actors: workplaces/companies, research and development units, policymakers. This model has been named the “triple helix model”. The helix is seen as the most effective combination to generate new and innovative solutions for working life. Trade unions are part of the third helix party and have had a formal position in the whole process from the start, particularly at national level.

From the selection of completed cases, on the TYKES website, no real influence of representative participation (= formal trade union participation) within companies shows up. The ex-

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<sup>3</sup> TYKES was transferred to TEKES, the Finnish national agency for innovation.

ternal experts/consultants and the staff (direct participation) seem to dominate the company arena. It might be the national framework and the triple helix are so influential, that the need for unions to play a dominant role in the individual workplace innovations is less obvious. From the systematic monitoring of each project (in each project there should at least be a start survey among the employees and a repeated survey later in the project), research shows employee participation in the planning and implementation phase of company projects, and close collaboration between management and employees during the process, were positively related to better performance of workplaces and a better quality of work at the same time (Alosioni et al., 2007; Ramstad, 2009).

### **7.3 Finnish unions and innovation towards greening of the economy**

At national level both government and social partners claim to have green issues on top of their agenda. Since 1993 the social partners participate in the tripartite Finnish National Commission on Sustainable Development (Suomen kestävän kehityksen toimikunta), to enhance the greening of the economy and ecologically sustainable development. The Commission is coordinated by the Ministry of the Environment (Ympäristöministeriö). National social partners have also taken energy and climate policy initiatives of their own.

However, the economic recession seems to have moved ecological issues to the background of public and unions' attention, and relevance (Jokivuori, 2009).

### **7.4 Concluding**

Workplace innovation and the construction of a national infrastructure to provide knowledge and guidance are one of the main topics for Finnish unions. Since the start of the TYKES-program they participate in the triple Helix at national level and play their role to help realize productivity related innovation and the quality of working life in a fruitful combination of broad social innovation. Evaluations show direct participation of employees is a crucial success factor for the TYKES challenges.

The need to be present in the role of representative participator at company levels seems less prominent than in other countries. The relatively high density of trade unions and the solid position at national level may create a trust context which need not to be (re-)created at workplace level.

The green agenda is also a major union orientation at national level. Here, the relation with activities in workplaces is less documented.

## 8 The Netherlands

### 8.1 Trade unions participating in a national experimental institution to promote smarter working and social innovation

For a long time already, trade unions and works councils have the possibility and the instruments to play a role in innovation processes in the Netherlands. Unions focus on participation at national (political) level via the tripartite Social Economic Council (SER) and the bipartite Labour Foundation. These two bodies have regularly advised the government on long term development and innovation. However, they were not invited in the “Innovation Platform”, which was created in 2002 to anticipate and to develop the national Lisbon strategy agreed in the EU.

Works councils, as the legally based workers representation at company level, have the right to advise management on innovation and restructuring, and can take initiatives to work on innovation in co-operation with management and with the support of external experts or consultants. Despite these rights works councils, in particular in smaller companies, are not very often initiators or co-organisers of innovation projects. Most works councils are overburdened with “daily business” and lack instruments and special competences to use their formal possibilities. Only a minority of works councils are systematically involved in HRM and (social) innovation topics (Looise, 2007, 2008).

In some cases trade unions have been able to use collective contracts for involvement in (bigger) companies to create themselves a position as initiator or co-designer of innovation. Research on change projects since 1975 showed that the most successful projects were those which last longer than three or four years, and which are characterised by unions and works councils taking responsibilities as partners of the management and empowering employees during the process.

However, the effects were less clear if we look at it from the perspective of results for unions and works councils themselves. Even if the innovation included improvements in work organisation and work quality, the visibility of this as a “union result” was a difficult task regarding the communication to the mass of employees (Van Klaveren & Sprenger, 2004).

The government left this arena for a long period to the social partners and did not provide many incentives which could have stimulated social innovation.

