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WORKPLACE INNOVATION INDUSTRY5.0 STYLE

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TNO Netherlands

INTERNATIONAL CONFERENCE 16 MAY 2023

THE FUTURE OF WORKPLACE INNOVATION

BEYOND 4.0

5.0 bridges

Organised by Korea Labor Institute
Venue: Korea Federation of Banks, Seoul, Korea

Dongdaemun Design Plaza Street , Seoul, November 2019
(Photo Peter Oeij)

CONTENT OF MY TALK

⟩ 1. What is Workplace innovation (WPI)?

⟩ 2. Industry5.0: a new context?

⟩ 3. Self-organising teamwork as an example of WPI: the case of Buurtzorg NL

⟩ 4. Self-organising teamwork: comparing Asia and the West

⟩ 5. Conclusion: It is up to management what to do next (managerial and strategic choice)

1. WHAT IS WORKPLACE INNOVATION?

ELEMENTS OF WORKPLACE INNOVATION (WPI)

- it is a renewal of the (work)organisation or of the design of jobs (structural change)
  - example: introduction of self-organising teamwork design, decentralising management tasks
- it affects how managers and employees behave in the organisation (cultural change, organisational behaviour)
  - example: employee engagement, supportive leadership behaviour
- it is not technological innovation, but it supports the adoption of (technological) innovation (improve innovative capability)
  - example: employees co-develop technological choices, employee-driven innovation
- OUTCOMES: better organisational & business performance + better quality of working life

Structural + Cultural change = → Organisational performance
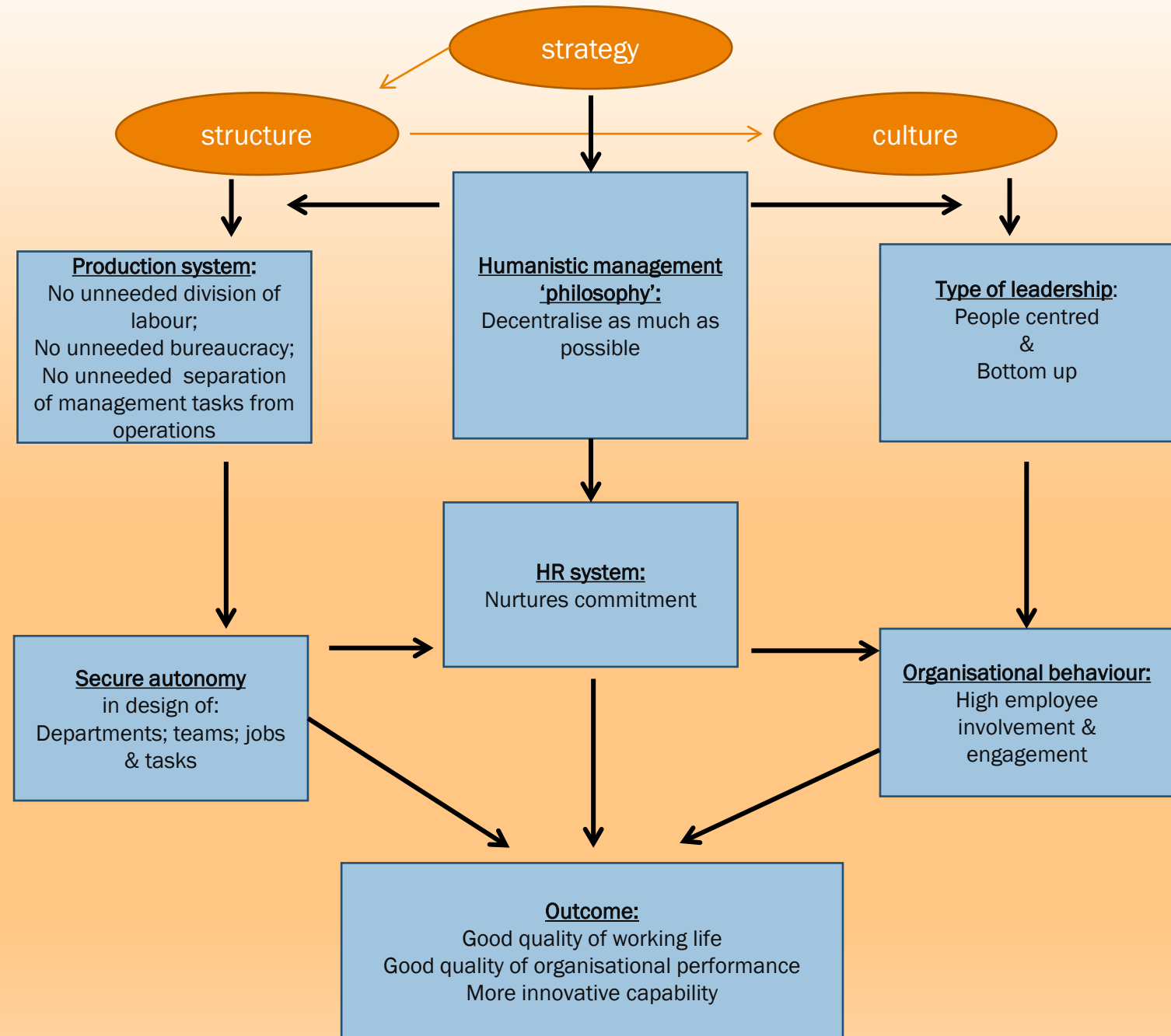   → Quality of working life

