

Development of sustainable work – is there a future for a Nordic model

Peter Hasle, professor
Centre for Industrial Production, Aalborg University Copenhagen

11th International Symposium on
Human Factors in Organisational Design and Management (ODAM)

&

46th Annual Nordic Ergonomics Society Conference (NES)

Copenhagen, August 17-20, 2014



AALBORG UNIVERSITY
DENMARK

A series of crisis creates a need for new sustainable solutions

An economic crisis

- Stagnation of growth
- Increasing competition
- Lack of funding for the welfare society

A social crisis

- Inequality
- Unemployment
- Tear and wear and exclusion from the labour market
- An aging population

An environmental crisis

- Global warming
- Scarcity of resources

The neoliberal answer: More market and less state

Consequences:

- Increased inequality with unemployment and working poor
- Uncontrollable financial speculation
- A hazardous work environment and exclusion of workers
- Unimpeded consumption of fossil energy
- Production at the expenses of environment and resources

But at the same time:

- Globalisation and increasing competition cannot be wished away

The Nordic model as an alternative

The Nordic welfare state

- A trust based collaborative democracy
- High taxes
- Public services for everyone

A collaborative labour market

- Mutual recognition
- High membership density
- Wide coverage of collective agreements

Can the Nordic model survive?

”Like the bumblebee, they said it could never fly”

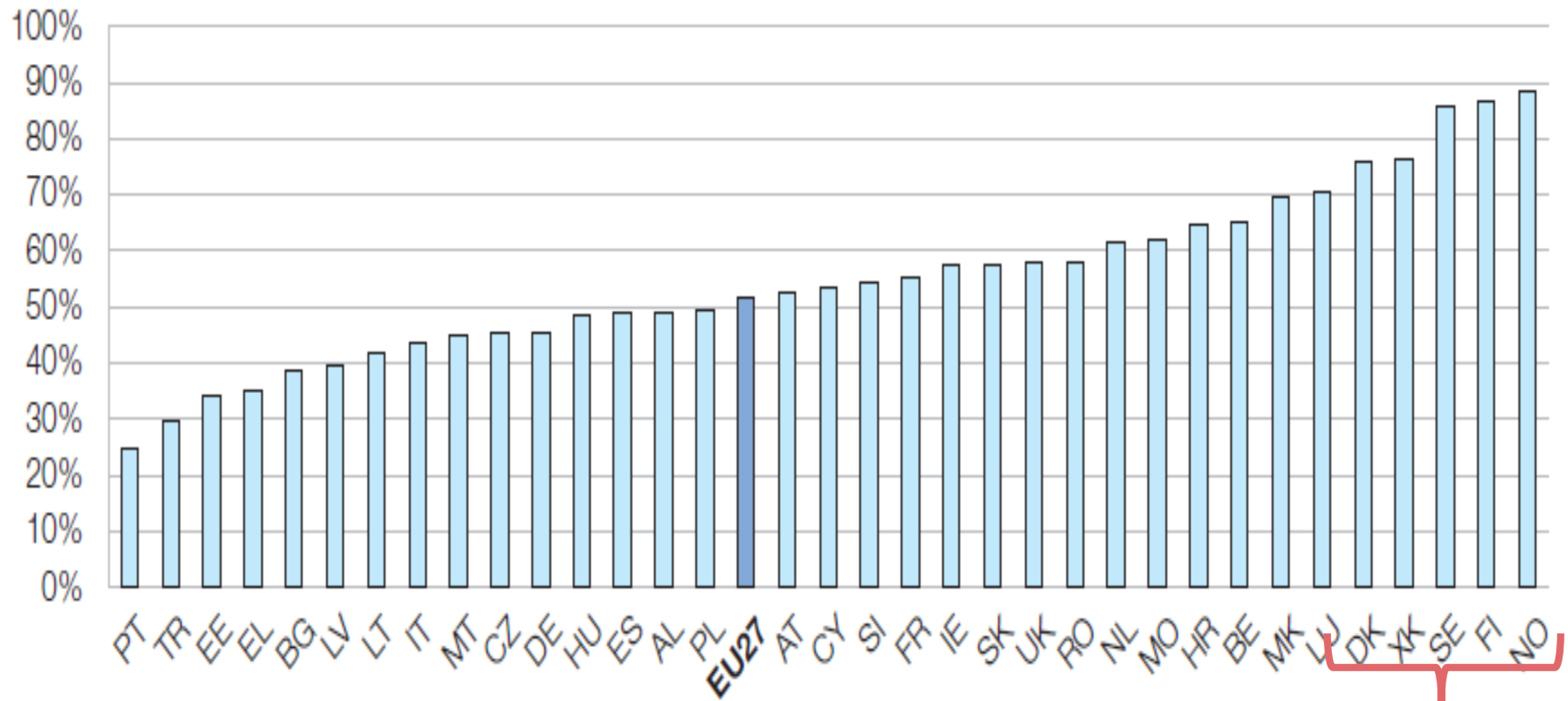
- **Increasing global competition**
 - Offshoring of workplaces – especially in manufacturing
 - International competitors outmatch Nordic firms
- **A welfare state in a deadlock**
 - Demographic changes
 - Increasing expectations
 - Limited resources
- **The (post)modernistic society**
 - Identity creation and individualism
 - Neoliberal economic ideology
- **The present economic crisis**