In 2002, the “Innovation Platform” was born on national level as a five year governmental program for innovation. Three ministries of the Balkenende government (the Prime Minister, the Minister of Education and Science and the Minister of Economic Affairs) took part in the

Platform. Besides government representatives, captains of industry, scientists and consultants got involved in the work of the Platform (18 people in total). Trade unions were not represented. Of all formal tripartite representatives only the president of the Social and Economic Council (SER) was invited to share the Platform. Companies participated by “personal tickets” of some experts.

When it turned out the Innovation Platform did not give much attention to the social aspects of innovation, the social partners pushed the institutionalisation and facilitation of social innovation. A special group of stakeholders – social partners and three knowledge institutes – facilitated by the Innovation Platform, designed a national institutional framework for social innovation. Four years later, in 2007 the Netherlands Centre for Social Innovation (NCSI) started its activities for a period of four years. The general idea behind this initiative has been that the Lisbon innovation strategy adopted and implemented by the government by means of the Innovation Platform lacked an important pillar: common innovation steps by management, employees and their representatives. These actors found each other on the concept of smarter working as a driver for the work of the Institute, financed by government and social partners.<sup>4</sup> The creation of NCSI was in fact partly a correction of the earlier neglect of unions and employer organisations as bearers of innovation.

## **8.2 Background of the concept social innovation**

Research from the Erasmus University/Rotterdam School of Management (Volberda et al., 2005) covering various industrial sectors shows that 25% of innovation success can be traced back to technological innovation, 75% to social innovation (the so called 'innovation paradox'). Figure 1 illustrates the relative importance of social innovation for implementing innovative measures and processes.

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<sup>4</sup> The Netherlands Centre for Social Innovation (NCSI) is an initiative of the Dutch innovation platform in cooperation with the employers' associations AAVN and FME, the trade unions FNV Bondgenoten and CNV Bedrijvenbond, the academic institutions RSM Erasmus University in Rotterdam and AIAS University of Amsterdam and the technological research centre TNO.

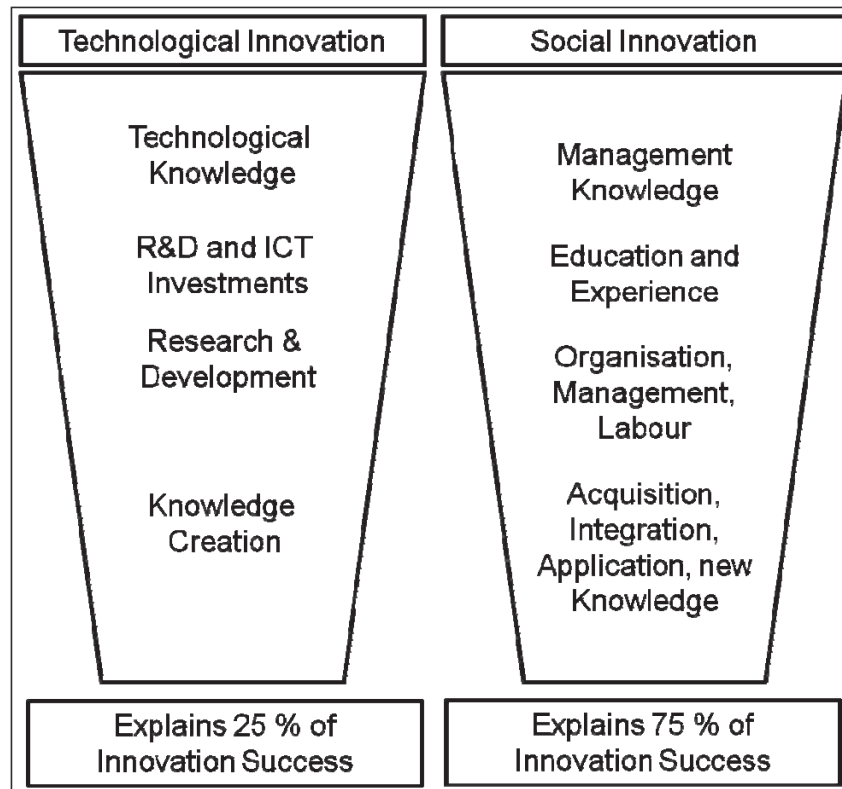


Fig. 1: Technological & Social Innovation, and their impact on Innovation success (Volberda et al., 2005)

