

Finnish workplace innovation programme LIIDERI

Business, Productivity and Joy at Work programme 2012-18

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VSE AVTORSKE PRAVICE SO PRIDRŽANE.

**GRADIVA NI DOVOLJENO RAZMNOŽEVATI
ALI RAZPOŠILJATI V KAKRŠNIKOLI OBLIKI
BREZ PREDHODNEGA PISNEGA**

**DOVOLJENJA AVTORJEV IN MINISTRSTVA
ZA DELO, DRUŽINO, SOCIALNE ZADEVE IN
ENAKE MOŽNOSTI.**

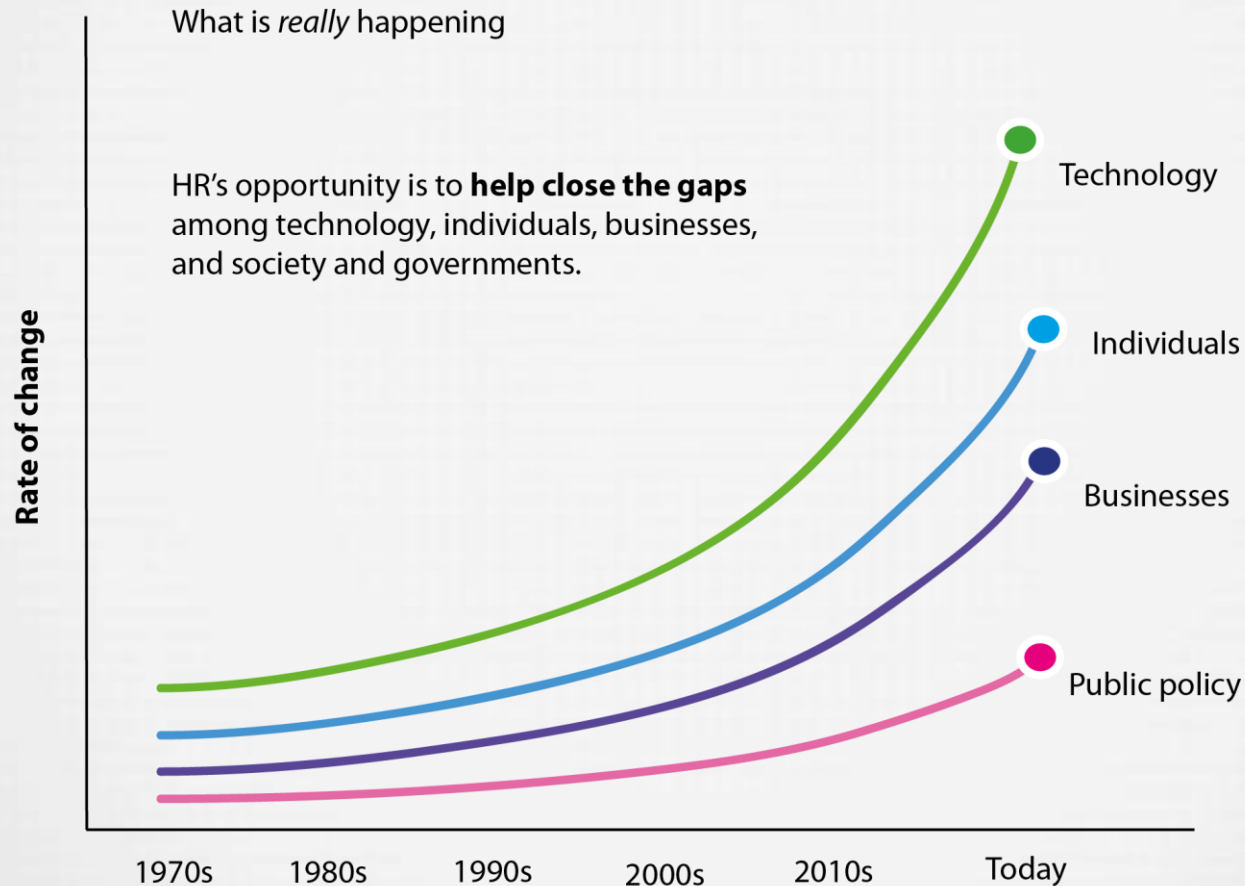
Contents

- Transformation of work
- Finland in context
- History of workplace innovation in Finland
- The Liideri programme: background, aim and content
- Examples of workplace innovation projects