Labour market challenges

- **Rapid organisational and technological changes**
 - Restructuring of workplaces
 - Rationalisation and cost reduction
- **Changes in ownership**
 - Competition for return on investment
 - International ownership
 - Complex ownership structures
- **Changes in employment**
 - Temporary and part-time
 - Competition from migrating workers
 - Competition from low salary countries
- **Decrease in union membership**

High employee representation

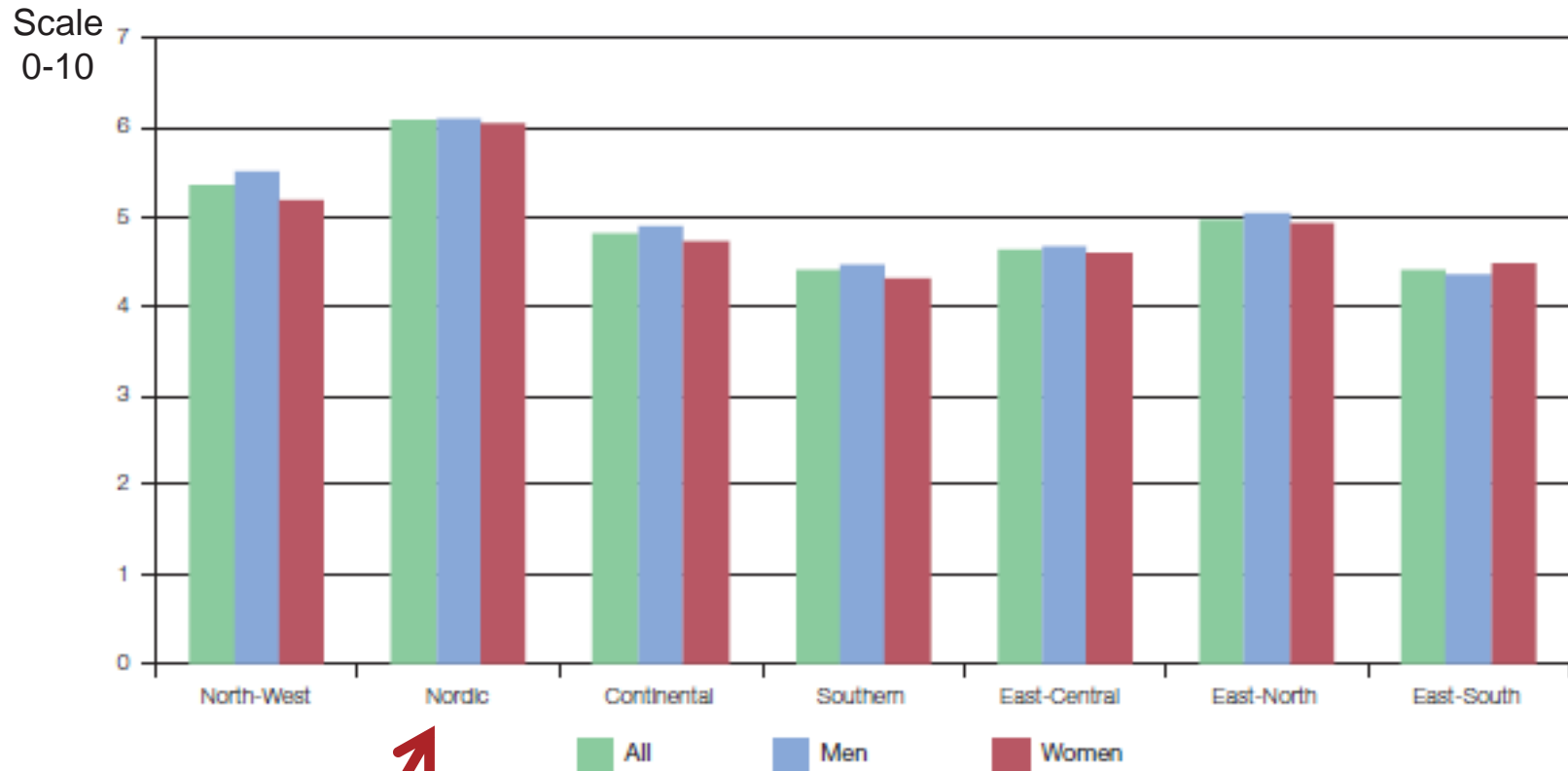
Figure 37: Employee representation, by country (%)