“Smarter working” (instead of extended working-time or more stress and fatigue) had been a common topic for some employers and trade union representatives in the profit sectors. FNV and CNV, the two main umbrella union confederations, were among the initiators of the “smarter working” concept, and in its slipstream the establishment of NCSI some years later. In particular, the sectoral unions FNV Bondgenoten and CNV Bedrijvenbond, together with their counterpart employers’ organisation AWWN, ran common experimental projects since 2005 (Peltzer & Collard, 2006). AWWN engaged itself with this concept from 2004 (AWVN, 2004). The idea was to develop ‘smarter working’ in companies and to empower employees and union representatives to find tailor-made solutions in order to improve work quality and performance.

The concept was laid down in collective agreements and experimental company projects, providing an active role for works councils. The unions saw experiments like these as opportunities for employees, the company and the union or works council. At best, the result of social innovation initiatives is more than *zero sum*, as the president of the Social Economic Council formulated it some years later (Rinnooy Kan, 2008).

The three founding fathers of the newly born institute sponsored the activities by posting employees at NCSI in the role of developers and networkers for the organisations they repre-

sented. The idea was to support the activities in companies and in workplaces by this institutionalisation. Unions and employers in sectors and in the bigger companies 'used' the NCSI as a symbol and facilitator to negotiate social innovation projects and facilities.

Social innovation, NCSI argues, implies a series of social goals: maintaining prosperity and encourage its growth, improvement of the competitive position of the private sector, overcoming the expected shortage of skilled labour in the future, increasing the participation rate on the Dutch labour market, promoting and allowing technological innovation. Within companies social innovation should lead to the following five possible categories of improvement, of which number three implies product and service innovation, numbers 1 and 2 more process innovation, 4 and 5 innovation of the social system:

1. improve performance by increasing labour productivity
2. utilise the organisation's knowledge, competencies and technology in a better and more effectively way
3. accelerate development of new products and services
4. strengthen the motivation and commitment of employees
5. make the organisation more attractive in a tight labour market

The core activities of NCSI are:

- to enhance experiments and projects in companies
- to develop a database on social innovation
- to disseminate (good) examples, practices and studies
- to monitor existing projects
- to initiate scientific research in this field

NCSI also takes into consideration the relation between (social) innovation and productivity or growth. According to NCSI and a recent study among 650 SMEs companies practising forms of smarter working had 9% higher productivity rates than other companies.

In 2008, NCSI concentrated on:

- Gathering and spreading information and knowledge on social innovation

- Running and promoting practical experiments and change processes in sectors, companies or company networks and public institutes
- Developing and organising training and courses for managers, consultants and employees in key positions concerning social innovation
- Designing, coaching and evaluating projects fit to accelerate social innovation in the Netherlands <sup>5</sup>
- Promoting dialogue between various stakeholders and organising (international) workshops, learning networks, conferences and trainee or exchange programs
- Developing knowledge and pushing independent and (international) praxis oriented scientific research in the field (NCSI, 2009).

### 8.3 Social innovation with and after NCSI

NCSI will exist until 2011. Financed by government, social partners and some bigger companies as sponsors, the institute was meant to be a temporary co-operation platform for social partners and knowledge providers. A key question is if NCSI has been able to start and disseminate the social innovation process at a scale broad enough to keep it going and developing after 2011.

We give some results, although it is difficult to decide whether or not these are direct or indirect results of the work of the institute.<sup>6</sup> In 2009 25 companies had been made active in the field of 'self-scheduling': developing collective company tools to enable employees scheduling working times themselves. A project had started to reach out to 1000 SME companies (between 5 and 250 employees), informing and interesting them for social innovation and its possible outcomes. 10 social innovation seminars were organised (350 participants) and a curriculum for practitioners including study visits to other companies. The NCSI website had 47,000 visitors that year (NCSI, 2010).