Drivers underlying the transformation of work

- Technological development
- Globalization of value chains
- Servitization of the economy
- Ageing population
- Generational shift
- Value change
- Increased cross-border movement of people
- Increased demands for eco efficiency and environmental responsibility

Widening developmental gaps!



Source: Deloitte University Press / dupress.deloitte.com

Some characteristics of Finnish working life

- High trade union density (around 70%)
- Also employers are highly organised
- Workplace-level employee representation
 - Trade union shop stewards based on legislation and collective agreements
 - Consultative work councils in the form of Cooperation Committees
 - Ad hoc forms of employee representation
- High incidence of autonomous team work
- High incidence of technological and organizational change
- Highly adaptable daily working hours
- **Great (and widening) differences between workplaces!**

Innovation gap among 10+ companies

(Finnish MEADOW survey 2012)

- 1/5 developed **new products or services for the market** during the last two years.
- 1/5 developed **new products or services for the company itself** only.
- 2/5 did not developed new products or services, but implemented **other kinds of innovations** (production processes, marketing, business model).
- 1/5 did **not developed any of these renewals**.

Product/services innovations and work engagement (Finnish MEADOW Survey 2012)

10+ industrial companies

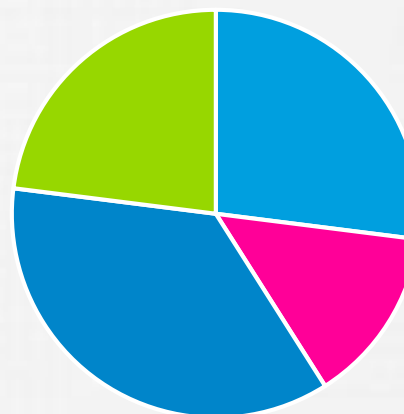
Industry



- Innovations + work engagement
- Innovations only
- Work engagement only
- Neither

10+ service companies

Private services



- Innovations + work engagement
- Innovations only
- Work engagement only
- Neither

Workplace innovation on the political agenda

- 1995: the first Workplace Development Programme TYKE (PM Lipponen I)
- 1999: continuation of the TYKE programme (PM Lipponen II)
- 2003: new Workplace Development Programme TYKES (PM Vanhanen I)
- 2007: Tekes starts to fund workplace innovation projects (PM Vanhanen II)
- 2011: a National Working Life Development Strategy (implemented as “Working Life 2020”) and the Tekes “Liideri – Business, Productivity and Joy at Work” programme (PM Katainen)
- 2015: **reduction of government spending on R&D as part of austerity measures**, continuation of Working Life 2020 and the Liideri programme (PM Sipilä)

What triggered interest in workplace innovation?

“PUSH FACTORS” or “OPPORTUNITIES”

- Long tradition of cooperation between labour market organizations and governments.
- The upsurge in working life research and, specifically, the rise of action-oriented working life research in universities and research institutes.
- The strong conviction, prevalent in Finland, that research, R&D and high education are key factors in a small and open nation's competitiveness.
- The breakthrough of new management and organizational principles and practices.
- Examples of other Nordic countries, particularly Sweden and Norway, and Germany.

What triggered interest in workplace innovation?

“PULL FACTORS” or “THREATS/CHALLENGES”

- The deep economic recession in the early 1990s and problems with Finnish companies' productivity and international competitiveness.
- Culmination of problems in job satisfaction, work ability and early retirement.
- People's changing value priorities (sustained trend)
 - The content of work is increasing in importance at the expense of the level of pay.
 - Work as the content of life is losing ground in comparison with family and leisure time.

