

<b>Institution:</b> University of Strathclyde		
<b>Unit of Assessment:</b> C17 Business and Management Studies		
<b>Title of case study:</b> Driving workplace innovation to transform work and workplaces in Scotland		
<b>Period when the underpinning research was undertaken:</b> 2010 - 2020		
<b>Details of staff conducting the underpinning research from the submitting unit:</b>		
<b>Name(s):</b> Patricia Findlay Colin Lindsay Johanna McQuarrie (née Commander)	<b>Role(s) (e.g. job title):</b> Professor Professor Research Fellow	<b>Period(s) employed by submitting HEI:</b> 1 February 2010 – present 5 January 2012 – present 3 April 2006 – present
<b>Period when the claimed impact occurred:</b> August 2013 – 2020		
<b>Is this case study continued from a case study submitted in 2014?</b> No		
<p><b>1. Summary of the impact</b></p> <p>Workplace Innovation (WI) research at Strathclyde's Scottish Centre for Employment Research (SCER) drove new policy development and practical change within businesses through the creation of a Scotland-wide multi-stakeholder collaborative network. This network co-created interventions that underpinned adoption of WI as a policy priority by the Scottish Government and public agencies, resulting in the promotion and resourcing of WI to improve business performance and national economic performance. Public agencies funded and delivered business support for WI that improved business performance in more than 700 businesses. Moreover, businesses who participated directly in the research (over 50) and many who engaged with the research (over 500) adopted innovative workplace practices that improved performance and employee experience. The research also equipped unions to promote WI in bargaining to the benefit of members as well as driving innovation and modernisation within the bodies themselves.</p>		
<p><b>2. Underpinning research</b></p> <p>Workplace innovation (comprising technical, organisational and social innovation) is increasingly recognised as a source of competitive advantage and worker well-being, and the OECD and EU have urged governments and businesses to prioritise it in the analysis and practice of innovation. Workplace innovation research focusses on innovation through job redesign, work organisation and Human Resources (HR) practice as a driver of improved performance. Yet extant research was conceptually ill-defined, with little rigorous assessment of the architecture of practices and processes that facilitate discretionary behaviour that supports innovation. Moreover, workers' interests in innovation beyond aspects of task satisfaction were not well-researched.</p> <p>In response to this, Strathclyde's Scottish Centre for Employment Research (SCER) developed an original conceptual and empirical approach to mutual-gains workplace innovation that addressed these weaknesses and significantly advanced academic and policy debates. This was achieved through a series of innovation projects, namely the <i>Innovating Works...</i> pilot (2014-15) and Fair, Innovative and Transformative Work (FITwork) project (2015-19). Using internal funding, an industry-facing Workplace Innovation Consortium (WIC) was established to drive support for organisational change and innovation in organisations. Drawing on research on employee-driven innovation, workplace development and entrepreneurial state activity in improving productivity and the quality of working life, SCER led the WIC in establishing the '<i>Innovating Works...improving work and workplaces</i>' pilot, funded by the European Regional Development Fund (ERDF), Scottish Funding Council (SFC) and Scottish Enterprise to support workplace innovation in Small and Medium-sized Enterprises (SMEs). The success of the pilot established '<i>Innovating Works</i>' as an ongoing programme of research, leading to the three-year FITwork project, supported with Scottish Government and multi-agency funding and overseen by an Advisory Group of key partners, which investigated the range of management practices that impact on innovation, business performance and employee outcomes. A key part of this was analysing the relationship between specific workplace practices which capture or influence ability, motivation and opportunity (mediating processes) and other positive business and employee outcomes [R1].</p>		

The unifying theme across this research is the delivery of a holistic approach to skills use and upskilling [R5], deploying people, designing jobs and management practice [R3,R4] that delivers motivation, innovation, inclusion and productivity while maximising returns from individual and public human capital investments [R4]. In combination, these research programmes made four important contributions to the field:

**1. Deployed Ability-Motivation-Opportunity approaches** for the first time to analyse innovation, conceptualising and integrating analyses of skills acquisition, formation and utilisation (ability), job design and management practice that supports discretion and autonomy (opportunity) and high job quality and involvement in governance (supporting employee motivation) to support discretionary effort, worker well-being, product/service innovation and productivity [R1].