For employees the social innovation concept should improve job satisfaction, should help find a balance between work and private life and should promote personal development opportunities and lasting employability. Furthermore, social innovation should also change the future

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<sup>5</sup> In 2008, five projects were selected, for instance the projects "organising flexibility and self scheduling of working time" and "innovation bottom-up". Using the experiences in this last project NCSI has developed the game "teambrian". The game facilitates teams to deliver improvement ideas on work processes, distribution of tasks, decision making and responsibilities on work schedules.

<sup>6</sup> As one NCSI member stated: *"If companies and unions are more active in this field, it is not easy, neither very important, to decide this is a result of our work. The main thing is there is more interest with all the stakeholders for these types of innovation creation"* (Vaas, 2010).

labour relations at the workplace.<sup>7</sup> The causal relations between some of these objectives are not very clear: Are they the result of, or the condition for social innovation? Are they additional to formal representation or an alternative (as trust between management and employees)?

Trade union experiences are mixed. Social innovation in itself is not a guarantee for success, from the union point of views. Much depends on the way (top)management is able to organise trust and transparency, as one involved union official concluded (van Baden, 2009).

What will unions and employers do, when NCSI will leave the arena? Works councils have formal rights to intervene and participate in innovation decision making. The general picture is that social innovation as a concept for trade union innovation policy is more widespread than in the years before NCSI. Social innovation has become a part of many company and sectoral agreements. Unions are involved and committed at national, sectoral and company levels. The concept has been widely recognised as a common theme of employee and employers representatives. Unionists speak out this creates the possibility to combine representative innovation policy with direct employee participation in the workplace, with a separate role for unions, works councils and individual employees within common frameworks.

NCSI has made a start with bundling, analysing and disseminating practices, and at the same time it started a process focussing on social innovation. For social partners it has 'opened the road' for common learning and experimenting. Even during the crisis social partners continue these common initiatives. The future will show if this incentive for employee driven innovation has been substantially and sustainable enough to survive after the death of the common national institution.

#### **8.4 Dutch unions and innovation towards greening of the economy**

The main forum for green innovation is the tripartite Social and Economic Council (Sociaal Economische raad, SER), consulting the national government on various policy issues. The SER has issued several (mostly unanimous) advices and recommendations, such as:

- Sustainable globalisation, a world to win (2008)

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<sup>7</sup> Such as: Employees and management jointly formulate the organisation's ambitions. Employees have a voice in the organisation and its decisions. Management and employees encourage each other to (learn to) innovate and to show creativity and courage. Management and employees trust each other. Employees are responsible for managing their tasks autonomously. Employees and managers are allowed to make mistakes and dare to admit these.

- Advice on agriculture (2008)
- Advice on nuclear energy and sustainable energy (2008)
- Towards a sustainable energy policy (2006)
- Environment as an opportunity (2005)
- Certification and sustainable development (2004)
- Towards a more efficient, sustainable EU agricultural policy (2003)
- Towards sustainable consumption (2003)

Bipartite and unilateral initiatives of social partners are less common. However, in spring 2009, the trade union federations (FNV, CNV and MHP) published a Social and Green Investment Plan to cope with the crisis (Social en Groen Investeringsplan – Samen de crisis te lijf). The core of the plan was extra investments to an amount of €7 billion, directed towards:

- a vitalisation of labour market activities
- stimulating the economy (greener production, reduction of energy use, increase in wind energy, a green VAT-tarif, replacement of outdated central heating systems).
- changing the financial sector, both in the short and the long run; in addition, the federations proposed a long term policy for industry and services.