Employee Engagement
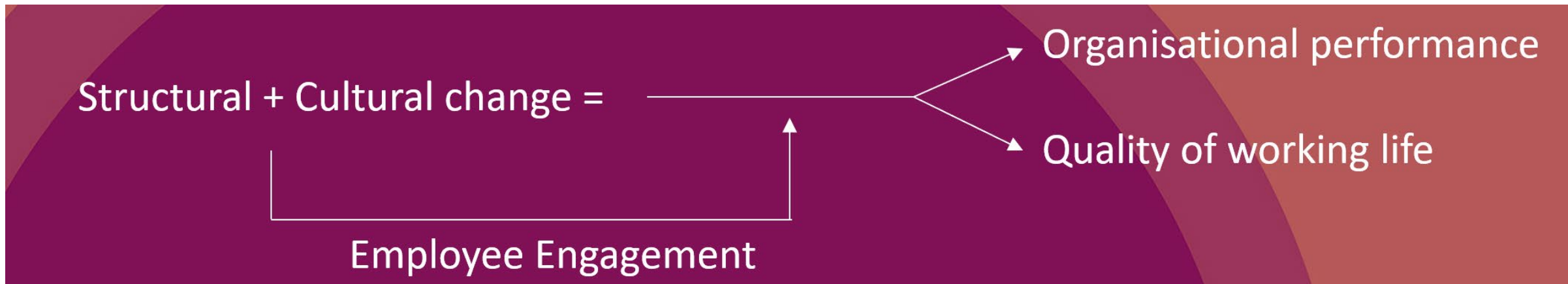
(Source: Oeij & Dhondt, 2017, p.66 in Oeij, Rus & Pot, eds.)

RESEARCH INTO WPI SHOWS THAT...

> WPI contributes to

- -better business performance
- -better adoption of renewal, innovation and new technology
- -improved relations between management, unions and employees
- -cooperative working cultures and appreciated leadership styles
- -more innovative work behaviour

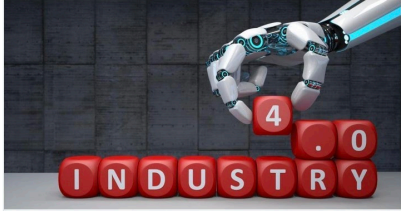Sources: Putnik et al., 2016; Oeij, Rus & Pot, 2017

CHANGE MODEL FOR WPI

strategy

structure

culture

Production system:
No unneeded division of labour;
No unneeded bureaucracy;
No unneeded separation of management tasks from operations

Humanistic management 'philosophy':
Decentralise as much as possible

Type of leadership:
People centred
&
Bottom up

HR system:
Nurtures commitment

Secure autonomy
in design of:
Departments; teams; jobs & tasks

Organisational behaviour:
High employee involvement & engagement

Outcome:
Good quality of working life
Good quality of organisational performance
More innovative capability

Source: Karanika-Murray
& Oeij, 2017; Oeij, 2019

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INDUSTRY4.0   INDUSTRY5.0

Commonalities:
-apply newest (digital) technologies and continuous innovation;
-digitalisation pervades into all production processes;
-I5.0 does not replace but complements I4.0 with human and social values.

Techno -driven
- increase efficiency and flexibility
- smart factory / connectivity

Shareholder driven
- limited interest for society
- limited interest in environmental issues
- dominance neo-liberal model

Economic value driven
- job destruction is no issue
- obsoletion of skills not responsibility of industries

Sustainability
- circularity
- reduce energy / emissions
- not jeopardise future generations

Human-centric
- technology should support humans
- technology should adapt to humans
- technology not impinge worker's rights

Resilient
- more robust / critical infrastructure
- strategic value chains / security

Source: Breque et al. (2021). Industry 5.0: Towards a sustainable, human-centric and resilient European industry (European Commission, DG R&I).