TYKE/TYKES programmes (1996-2010) in a nutshell

- TYKE funded 688 projects between 1996 and 2003.
- A continuation programme TYKES (2004–10) funded 1164 projects, covering 2265 enterprises and 3872 workplaces. 207,000 persons participated in the projects.
- The most common focus area of projects were work processes, the organization of work, supervisory work and human resource management.
- All workplace development projects were based on labour-management cooperation.
- The workplaces (most of them SMEs) that participated in the programmes had a lot of leeway in defining goals and contents of the projects.
- Also research-based projects which were based on action research or aimed at the development of development methods or building of learning networks were funded.
- In 2008, implementation of the TYKES programme was transferred from the Ministry of Labour to Tekes, and the promotion of workplace innovations became consolidated as part of R&D&I activities of Tekes as part of “broad-based innovation policy”.

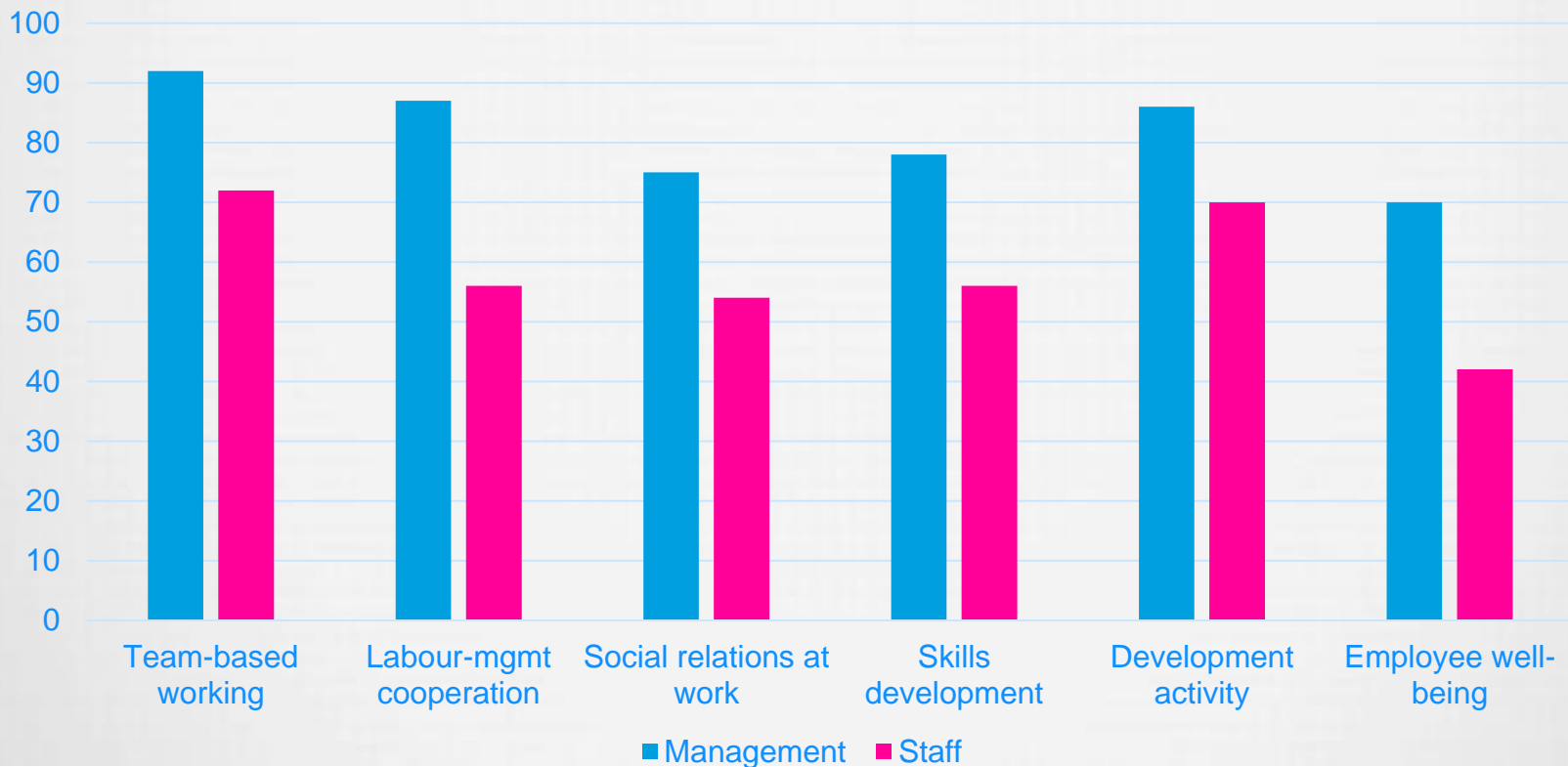
Productive performance (share of funded projects, N=1050) (Ramstad 2012)