The number of concrete initiatives at company and regional level lags behind the picture presented by general tripartite agreements. Unions are most active, it seems, in the field of national policy making, where the government is the main player. 'Triggling down' to sectoral, regional and company levels is much more of an exception. Research points at sustainable energy, where the Netherlands do not score particularly well compared to surrounding countries. Social partners have voiced criticism of what they consider a lack of measures by the government. They do not seem a player on their own in this field, nor within the NCSI working plan, nor in their sectoral and company initiatives (van het Kaar, 2009).

### **8.5 Concluding**

Although works councils and trade unions have formal basic rights enabling them to participate in innovation activities, skills, knowledge and co-operation with employers turned out to be important conditions to upscale union involvement. The creation of NCSI as a national institutional incentive of social partners and knowledge providers resulted indirectly in more attention for social innovation in sectoral and company collective agreements and workplace initiatives. It is uncertain whether unions and NCSI can continue these efforts after 2011, the

end of the first four year period. It can be questioned social partners will be able to move along this road successfully without a national framework and knowledge sharing institution.

For the green agenda the national level seems dominant, in particular the tripartite SER consults. Unions do combine this with own – autonomous – policy making, in cases in cooperation with environmental NGO's. Many examples of green activities at the workfloor or in local situations could not be found.

## **9 Spain**

### **9.1 Social partners and innovation**

There is not much documentation on trade unions directly involved in innovation processes in Spain. Observers suggest that the reigning industrial relations system, which is based on power bargaining and conflict orientation, was not fit for common innovative initiatives run by social partners. However, the actual economic crisis seems to have produced two examples of a shifting orientation within the unions towards more involvement.

The first example is the national pact on Research and Innovation in Catalonia between the government of Catalonia, political parties, universities and social partners (the confederation UGT and the young entrepreneurs' organisation PIMEC). This Pact was signed in 2008, the first year of the crisis which hit the country and its regions severely. The basic common assumption for the pact was that a new model of economic progress for Catalonia was needed, based on education, research and innovation. These three topics should become the “structural priorities” in political agendas, in social and economic life and for the agents influencing them (including trade unions).

It remains to be seen if the common signature of trade unions representatives and employers will be transferred into common activities or programs at company or sectoral level. It seems that the initiative is in particular symbolic, and involves unions only at one level: the national level of Catalonia, its universities, government and social players.

The second example is a special conference on promoting “R+D+I” (research, development and innovation), which was organised by the trade union confederation CCOO on November 23, 2009.<sup>8</sup> Various stakeholders were invited to take part in the discussion on promoting R&D in combination with innovation at different levels. One of the conference's goals was to

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<sup>8</sup> Cuadernos de la Fundacion, El papel de la ciencia i la tecnologia en el cambio de modelo productivo (the role of science and technology in the changing productive model)

analyse the character of the relations between R&D (Science and Technology) on the one hand and innovation in companies on the other hand. The conference took into reference how unions in other countries see their role in the knowledge and innovation processes.

Observing the enormous impact of the crisis on work and employees, the participants of this conference were convinced that the unions should have to enter the arena of innovation. Therefore, one of the CCOO secretaries summarised that paradigm shifts will (have to) happen not only in the strategy of wealth creation, but simultaneously in the way production and innovation are organised: “The societal change in the way of creating growth will have to be accompanied by a change in the way of producing. The experience of several European countries shows the trade union participation in this process will be fundamental. Trade union participation can generate better competitiveness and productiveness in the companies. An active role of unions, influencing company innovation processes will be a matter of cardinal importance in the future.”

## **9.2 Position and activities of trade unions - the case of GM Spain**

Not many major innovation directed activities in sectors and companies could be detected in which trade unions participated actively. Here we present one recent example of innovation, pushed by the European Works Council and the European Metal Federation in the automotive sector.