European Working Conditions Survey 2010

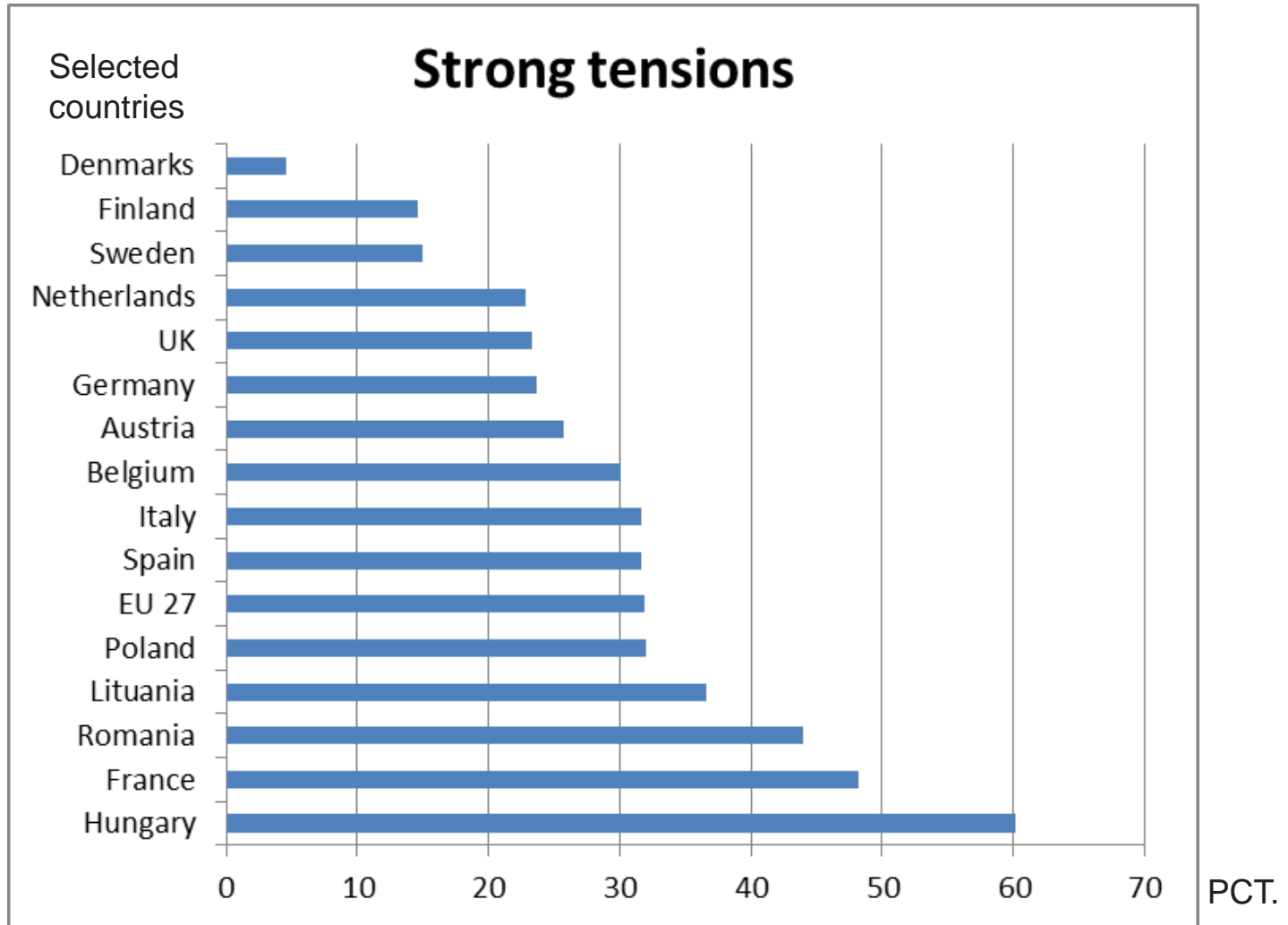
Organisational participation (influence on decisions at work)