3. SELF-ORGANISING TEAM WORK: THE CASE OF BUURTZORG

Hangzhou

Conference: The Future of Workplace Innovation


Seoul

BUURTZORG (NEIGHBOURHOOD NURSING)
SOME FACTS

› Purpose: to help people live more healthy and autonomous lives

› Non-profit home nursing organisation founded in 2006

› In 2022: 10,000 nurses in about 900 teams; an administrative team (50 people); 2 non-hierarchical directors

› 99,5% Of the workforce works in self-managed teams (a team is about 12 persons)

› Patients: elderly persons with chronic illness or disability; patients recovering after hospital release

Source: E. Bernstein et al., (October 2022) *Buurtzorg. Harvard Business School Case study*. Boston, MA: Harvard Business School Publishing.

Number of Nurses and Teams, Buurtzorg, 2007-2018
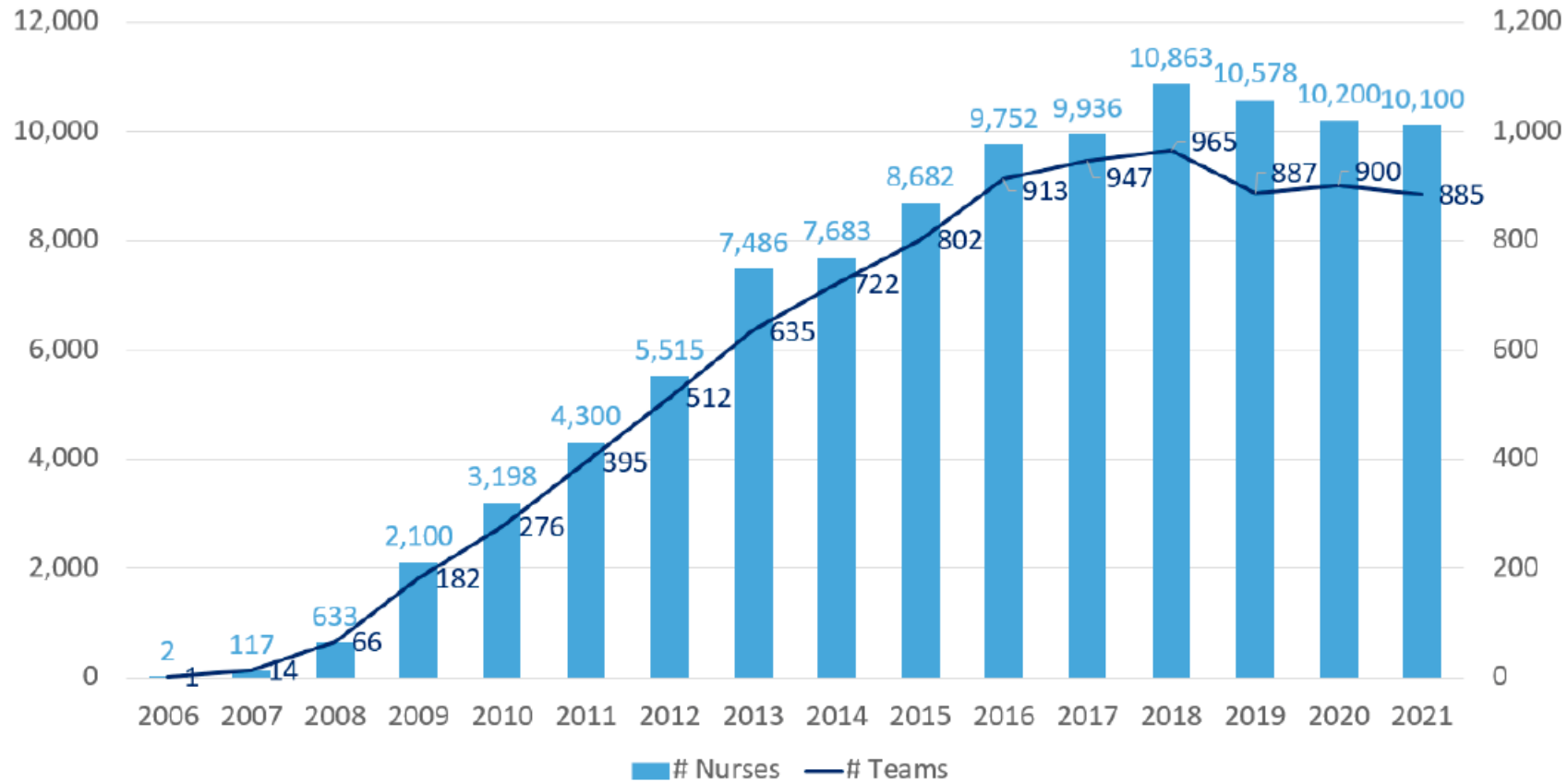
Source: E. Bernstein et al., (October 2022) *Buurtzorg. Harvard Business School Case study.* Boston, MA: Harvard Business School Publishing.
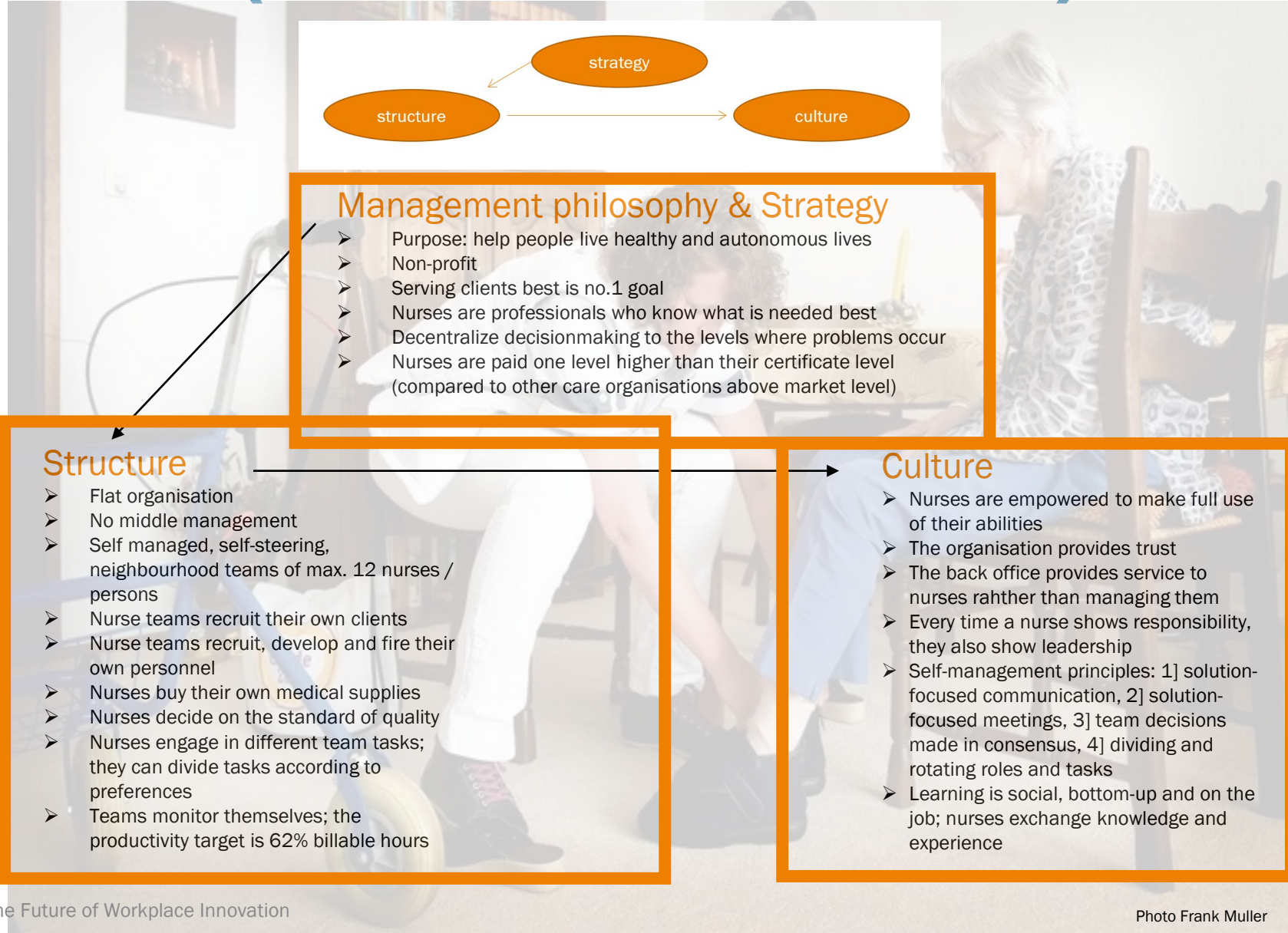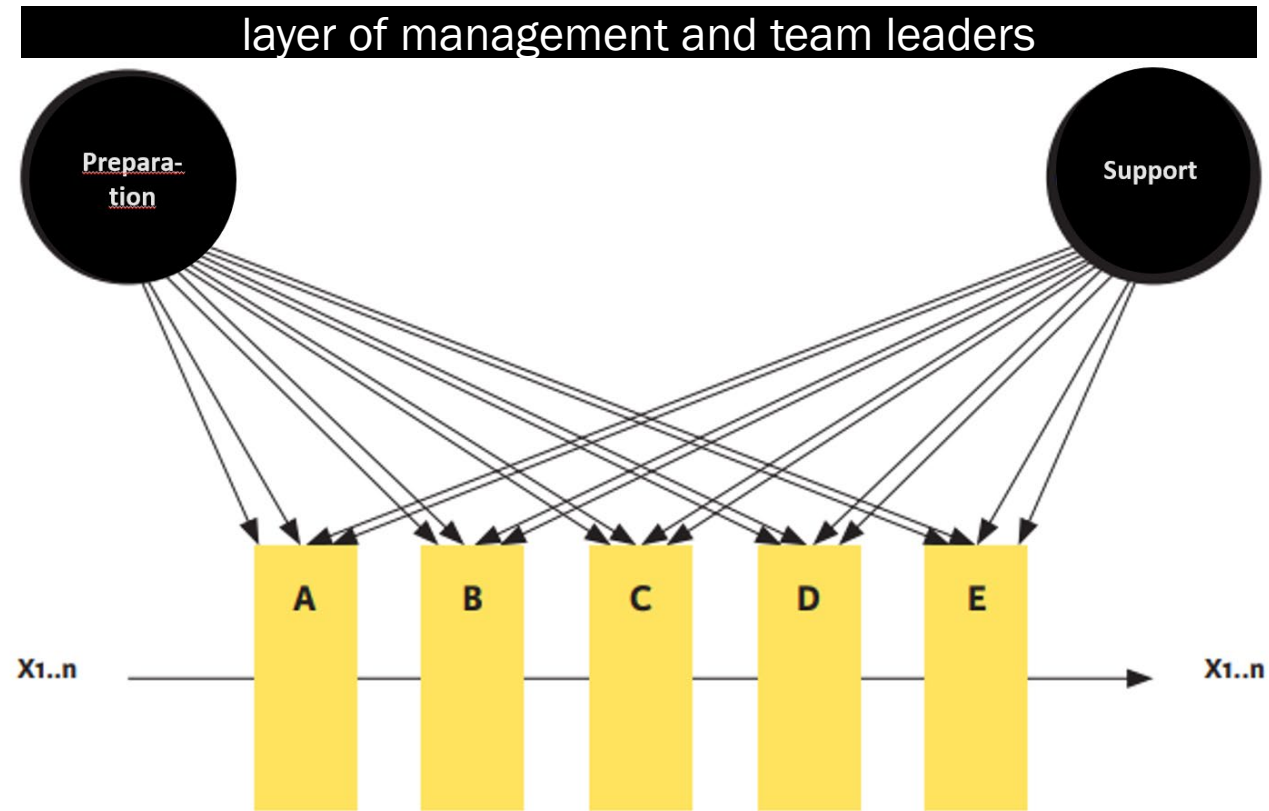
Buurtzorg's Framework