From 1977 Opel Spain in Figueruelas was the largest undertaking in Aragon. This GM factory was of great economic and social importance for the region, as it sponsored activities, contributed to art restoration, helped protect the environment. Employment had come down from once 9,500 employees to 7,400 people, after restructurings in 2004 and 2008. In 2009 the global GM Corporation went nearly bankrupt, due to the crisis and failure to meet the needs of US consumers. GM divided itself by brand and just escaped bankruptcy in July 2009. The new company was owned by US government (61%), Canadian government (11.7%), the trade union UAW pension fund (17.5%) and a group of other creditors (10%). In 2010 GM, with four brands, was selling more cars in US than before with 8 brands.

In Europe Opel became the main brand, with 3 plants in Germany, 1 in Belgium, Spain, Poland and Hungary. In addition to Opel one Vauxhall plant stayed alive in the UK. The year before, GM had decided to sell all its European activities, but it finally rejected a sale to Magna and Russian Sherban facilitated by the German government. Instead, it chooses to restructure the European locations fundamentally and keep them within GM.

For Spain this restructuring process resulted in four interrelated downsizing plans negotiated by unions and management (Rodriguez, 2011):

- *a collective agreement 2009-2012*, implying 1% pay rise in 2009 and 2010. However this wage increase would not be paid to the employees, but invested as employees' contribution to GM's financial plan for innovation. For 2011 and 2012 2 % pay rise was negotiated
- *a restructuring plan* with cuts of 351 jobs and another 600 people in a short-time working arrangement. Moreover 900 'relief workers' (remplacants for employees over 60, who could legally go into – partial – early retirement) would enter the company.
- *a finance/saving plan*, enabling employees to contribute their salary rise in 2009/2010 for new projects of industrial viability within GM. Initiated by the European Works Council of GM a *trust account* was created to which employees and GM both contribute 265 Million Euro per year between 2010 and 2014 in the EU as a whole; for Spain the fund would contain 25.8 Million Euro.
- *an industrial plan, guaranteeing that Opel Spain will keep two production lines* (478.000 units per year) with a division of future production between Saragossa and Eisenach.

By participating and co-decision-making in the European trust fund, the unions and the employees will contribute to and co-decide on the company future and its innovation programs (the fund will be led by a neutral lawyer, the presidency of the EWC and a management representative. This should help their company to develop new projects of 'industrial viability'.

The GM Spain example illustrates the combination of strategic objectives by trade unions: employment protection and creation, wage negotiations and innovation policy. It also shows innovation for unions is no longer a local or national question, but can be negotiated and improved at multi- or transnational scale.

The next years will show if the GM case was exceptional or marks a new era in innovation initiatives of Spanish trade unions. Can and want they step from analysing and pushing at national levels into innovation activities at company level? Facilitating membership and representativeness in this process is one of the first conditions.

### **9.3 Spanish unions and innovation towards greening of the economy**

The situation seems identical for the greening of the economy. Social partners are formally committed with the green agenda. Green issues are included in their proposals for reviving the economy. Spanish trade unions claim a substantial shift in the economic model: to strengthen education, to reinforce the welfare state, to modernize the infrastructures, to invest more on R D and to promote the high-tech and knowledge-intensive sectors of activity. In this context, environmental sustainability is seen as a core dimension of mid and long-term sustainability.

UGT and CCCO, the two big trade union confederations have started a platform for tripartite social dialogue on climate change, bringing social partners and government together under the umbrella 'Dialogue Table'. Six follow-up tables, one for each industrial sector have been organized since, along with the first meeting for the residential, commercial and transport sector. (ITUC et al., 2009)

In Barcelona, unions have created the Reference Centre on mobility, promoting sustainable mobility, informing employees about facilities for reaching the closest bus station, bicycle or car-sharing opportunities (ITUC et al., 2009)

Trade unions are quite active in the field of awareness-raising campaigns and training programs, especially those that link environmental and health issues. Many of these awareness-raising campaigns are developed at the local level (Altieri & Caprile, 2009).

