



## Rising East

Reflecting on two remarkable days in Vilnius and Warsaw

Rosemary Exton  
Director, UK WON



Last Autumn I was delighted to report the enthusiasm for workplace innovation demonstrated by business representatives at EUWIN's Sofia Conference ([Bulletin, October 2014](#)). It defied the sceptics by demonstrating that some managers (at least) in Eastern Europe understand the importance of employee participation and empowerment just as well as those in the Northern countries.

Was this a one-off phenomenon? Would we be facing an uphill struggle to engage participants at EUWIN's events in Lithuania and Poland on 15<sup>th</sup> and 16<sup>th</sup> June? I needn't have worried: the answer was a definitive "NO".

### Vilnius, Monday 15<sup>th</sup> June

For the first-time visitor it is immediately apparent that Vilnius is both an attractive and a welcoming city. The old town charms tourists with its historic townscape while the City's residents charm them with their hospitality. But it would be a serious mistake to think of Lithuania as a lovely backwater for visitors. It soon becomes apparent that the transformation of the country's economy is high on the national agenda.



We were collected from the airport by **Rasa Rotomskienė** (see interview elsewhere in this Bulletin), one of the new generation of Europeans from the East whose knowledge and passion marks her out as an emerging leader. She explained the way in which the Confederation of Industrialists is providing an important platform for innovation in the Lithuanian economy, not least in promoting workplace innovation.

The Conference opened with two impressive speakers: **Mr Robertas Dargis**, President of the Lithuanian Confederation of Industrialists and **Mr Algirdas Butkevičius**, Prime Minister of Lithuania. Yet the subsequent panel discussions, led by powerful groupings of national and European social partners, policymakers and experts, also made the audience sit up.

**Industry 4.0** originates in the German government's technology strategy and creates a vision of manufacturing automation which, according to one speaker at the Conference, means that future factories will only need to employ "one man and a dog" (it was said that the dog would just be there to keep the man company but it occurs to me that she would also be needed to ensure gender balance). Real-time capability means that "cyber-physical systems" will be capable of making decisions, of learning and of innovating independently. Speakers assured us of Industry 4.0's inevitability.

So what does this utopian (or perhaps dystopian) vision mean for workplace innovation if as one speaker suggested, humans become largely redundant? I suppose that one of the advantages of relative maturity is to have lived through the rise of several dramatic meta-narratives about the future, only to see a sense of perspective prevail over time. But this one is particularly interesting: emerging technological potential is indubitably awesome but there are always choices – economic, political and social – about how it is deployed.

For example [\*\*Making Good our Future\*\*](#), a recent EU policy paper from **Social Innovation Europe** discusses the potential of these technologies to "democratise" production: large, centralised manufacturing plants could give way to small-scale facilities capable of customising generic products for local markets based on local knowledge and creativity. Removing people from the workplace may become possible, but this could just be one option amongst a series of competing strategies.

Regional development, university-industry links, entrepreneurship, intrapreneurship and new roles for trade unions were all emphasised by panel speakers as essential ingredients if Europe's industrial renaissance is to succeed in the face of intensifying global competition, not least the transition of India and China towards knowledge economies. **Fredy Peltzer**, Dutch trade union representative on IndutriALL Europe, argued that the ingenuity of workers was a resource that should not be ignored in reaching this goal.



EUWIN's session during the afternoon took up this last point. **Steven Dhondt**'s opening presentation focused participants on the power of workplace innovation to unleash employee knowledge and creativity. As is now customary at EUWIN events, the panel session with representatives of six companies took the form of an interactive discussion facilitated by **Peter Totterdill** rather than a series of separate presentations.

It was good to see the return of **Edwin van Vlierberghe** (Bombardier North West Europe) and **Ton Driessen** (Resato, NL), both of whom had made great contributions to previous EUWIN conferences. Edwin declared his approach to leadership at the outset: it is the employees who create the value for the company “so as senior managers we are working for them to solve their problems, they are not working for us”. Edwin’s arrival transformed workplace culture through his openness and especially his eagerness to empower employees at every level to take control of their work.

Likewise Resato has changed dramatically since Ton and his business partner took over the company some six years ago. A new culture of openness and transparency about everything, including finances and plans for investment, provided the context for shopfloor empowerment based on self-organised teams. “Natural leaders” emerge throughout the company, replacing the former hierarchical management structure.

Natural leadership also plays a prominent role in Proekspert’s “bossless” structure. **Tiina Saar-Veelmaa**, Workplace Happiness Expert (great job title!) at the Estonian company explained that they abandoned the classical hierarchical organisation structure. Teams are autonomous and the former managers now work to support them. Everyone has their own field of responsibility but decisions are made co-operatively rather than through instruction. You can read more about Proekspert in [EUWIN’s Knowledge Bank](#).



Representatives of three innovative Lithuanian companies completed the panel’s membership, demonstrating that workplace innovation is already acquiring a base in the country. **Gintaras Kvietkauskas**, Director of the Arginta Group led the changes in culture and practice shown in EUWIN’s latest addition to the [Film Bank](#). Gintaras argues strongly that quality and improvement should be owned by everyone in the company rather than being policed by management, and the company has created a series of empowering practices to enable the development of such a culture.