Improvements in productive performance (%)



Quality of working life (share of funded projects, N=1050) (Ramstad 2012)

Improvements in quality of working life (%)



Successes and shortcomings of TYKE/TYKES

- +++ Improvements in productivity and various factors of QWL in participating workplaces.
- ++ Strengthening of skills and competences in workplace development (practitioners and consultants) and research on working life (researchers).
- ++ Strengthening of networking between different groups of actors.
- + Boosting public debate on and awareness of the significance of workplace development and workplaces innovations in Finland.
- +/- Sustainability of the improvements attained through the projects and continuation of development in workplaces that participated in the projects.
- Diffusion of good practices from participating workplaces to other workplaces.

The Liideri programme (2012-18) in a nutshell

- Liideri – Business, Productivity and Joy at Work programme was prepared by Tekes, in close cooperation with researchers, developers, workplaces, labour market organizations and policy-makers.
- Liideri is a Finnish twist of an English word “Leader”, referring here to a forerunner.
- Liideri is a programme for the development of business, which helps companies to renew and grow in international markets through developing management and forms of working and actively utilising skills and competencies of their personnel and the development of digital technologies.
- Liideri is a “next-generation” workplace innovation programme that represents an approach in keeping with a broad-based innovation policy.

Three focus areas

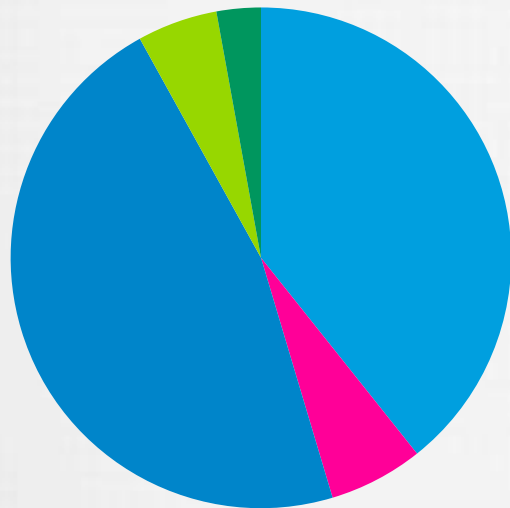
- **Management 2.0** refers to management principles, processes and practices, which help an organization to promote initiative, creativity and innovation potential of personnel, with a view to achieving competitive edge based on them.
- **Employee-driven innovation** refers to active and systematic participation of employees in ideation, innovating and renewing of products and services and ways of producing them, with a view to creating new solutions that add value to customers.
- **New ways of working** refer to work, which transcend the boundaries of time-honoured temporal, spatial and organizational patterns and forms of work in line with principles of management 2.0. (and often through innovative use of new technologies).

What's different in Liideri compared to TYKE/TYKES?

- Closer integration between the development of business concepts and workplace innovation.
- Closer integration between technological innovation and workplace innovation.
- Stronger focus on SMEs that seek growth from international markets, at the expense of large enterprises, domestic companies and public organizations.
- Stronger focus on the need to support workplace innovation through renewal of management principles and processes.
- More systematic approach for the integration of workplace innovation to large transformative changes at company and ecosystem level.