### **9.4 Concluding**

Spanish trade unions recently have taken steps to participate in innovation policy initiatives at national/regional level or push for more cooperation between the worlds of labour and R&D. As major players at national level they were natural partners for these initiatives and even initiators in some aspects. However a 'translation' to company and industry levels seems still lacking. The antagonistic union positions in companies and eventually the need for extra skill building to participate in company projects are main barriers for a break through.

In greening the economy the activities at company or local level seem easier to develop. Literature does not show why.

## **10 Unions and innovation in the EU, conclusions**

The exploration of existing literature in general and for the four countries brings us to some general conclusions.

- Successful representative involvement in innovation has to be part of a general union strategy in this field, taking in consideration the whole field of union activities and

goals. Only than unions can offer enough skill building to combine representative and direct participation successfully, and to get optimal results from its innovation efforts.

- The role of unions as disseminator and multiplier of innovation practices, including the trust building needed, is more difficult than sometimes suggested. First, it can only be fulfilled successfully, also for the benefit of unions themselves, if trade unions are involved in these processes at most levels of industrial relations, from workplace/company to (trans)national level. Second, it is not a question of duplicating successful processes at other places, but of using these experiences for new – and likewise different – processes else. A form of accessible sharing of innovation knowledge, eventually in cooperation with researchers, should be a first condition. Organising dialogue (directly in local or regional settings) or indirectly could be the second necessity.
- The effect that union activities in innovation can have on performance and employees' well-being is highest where they can and do influence innovation at different levels, in various fields of innovation and with a longer term competence policy for representatives participating. Institutional incentives and facilities from the public sector are almost deciding for unions to play a useful role, as Finland, The Netherlands and (the Partnership period in) UK show.
- In a country like Finland, where relatively strong unions can act as stakeholders at all levels in a formalised and sustainable set of conditions, the best chances and results seem available. Unions operate in a climate of common progress in which all parties are needed, and play their integrated role in the triple helix. Unions do not have to prove, they should participate – it is normal and profitable they do.
- In other countries we found less favourable positions for unions' representatives or work councillors. In the UK, the need to involve unions in innovation strategies has recently been restated in the MacLoad report, but at national or sectoral levels not many incentives or “common playgrounds” are available. UK unions will have to concentrate on two levels, the company and the national arena, and cannot build on cooperation practices at other levels. It will not be easy to enlarge the influence and the role of trade unions as innovation co-makers, even if there seems to be a large tacit knowledge in the country that this would be of interest for many stakeholders.

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- In The Netherlands, with NCSI a careful initiative to create better conditions is on its way, and it seems that unions and works councils can build on it to better realise the potential rights and facilities they should be able to use. Since 2007, the different levels of innovation policy have been used more intensively than in the UK, and the conditions at company level seem to be better than before. However, it is too early to be very optimistic. Most initiatives concentrate on the social aspects of innovation. Less attention seems to be paid to improve company performances by means of trade union participation.
  - In Spain, unions seem to be in the phase of reflection on possible relations between national innovation policy and their role in companies and industries. At the moment, it cannot be anticipated if unions can bring these worlds together and if they really can participate in company processes, while maintaining a 'position of their own'. The case of Spain GM illustrates the crisis opens up new possibilities, in particular by international negotiations and dialogue, setting the path for participative innovation initiative at national levels.
  - In most of these countries, unions concentrate on social innovation, HR and work organisation as incentives and conditions for technology driven innovation. In fact, the Spanish unions have relatively high ambitions, but only recently they started policy-making on innovation issues. Triggering down national policy initiatives to workplace activities will not be simple, given company industrial relation and cultures.
  - 'Green innovation' is a main policy issue for all countries studied. Most unions present green information to members and employees in general. Reaching the workplace to foster green innovations is not that easy. UK unions have taken real steps in this field, train their environmental reps, and present green agenda's to company managers. This is not because British unions have a better position or more facilities. It looks like they take knowledge production and dissemination about green trade unionism more serious, and build on their experiences with specialised (training) representatives. By appointing and facilitating special green reps the British union movement takes some steps towards more continuing green workplace representation.

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