Key Aspects of the Framework

1. The Best Care at Home: Neighborhood Care Teams are Generalist and Knowledgeable
2. Self-Management: Do What You Find Necessary for the Clients with a Solution-Orientation
3. Financial Fitness: A Productivity Standard of 62% Keeps Us Healthy
4. Regional Coaches Support Teams Proactively, On-Demand, and with Guidance
5. Project Teams and HR Coaches Support Regional Coaches on Situations Requiring Extra Expertise
6. The Back Office is Not a Headquarters—It Supports Teams and is Constantly Evaluated to Avoid Unnecessary Bureaucracy
7. We Will Always Invest in Training and Knowledge as Teams See Fit
8. Buurtzorg Will Strive to Always be an Attractive Employer
9. Buurtzorg Will Take Action When 'The Outside World' Gets in the Way of Teams Being Able to Deliver the Best Care at Home

Source: E. Bernstein et al., (October 2022) *Buurtzorg. Harvard Business School Case study*. Boston, MA: Harvard Business School Publishing.
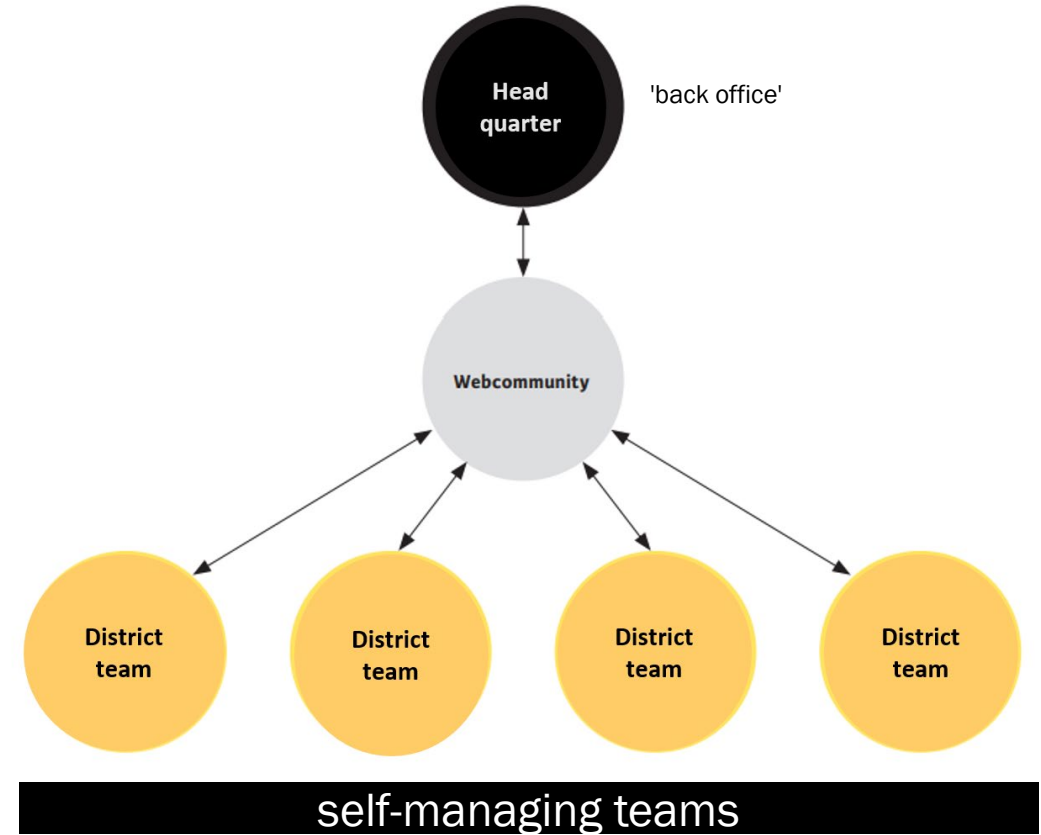
BUURTZORG (NEIGHBOURHOOD NURSING)

BUURTZORG

strategy

structure → culture

Management philosophy & Strategy

- Purpose: help people live healthy and autonomous lives
- Non-profit
- Serving clients best is no.1 goal
- Nurses are professionals who know what is needed best
- Decentralize decisionmaking to the levels where problems occur
- Nurses are paid one level higher than their certificate level (compared to other care organisations above market level)

Structure

- Flat organisation
- No middle management
- Self managed, self-steering, neighbourhood teams of max. 12 nurses / persons
- Nurse teams recruit their own clients
- Nurse teams recruit, develop and fire their own personnel
- Nurses buy their own medical supplies
- Nurses decide on the standard of quality
- Nurses engage in different team tasks; they can divide tasks according to preferences
- Teams monitor themselves; the productivity target is 62% billable hours

Culture

- Nurses are empowered to make full use of their abilities
- The organisation provides trust
- The back office provides service to nurses rahther than managing them
- Every time a nurse shows responsibility, they also show leadership
- Self-management principles: 1] solution-focused communication, 2] solution-focused meetings, 3] team decisions made in consensus, 4] dividing and rotating roles and tasks
- Learning is social, bottom-up and on the job; nurses exchange knowledge and experience