**2. Emphasised the role of mutual gains** not just in processes of value creation, but also in relation to value distribution, and in business model variation that underpins fairer sharing in the rewards of innovation by better aligning individual, business and societal interests, while also recognising the contested nature of work and business [R2]. Put simply, the research explored the potential of designing and delivering organisational, technical and social innovations that enhance value creation while simultaneously improving job quality, equality and wellbeing [R6] – but which may not do so for all, unless specifically designed with these outcomes in mind [R1,R5].

**3. Operationalised the new conceptual model** of workplace innovation through a bespoke survey to measure practice domains and outcome measures relevant to workplace innovation. Deployed in 40 organisations, this generated an extensive evidence base that helped participating employers to identify the management and workplace practices that shape business outcomes (performance, innovation, productivity), elicit employee behaviours (discretionary effort and innovative practice) and deliver for employees (enhanced job quality and well-being) [R1].

**4. Highlighted the role of strategic choice** by key decision-makers and influencers (in business and policy) to engage with evidence-led interventions to improve adoption of innovative workplace practices [R2]. The various research projects together highlighted that adopting certain management practices could improve job quality and skills and also create opportunities for innovative practice, that in turn could deliver valued innovation outcomes. The research also highlighted the framing role of business model choices in enabling or constraining the adoption of distinctive management practices. The FITwork research model has been refined and developed in the team's current research on the relationship between innovative management practices, employee engagement and innovation in driving productivity and employee well-being, and on the dynamics between business models, HR practices and wider workplace strategies [R2].

### 3. References to the research (Strathclyde affiliated researchers in bold)

- R1 P. Findlay, C. Lindsay, J. McQuarrie, R. Pascoe-Deslauriers and J. Findlay** with D. Chalmers and A. Smart (2018) Harnessing knowledge, research and networks to drive fair, innovative and transformative work in Scotland, Fair, Innovative and Transformative Work (FITwork), project report [Available from HEI]
- R2 P. Findlay, C. Lindsay** (2018), *Influencing Business Models and Workplace Innovation to deliver inclusive growth*, Report to Scottish Government Enterprise and Skills Strategic Board Mission on Business Models and Workplace Innovation, <https://bit.ly/3s77wur> (summary version in the form of a peer-reviewed, accepted author manuscript <https://bit.ly/2M5SjKT>)
- R3 P. Findlay**, A. Kalleberg, C. Warhurst (2013) The challenge of job quality, *Human Relations*, 66(4): 441-451 <https://doi.org/10.1177/0018726713481070>
- R4 P. Findlay**, C. Warhurst, E. Keep, C. Lloyd (2017) Opportunity knocks? The possibilities and levers for improving job quality, *Work and Occupations*, 44(1): 3-22. <https://doi.org/10.1177/0730888416689813>
- R5 C. Lindsay, J. Commander, P. Findlay, M. Bennie, E.D. Corcoran, R. Van Der Meer** (2014) 'Lean', new technologies and employment in public health services: employees' experiences in the National Health Service, *The International Journal of Human Resource Management*, 25(21): 2941-2956 <https://doi.org/10.1080/09585192.2014.948900> [REF2]
- R6 C. Lindsay, P. Findlay, J. McQuarrie, M. Bennie, E.D. Corcoran, R. Van Der Meer** (2018) Collaborative innovation, new technologies and work redesign, *Public Administration Review*, 78(2): 251-260 <https://doi.org/10.1111/puar.12843> [REF2]

**Notes on the quality of research:** All journal articles are peer reviewed in leading international journals on work and employment. This research has been supported with competitively-won funding totalling approximately GBP3,000,000. Key funders include: Scottish Funding Council, Scottish Government, Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland (e.g. Findlay (PI), *Harnessing knowledge, research & networks to drive fair, innovative and transformative work in Scotland*, 01/07/15-31/10/18, GBP702,622); and ERDF (Findlay (PI), Lindsay and MacBryde (CIs), *Workplace Innovation Consortium/Innovating Works*, 24/03/14-24/03/15, GBP204,000).