Figure 8: Organisational participation by country group and gender



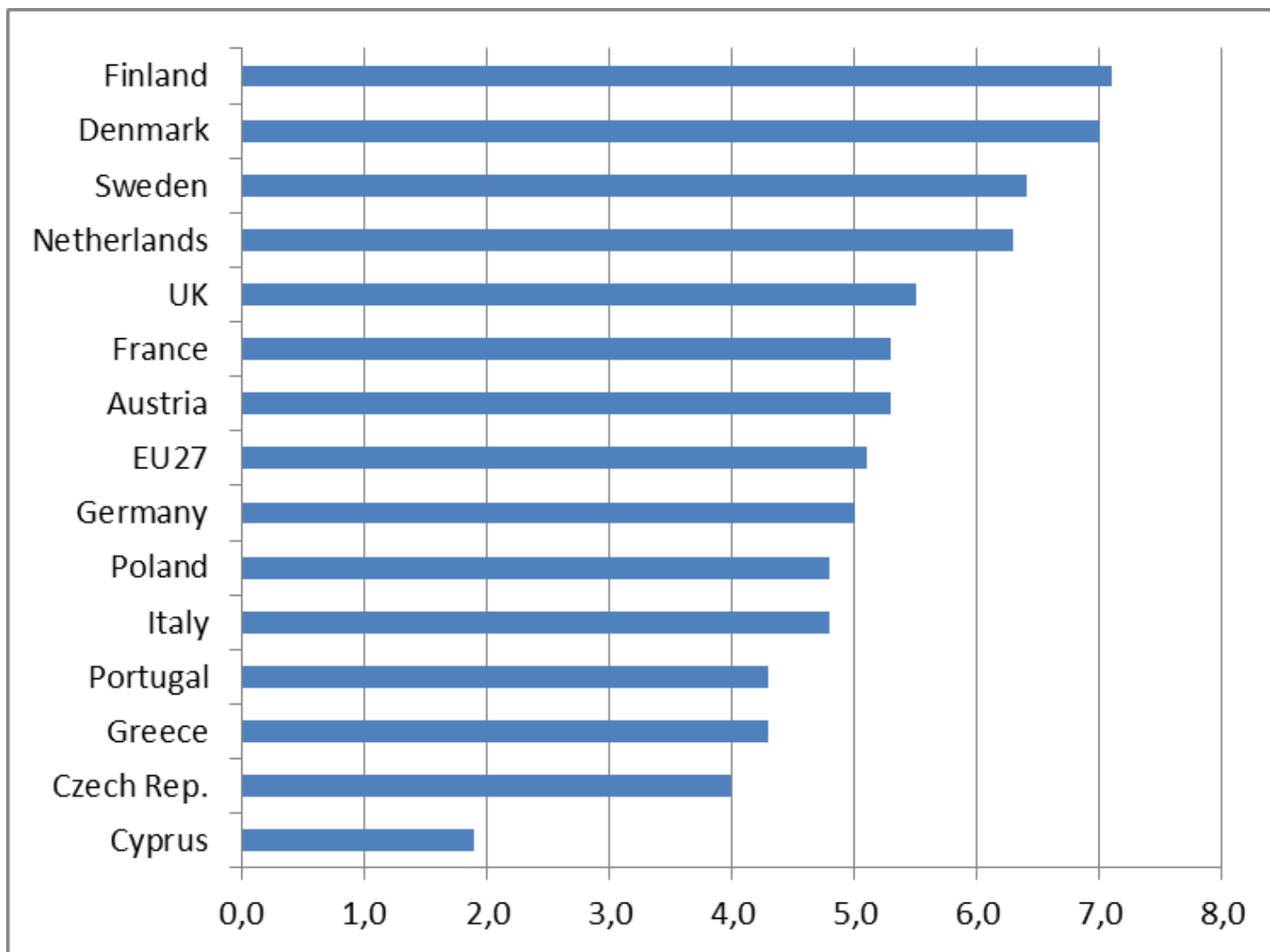
European Working Conditions Survey 2010

Tensions between employers and employees



Trust in other people in Europe

Scale 1-10
Selected
countries



European Quality of life survey 2012

The Nordic welfare model as a platform for new sustainable solutions

The Nordic model may be shaken but still surviving

- A society with high social capital, public services and high tax level
- A labour market with a strong tradition for collaboration and wide coverage of collective agreements
- An economy which survived the crisis with relatively low unemployment and financial disturbances

Conclusion:

- This “soft” model needs development to survive the tough challenges
- At the same time as it is a strong foundation for the necessary development

Forms of capital:

The resources for a new sustainable model

Economic capital:

- Money

Physical capital:

- Buildings, machines, infrastructure, natural resources

Human capital:

- The human competences

Social capital

- The ability to collaborate for solution of joint tasks

Cultural capital

- Institutions and shared understandings

A general trend in organisation and management

- Technology replaces routine work and leaves work tasks based on judgement
- Work tasks get more complex and require more horizontal relations

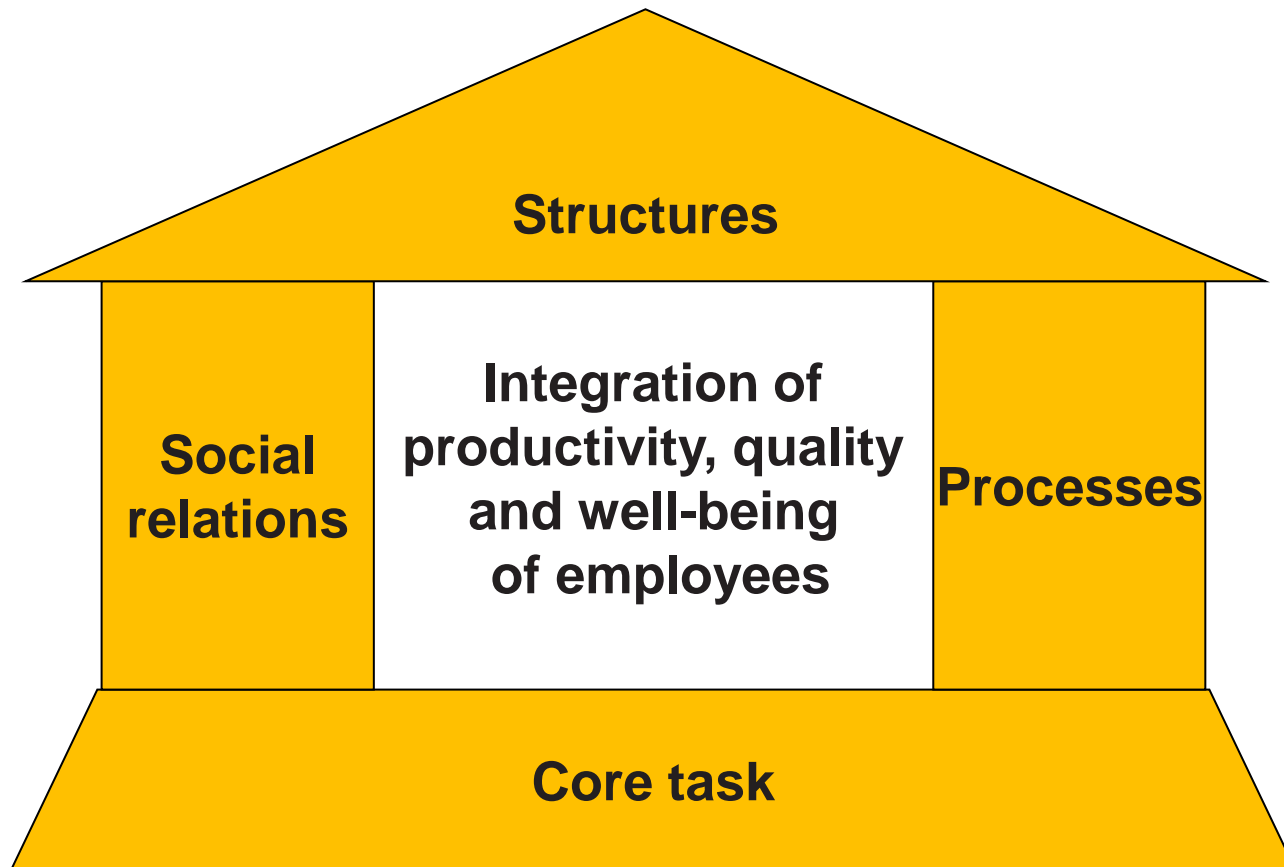
Traditional governance principles get insufficient:

- Market: Purchase and sale of products and services
- Bureaucracy: Roles and tasks established in advance

Collaboration as the new principle:

- Human beings have a need to contribute to something outside themselves and to achieve recognition from other people

Development of sustainable work



The foundation: the core task

- All organisations have a core task – the reason for existence
- Contribution to the core task is crucial for both productivity and well-being
- The core task is neither simple nor unambiguous
- Development of shared understandings between management and employees and across professions and units crucial for engagement and collaboration
- Each individual needs to make sense of his or hers contribution and to have a voice in the development of shared understandings
- The understanding of the core task is developed through both dialogue and concrete work