Photo Frank Muller

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THE ORGANISATIONAL STRUCTURE OF BUURTZORG

Traditional home care bureaucracy:
Resource-efficiency

Buurtzorg NL: Flow-efficiency
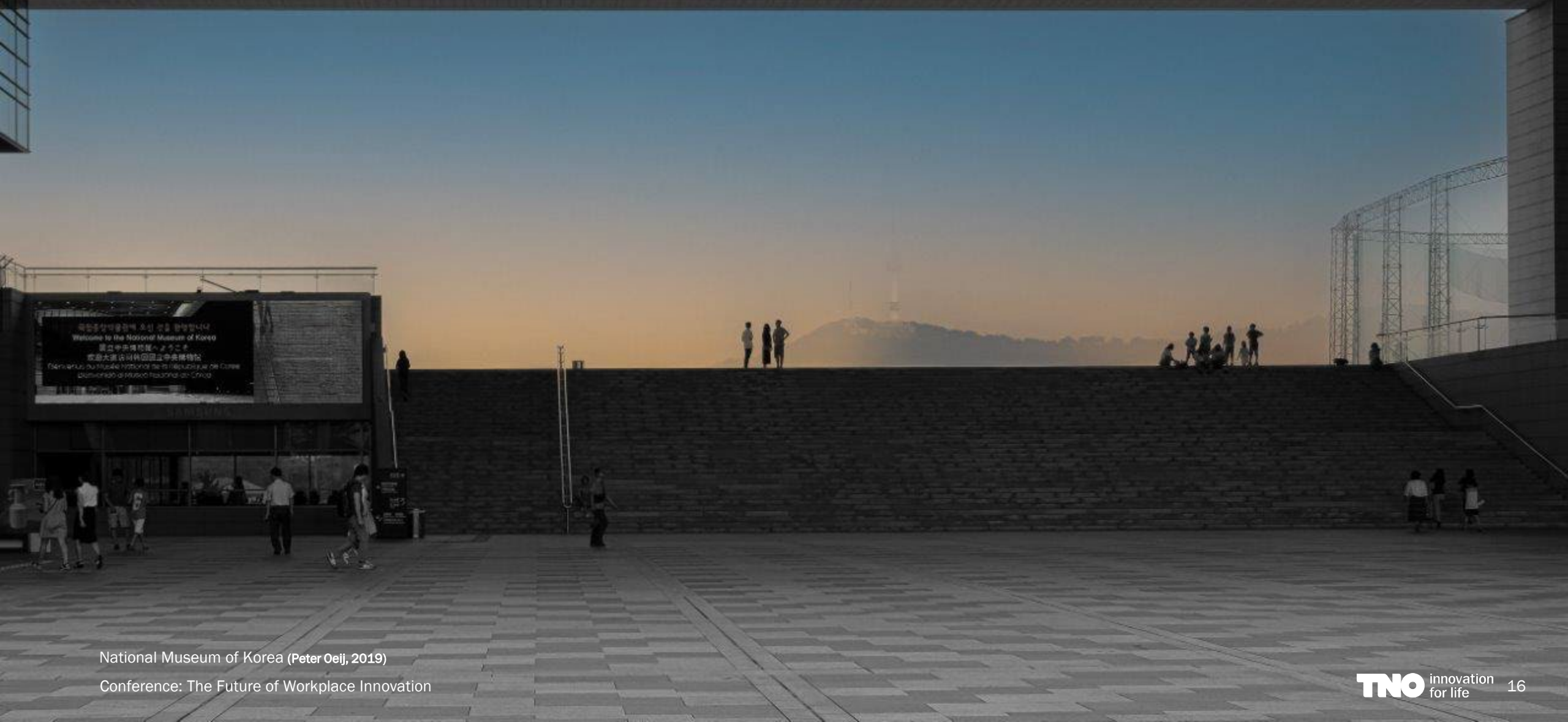
Source: Christis et al., 2018

TYPES OF TEAM WORK AND TEAM AUTHORITY

Source: Hackman, 2012.

4. SELF-ORGANISING TEAMS WORK IN ASIA AND THE WEST

National Museum of Korea (Peter Oeij, 2019)

COMPARING TEAM WORK IN ASIA AND THE WEST
Some crucial differences

ASIA

› central role of supervisors

› team leaders appointed by management

› relative small regulatory capacity for employees

› collective sense of team responsibility

› targets, working environment, team design defined by company

› team harmony and avoiding conflict / save face

› sensitivity for hierarchy / power distance

› deference to authority / seniority (respect)

› team decisions must be accounted for by a higher level

› team work is a shared sense of ownership

› collective obligation to improve quality (QC, ZD)

THE WEST

› shared leadership

› team leader/representative chosen by the team

› relative large regulatory capacity for employees

› individualism within teams

› targets, working environment, team design co-defined by works council and unions

› team effectiveness and competition-driven

› sense of equality & egalitarianism / less power distance

› deference to expertise (recognition)

› team decisions do not always demand a higher level account

› team work is a shared job / assignment

› individual drive to define a common result

Sources: Benders & Van Hootegem, 1999; Okubayashi, 2000; Leung et al., 2003; Pathmaranjan, 2003; Sey, 1999; Tran, 2019

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WHAT DOES SELF-ORGANISING TEAM WORK A LA BUURTZORG REQUIRE?