#### 4. Details of the impact

Since 2014, research undertaken by the Scottish Centre for Employment Research (SCER) at Strathclyde has contributed to the improvement of work and workplaces across Scotland by evidencing successful practice and the broad benefits of workplace innovation. Specifically, it has:

- Facilitated collaboration and secured stakeholder commitment to workplace innovation;
- Enhanced business and skills support for workplace innovation through public agencies;
- Enabled businesses to adopt innovative practices to improve performance; and
- Stimulated trade union engagement with workplace innovation to deliver member benefits.

#### **Facilitated collaboration and secured stakeholder commitment to workplace innovation**

Established in 2014 to underpin Strathclyde's *Innovating Works...* research programme, the Workplace Innovation Consortium (WIC) drove policy change and adoption in Scotland by bringing business leaders, policymakers and researchers together to identify and promote best practice in workplace innovation. Reflecting on the significance of this, the former General Secretary of the Scottish Trade Union Congress (STUC) notes how *'it delivered for the first time a high level, multi-stakeholder forum committed to workplace innovation, designed by SCER and engaging key stakeholders, and committed to co-creating impact in Scotland's workplaces through leading edge research and evidence (provided by SCER) and the deployment of resources and support (provided by the other partners) to turn research into change in practice'* [S1]. As a result, the network played a key role in *'shaping and advancing the Scottish approach to workplace innovation and its role in delivering inclusive growth'* [S1]. This is apparent in the Scottish Government's Economic Strategy (2015) which points to alignment *'with work led by others, such as the Workplace Innovation Consortium, to find innovative ways to draw together all of the resources and expertise at our disposal and work together to achieve innovative workplaces and outcomes'* [S2a p.58]. The importance of Strathclyde's subsequent FITwork project [R1] is also captured in the Labour Market Strategy (2016). As well as identifying WI as one of five priority areas, the strategy identifies government support for the *'Fair, Innovative and Transformative Work (FITwork) project at the Centre for Employment Research (University of Strathclyde)'* as a key initiative to increase innovation in Scotland's businesses, noting the provision of Strathclyde's *'bespoke online FITwork diagnostic to Scottish Business Pledge and other businesses'* as part of this [S2b p.36].

Connected to this, exemplar firms from the FITwork project [R1] (Tribe Yoga/Urban Fitness; GMG Contracting Ltd, Munro Rehab Ltd, Anderson Strathern) became signatories to the Scottish Business Pledge and were then deployed by the Scottish Government to drive wider business innovation through sharing successful practice across influential employer networks. Attesting to the importance of Strathclyde's research and expertise in driving this, Tribe Yoga, an Edinburgh-based health and wellness studio, *'attributes its success to providing fair and stable employment'* and outlines the steps involved: *'Following engagement with the Innovating Works...improving work and workplaces initiative at the University of Strathclyde, the business founder decided to try fair and innovative work as a business model...This approach has generated many business benefits. Employees are engaged, motivated and team oriented...it appears to have delivered benefits in terms of reduced sick leave and absenteeism. Most important, however, is a far stronger sense of ownership, where employees tackle client and operational challenges'* [S3].