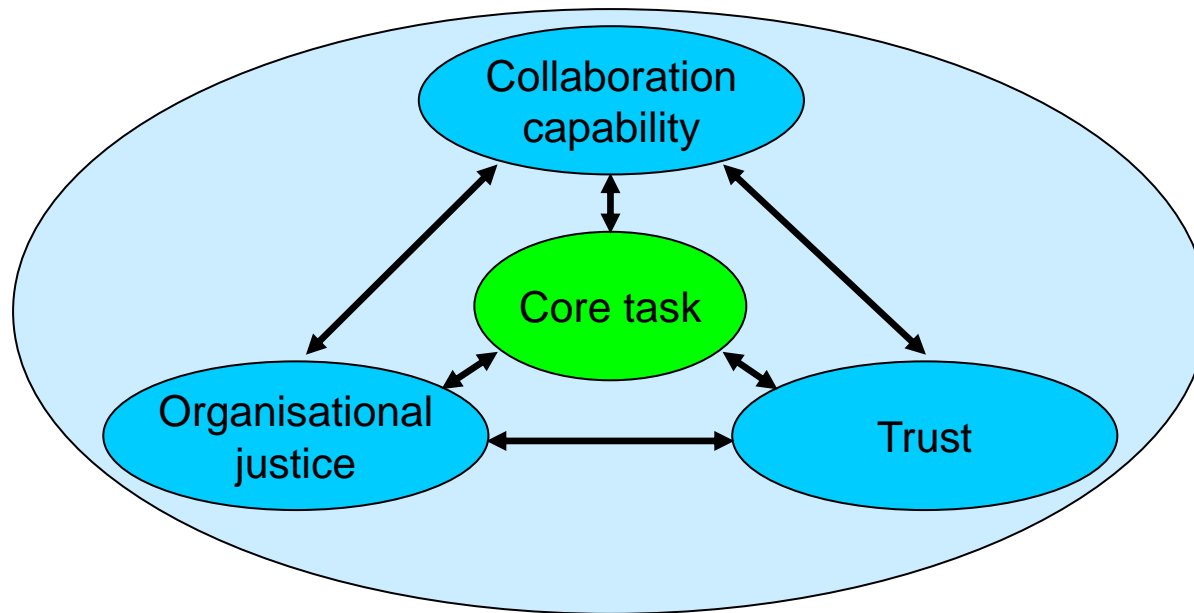
The first pillar: Social relations

- Development of social relations crucial for joint understanding of the core task and recognition of differences in understandings
- Not only between professions and organisational units but also with network of stakeholders
- Dialogue and involvement at all levels facilitate development of social relations
- Social relations facilitates collaboration for both efficient operation and well-being
- Social capital the resources provided by social relations

Organisational social capital

- A simple definition:
 - “*Features of social organisation such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit*” (Putnam 1995)
- A resource used every day to make organisations work
- Partly hidden - in the way that it is taken for granted and not explicitly nurtured
- A high level of social capital is associated with high productivity, high quality and well-being of employees

Social capital requires trust in each other, fair treatment and capacity to collaborate