› **Employees**

› Be pro-active, entrepreneurial, take initiative

› Be innovative / contribute to innovation

› Put clients / customers first

› Be inquisitive / keep skills up to date / don't stop learning

› Divide the team tasks among team members according to their qualifications and motivation

› Embrace shared leadership for the team

› **Managers**

› Design team work that meets WPI-conditions

› Allow the autonomy that teams need to work in a self-organising manner

› Decentralise decision authority to the level where the problems occur

› Play a supporting instead of controlling role

› Enable facilities for training and educating employees

› Simplify unneeded complexity for the teams

› Reward good work at the level of the team

› Redefine the 'traditional' function of seniority, hierarchy, status into the importance of thought leadership, coaching and teaching (inspire and support your employees)
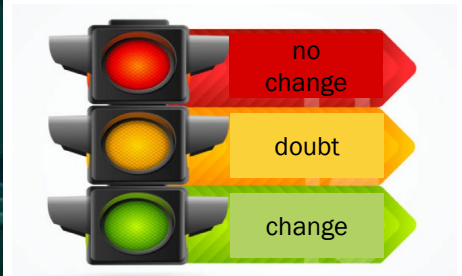
5. CONCLUSION

WHAT DIRECTION TO TAKE?

🔴	no change
🟡	doubt
🟢	change

IF AN ORGANISATION WANTS TO IMPLEMENT TEAM WORK A LA BUURTZORG, IT IS UP TO MANAGEMENT TO DEVELOP AND EMBRACE THIS NEW ROLE

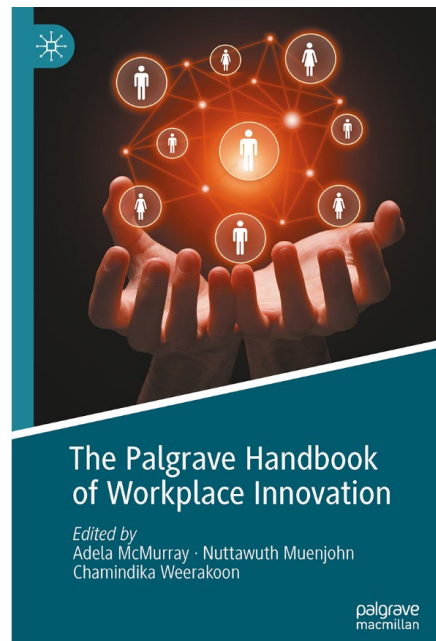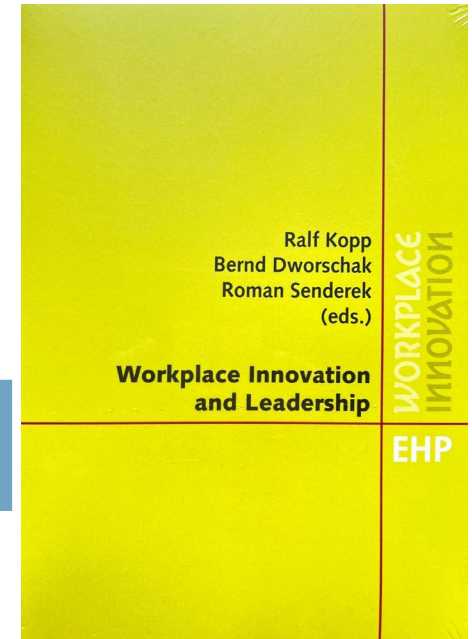Seoul traffic (Photo Peter Oeij)
Conference: The Future of Workplace Innovation

19

THANK YOU FOR YOUR TIME AND ATTENTION
GAMSA-HAMNIDA!

Han River, Seoul southside (Peter Oeij)

Further reading…

WORKPLACE
INNOVATION

new book: 50% discount

Ralf Kopp
Bernd Dworschak
Roman Senderek
(eds.)

Workplace Innovation and Leadership

EHP

Your Guide to Workplace Innovation

European Workplace Innovation Network
EUWIN

Authors: Peter Tottardill, Steven Dhondt and Sylvie Boermans

The Palgrave Handbook of Workplace Innovation

Edited by
Adela McMurray · Nuttawuth Muenjohn
Chamindika Weerakoon

palgrave macmillan

A Research Agenda for Workplace Innovation

A Research Agenda for
Workplace Innovation

The Challenge of Disruptive Transitions

Edited by
Peter R.A. Oeij
Steven Dhondt
Adela J. McMurray

Aligning Perspectives on Health, Safety and Well-Being

Peter R.A. Oeij
Diana Rus
Frank D. Pot *Editors*

Workplace Innovation

Theory, Research and Practice

Springer

European Journal of Workplace Innovation

Volume 7, Issue 1, April 2022

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