Furthermore, the Scottish Government's Head of Strategic Engagement confirms that: *'Over the period since 2014, it has been of great value to officials in the Directorate for Economic Development of the Scottish Government to engage directly with the research of the SCER team. This has informed our own thinking and how we have delivered business support both directly and through the Scottish public agencies, and has helped deliver a new policy agenda, new strategic initiatives,*

*and most crucially, a way of thinking that aligns key government priorities for the economy, for business and for the workforce, underpinned by evidence on the practical steps that businesses can take to be more innovative. This has supported evidence-based policy making that has directly improved our offer to the business community and beyond, and while it is immensely difficult to quantify the outcomes of a new policy focus, we can clearly see the adoption of workplace innovation within key public agencies and the impact that these have had in supporting businesses' [S4].*

### **Enhanced business and skills support for workplace innovation through public agencies**

As reflected in the Enterprise and Skills Board Strategic Plan (2018) [S5], stakeholder commitment to workplace innovation has translated into tangible actions to enhance business and skills support. Citing a SCER briefing based on the Harnessing knowledge report [R1] to justify its strategic focus, the plan recommended an 'Innovating Workplaces' campaign which, according to a member of the board, *'resulted in Scotland's economic development and skills agencies revising the support they offer to Scotland's businesses to help them adjust their workplace policy and practice' [S1].* This is clear from the changes implemented by Scottish Enterprise (SE), Scotland's national economic development agency, since 2016. According to the Head of Workplace Innovation, *'Scottish Enterprise has developed an operating model which promotes an approach to Workplace Innovation which is predicated by SCER's research approach' [S5].* More specifically, in response to the research findings they have *'developed a SE Workplace Innovation Division and service' which has 'supported circa 700 businesses per annum since 2016', 'launched new programmes to support businesses' including the 'WI Engagement programme and High Performing Participating Team programme to support companies on their growth journey', and 'developed a new WI service for early growth stage clients' [S6]*

Another key Scottish Enterprise initiative has been the delivery, in conjunction with SCER, of *'a series of WI Masterclasses to businesses - bringing research and practical examples together, and evidencing how workplace innovation, in all its forms, can bring together an organisation's people, processes and networks to develop new ways of working that benefit everyone' [S6].* Involving *'over 500 attendees across 8 sessions',* a SE evaluation concluded that these Masterclasses had been successful in *'assisting Scottish businesses and key stakeholders to share evidence and practice and network around the benefits and challenges of engaging with the workplace innovation agenda' [S7].* Furthermore, *'SE has also embedded Workplace Innovation into our own organisational structures and practices',* using a bottom-up approach to develop their strategic framework, vision, purpose and values, and delivering *'an Intrapreneurship Programme to encourage creativity and to make the most of individuals' skills, knowledge and insight to effect change' [S6].*

By helping Skills Development Scotland (SDS), Scotland's national skills agency, to mainstream workplace innovation, SCER's research has also enhanced apprenticeship provision and engagement with business on skills needs. This is confirmed by SDS Head of Employer Services, who notes that the FITwork project made *'people stop and look and see what was going on' and, through the development and application of a diagnostic tool (mentioned in the Labour Market Strategy) 'got under the real challenges that businesses had and then identified how to move through that solutions process' [S8].* The resulting case studies provided *'very tangible, transferable examples' which advanced understanding of 'what the levers were to make things change', and the work overall 'pulled everything together and did refocus a lot professionals' minds to look at what's been done and how we need to move forward' [S8].*

### **Enabled businesses to adopt innovative practices to improve performance**

Through direct engagement with over 40 businesses and over 2000 employees (plus approximately 8,000 employees indirectly) between 2015 and 2018, the FITwork project encouraged and enabled businesses to adopt innovative practices through practice redesign and the development of an organisational architecture for innovation. One such company, the leading blue-chip law firm Anderson Strathern (with 53 partners and over 230 employees across Scotland) has implemented various business changes as a result. As noted by the firm's previous Chairman, *'throughout that time in working with Professor Findlay, I, and Anderson Strathern, were inspired and motivated to put innovation at the core of our business by working in partnership, collaborating constructively and engaging in new things to reflect new times and challenges' [S9].* There were two distinct benefits: *'First, it reinforced that many of the policies and practices that we operated in the firm were producing the outcomes that we hoped from them. Second, we were able to*