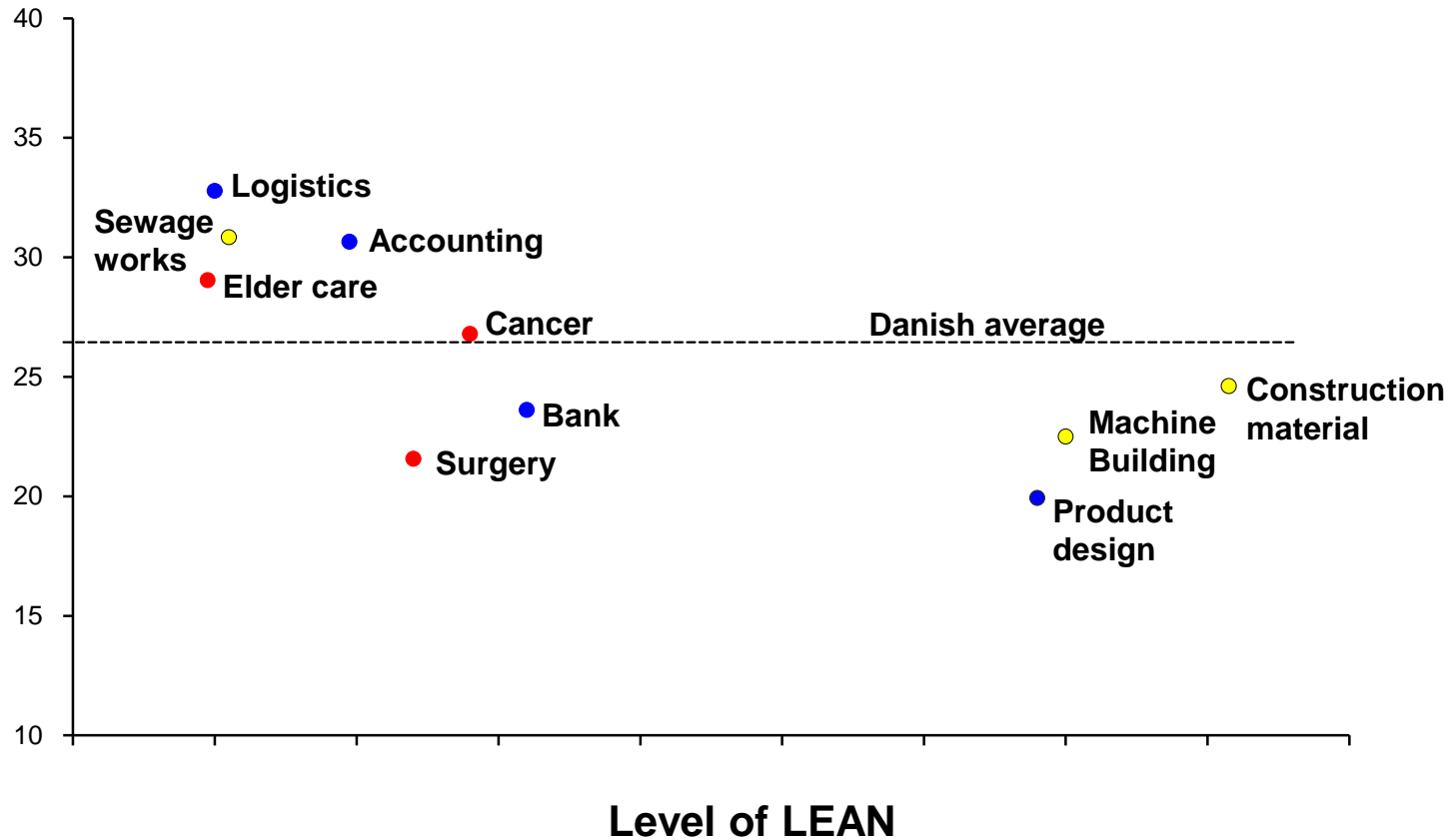
The second pillar: processes

- From:
 - Parallel professional and unit tasks based on a resource view
- To:
 - A linked flow of tasks where focus is on the needs of the next step in the process
- Lean provide key tools
- An ongoing discussion of lean:
 - Lean developed in the American auto industry and from the beginning criticised as 'lean and mean'
 - Reviews of the literature point towards lean as an open concept and effects depending on corporate strategy and industrial relations (Hasle et al 2012)

No trend towards impaired working environment from lean

A Danish sample of 10 companies

Stress (Follow up)



Bojesen et al 2010

Changes in the psychosocial working environment after lean

Change in psychosocial working environment	Company
Positive	Bank Product design Logistics Elder care
No change	Cancer department Surgery department Construction material Machine building Sewage works
Negative	Accounting Institute