**Martynas Griežė** (Intersurgical) took up the theme of empowerment, recognising its importance in engaging employees in improvement and innovation. Intersurgical recognises that if people are the company’s most important asset, it must create an environment where they can use and develop their knowledge, experience and creativity to the fullest possible extent.

**Gintaras Rimša** defended employee empowerment against possible sceptics. His experience at Baltec CNC Technologies showed that far from leading to chaos, self-organisation on the shopfloor was integral to a competitive strategy based on added value.

And the other panel members agreed strongly with Tiina on one particular issue: happiness and fun at work can play an essential role in successful business!



During lunch, Director General of our host company Mr Vidmantas Janulevičius, BOD Group, gave a tour of their fantastic geothermally controlled building where they produce their Solar Cell and ophthalmological products. It was interesting to hear how they support other start-up companies including pharmaceutical laboratories who also need the controlled environment with no air conditioning!

Over a welcome glass of wine at the end of the Conference we wondered, “where next for workplace innovation in Lithuania?” We gained a much better sense of the journeys on which some companies are embarking but it is clear that support is needed to stimulate, resource and sustain workplace innovation on a large scale. The involvement of the Confederation of Industrialists is really encouraging and, on behalf of EUWIN, UK WON will continue to support Rasa in developing a proposal for a workplace innovation programme for Lithuania.

### **Warsaw, Tuesday 16<sup>th</sup> June**

Another day, another conference and another city to discover.

Warsaw’s old town is truly remarkable, having been rebuilt in its original form from the rubble after its destruction in 1944. As Peter pointed out, it’s hard to think of many other Northern European cities where you can walk for so long without seeing a single discordant building. But it’s also impossible not to be moved by the city’s poignant history.

Travelling to Kozminski University in the suburbs gives the impression of a dynamic metropolitan economy showing plenty of signs of growth. Conference organiser **Marta Strumińska-Kutra** was very welcoming and explained her ideas for raising the profile of workplace innovation in Poland. This is one of EUWIN’s real strengths – supporting entrepreneurial people like Marta and Rasa by making connections with experts and practitioners from across Europe.

Despite the title of the event, ***Current scientific work on workplace innovation***, there were several participants representing businesses and it was good to see the potential cross-over between academic research and practice.

**Peter Totterdill** and **Steven Dhondt** got the conference off to a dynamic start with their presentations, clearly setting the scene by stressing the importance of workplace innovation for economic performance and employee well-being alike. Peter focused on the importance of aligning workplace practices and systems throughout the organisation, from job design and teamworking to employee voice in strategic decision making (see [The Fifth Element](#)). Steven’s presentation of results from the Eurofound case study analysis provided a valuable preview of the report to be published in September.

Other international contributors were **Adalgisa Battistelli** (Université de Bordeaux) who contributed in-depth insights into the alignment of HR practices with workplace innovation, and **Paul Preenen** (TNO) who reported the results of research on the importance of job autonomy for performance in

young companies. **Frank Pot** (TNO & Radboud University) drew lessons from the gradual emergence of workplace innovation policies at national and European levels and argued for greater integration and consistency. **Csaba Mako** (Hungarian Academy of Science) focused on the importance of job quality but drew attention to the significant differences that exist between EU countries.

The range of research presented by Polish contributors was impressive. From the Warsaw School of Economics, **Jan Czarzasty**'s research on Polish SMEs showed that democratically-run companies are much more likely to innovate than those that are autocratic; however such companies are in the minority. **Zofia Mockatto** (Central Institute for Labour Protection) developed the theme of innovation capacity in her presentation of survey findings on employee engagement and workplace social capital. Workplace innovation is related to employees' innovativeness, but this in turn is related to leadership style and other organisational factors.

**Gabriela Sempruch** (University of Warsaw) presented the *Costs of Inaction Model*, a new approach to local and regional social policy that calculates the consequences of non-intervention; she argued convincingly the approach also has potential relevance in relation to workplace innovation.

Two papers focused on wider labour market perspectives. **Monika Sonta** (Kozminski University) addressed factors which influence mothers' decisions to step back voluntarily from the job market; **Izabela Grabowska-Lusinska** and **Justyna Sarnowska** (Warsaw University) examined the two-way exchange of knowledge capital resulting from work experience in other countries.

Finally **Marta** presented her work with **Bolesław Rok** (Kozminski University) on the role of structure and agency in social Innovation at the workplace. It illustrates the impact of concrete organisational structures on innovation-related behaviour and perception as well as the opposite effect: how specific perceptions and behaviours influence organisational structures, contributing either to their maintenance or to their transformation.

Over a very pleasant dinner we explored the prospects for building a workplace innovation movement in Poland, a theme that will certainly recur during EUWIN's next Warsaw event in co-operation with the Polish Development Agency (PARP) on 19<sup>th</sup> October. Watch this space for details!

## [HEAR STEVEN ON THE POLISH CONFERENCE](#)