*respond to areas of improvement identified in our FITwork survey responses and to make changes that enhanced our business and the experience of our staff' [S9]. This included using 'FITwork champions' to drive change, and designing creativity criteria into recruitment, selection, training and remuneration practices, benefitting staff and firm performance. Similar benefits were realised by Chivas Brothers, a global business based in Scotland, who also participated in the FITwork project and continue to reap the benefits. Reflecting on its significance, the Spirit Supply and Warehousing Group Manager notes increased employee engagement, operational flexibility and job progression opportunities which have enabled them to respond effectively to the challenges of the Covid19 pandemic [S10]. Summing up, he observes, 'Overall, the research findings and the process of engaging with the researchers helped us break the mould in terms of our previous way of operating, removing barriers that we had previously faced. In addition to helping us to identify problem issues much more accurately, the research also highlighted the types of workplace practices that were likely to diminish these problems, so gave us practical routes forward. Our experience was of identifiable and measurable benefits arising from an all-round successful process' [S10].*

The workplace innovation Masterclasses run with Scottish Enterprise, which engaged 450 business leaders from firms of all sizes and reached at least 900 more through innovation blogs, also enabled business learning, change and improvement. As detailed in the evaluation survey, actions taken as a result include: reviewing HR service provision to better support innovation; changing recruitment processes to headline creativity and innovation; developing training for cross-team collaboration and information-sharing; and redesigning operational practice to facilitate team learning [S7].

#### **Stimulated trade union engagement with workplace innovation to deliver member benefits**

SCER's research has also stimulated and supported trade unions to embed workplace innovation in their work to improve skills utilisation and ensure appropriate rewards and progression for employees. According to the recently retired General Secretary of the Scottish Trades Union Congress, *'The outcome of the Innovating Works and FITwork research provided the STUC and member unions with evidence on which to base discussions with employers – collectively with employers' representative bodies and individually – about better use of skills in the workplace, the benefits of collaborative working and about how both employers and workers could benefit from more innovative workplace practices. SCER also supported unions by undertaking case studies of better skills utilisation in situ alongside managers, unions and workers in three businesses, showing exactly how individual workers and unions benefitted from better use of skills by accessing new qualifications and better pay, enhancing job satisfaction, and improving career progression prospects for those workers involved'. In addition, 'union modernisation projects were established to support unions in internal innovation...which enabled unions to implement a range of new and innovative practices and structures to deliver more effective involvements and representation of members, particularly those from groups with protected characteristics' [S1].*

#### **5. Sources to corroborate the impact**

- S1** Factual statement from former General Secretary, STUC/Enterprise and Skills Strategic Board member/Advisory Group on Economic Recovery member, dated 28/10/20.
- S2** Scottish Government strategy documents: a. [Scotland's Economic Strategy](#), published 3/03/15 b. [Scotland's Labour Market Strategy](#), published 26/08/16.
- S3** Scottish Business Pledge case study: [Tribe Yoga \(URBN Fitness Ltd\)](#), 2016
- S4** Factual statement from Head of Strategic Engagement and Covid Business Support, Economic Development Directive, Scottish Government, dated 11/03/21.
- S5** Scottish Government, [Enterprise and Skills Board: Strategic Plan](#), published 17/10/18.
- S6** Factual statement from Head of Workplace Innovation, Scottish Enterprise, dated 16/10/20.
- S7** Workplace Innovation Masterclasses: review of impact and key lessons (2018) Report for Scottish Enterprise drawing on their evaluation survey data.
- S8** Video and transcript of [Innovating Works interview](#) with Head of Employer Services, Skills Development Scotland, conducted 10/06/15.
- S9** Factual statement from Solicitor Advocate & Partner, Anderson Strathern, dated 28/10/20.
- S10** Factual statement from Malt Distilleries, Spirit Supply & Warehousing Group Manager, Chivas Brothers Ltd/Pernod Ricard, dated 11/03/21.