Bojesen et al 2010

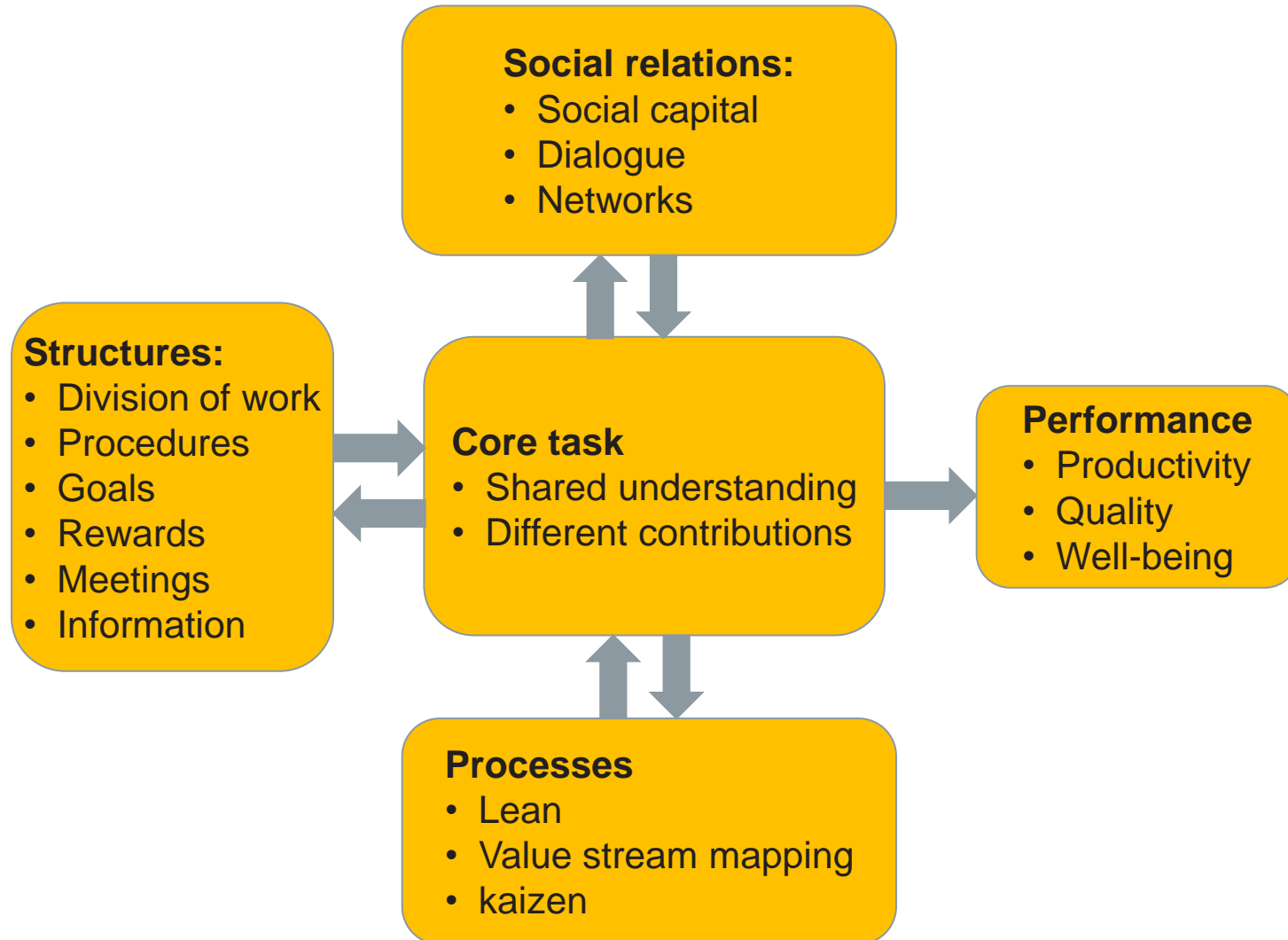
Possibilities in lean

- The core of lean is the creation of value for the customer
 - A powerful tool for rationalisation (removal of waste)
 - But also a link to core task, meaning of work (doing something which is useful for others) and to social capital (working together solving a joint task)
- Useful tools and methods in lean which can create insight in the work process
 - Value stream mapping, kaizen, transparency (lean notice boards) and teams
- Danish studies indicate that employee participation in lean is widespread (but not always)

The roof: structures

- The skeleton which makes processes and social relations possible
- Division of work, physical environment, organisational units, rewards, recruitment, meetings, information system etc.
- Support relations and processes:
 - Meetings across professions to support relational coordination and flow by discussing today's tasks
 - Recruitment and competence development to support respect for other professions and orientation towards shared tasks
 - Systems to facilitate development of networks across organisational boundaries

The collaborative organisation – a model for sustainable work



A strategic choice: “You can't have your cake and eat it”

Building on the (Nordic) model:

- Social contract
- Long term profit
- Trust in others' contribution
- Equality with low power distance
- Society support in case of social and health problems



Employees:

- Co-ownership to shared goals
- Engaged and committed
- Self-dependence

Building on the neoliberal model:

- Top-down control
- Short term profit
- Numeric flexibility with temps
- Decreasing salaries
- Reduction in social security



Employees:

- Focus on self-interest
- Indifference
- Cynicism and burn out

Thank you for your attention

Further discussion of these ideas at:

- The 8th NOVO symposium on quality, efficiency and work environment in healthcare, 6-7 November 2014, Technical University of Denmark: www.novo-network.dk/
- Research course: Lean and the work environment, 18-21 November 2014 in Copenhagen: www.niva.org/

Peter Hasle

hasle@business.aau.dk