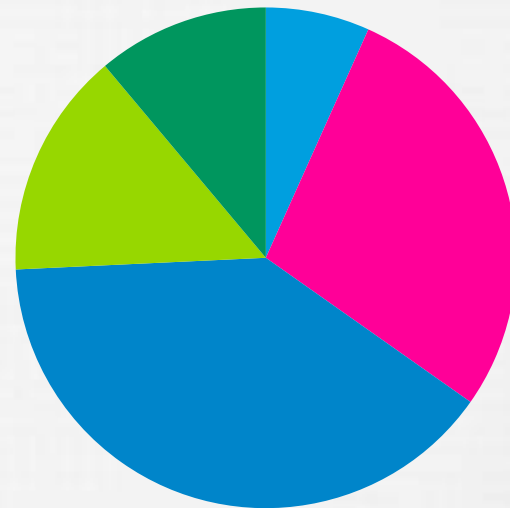
Liideri development projects (2012–17) N=229, MEUR 30,903

Funding of projects by sector



■ Industry ■ Construction
■ Services ■ Public
■ Other

Funding of projects by company size



■ Micro ■ Small
■ Medium-sized ■ Large (250-499)
■ Large (500-)

Productivity leap accelerated by lean



The idea: Lean principles guiding the operation, continuous improvement and systematic management methods. For customers, the most important things – quality, security of deliveries, costs and innovations – were raised on a tripod. Production data are available to all employees who are involved in development activities.

Impact: Turnover soared. Productivity improved by at least 10% annually. Security of delivery and quality improved clearly. Some part assemblies were in-housed.

“Production lead times were shortened and productivity improved smoothly without significant investment.

Work tasks were done and organized smarter. We did not have to run faster.”

Niku Jalkanen

*Danaher Business System Leader
Palodex Group Oy*

The company develops and manufactures dental imaging devices and systems.

Wall of wisdom encourages continuous learning

Futurice Oy

Developer of b-2-b web-based and mobile software solutions and services

The idea

Understanding your own learning encourages you to enjoy your work and enhances your internal information flow and development.

Impact

Sharing of know-how, insights, methods and tools on the walls of the premises, instead of electronic data bases, has made the development and mutual learning of employees more transparent. Transparency contributes to constant evolvement of services and best work practices. In 2012 and 2013, Futurice was chosen as the greatest place to work both in Finland and in Europe. The company is still growing very fast and is profitable.



The role of Tekes

Tekes funding has enabled development work and made it more manageable.

Extra

Futurice is ready to share its good practices also with other companies.

Tekes

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A developmental mind-set boosted growth

Q-Park Finland Oy, provider of parking services

The idea

The development project evaluated all the operations and processes related to the company's personnel. One of the development targets were parking control practices where human error is easily encountered.

Impact

The project successfully responded to the goals of the Group's Sustainable Development Programme. Job satisfaction and occupational safety improved. Sickness absenteeism declined by more than 10%. Also staff turnover declined. The introduction of handhelds boosted parking controls by more than 15%, and the number of errors decreased considerably. The net sales increased by 50% and operations expanded to new locations through the project.

The role of Tekes

Tekes involvement reduced the threshold for using external expert assistance, which was important in the success of a project involving organization development and the introduction of technology.



More fluent work with the Theatre Method

Lahti School of Innovation

- Researchers of the Lahti School of Innovation developed a new method for solving problems at workplaces and making work processes more transparent.
- Events faced by employees in their everyday work are changed into a form of a play.
- Distancing helps members of the work community to better deal with customer encounters, tensions, relations and misunderstandings.
- The method was created in cooperation with Stora Enso Packaging and the oral health care of the City of Lahti.
- The end result was an Organizational Album, a guide book for organizations that want to experiment with a new dialogical method for their development.

