How trade unions can stimulate, resource and sustain workplace innovation
Experiences from Denmark
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Ideas. High levels of knowledge. Strong relationships between unions and employers able to handle both shared and conflicting interests.

Trade unions and employers’ organisations agree that these are some of the key elements behind Danish competitiveness. Political decision makers are also convinced that Denmark’s wealth and welfare must be based on great ideas and a high capacity for innovation.

Ideas and innovations don’t just come from grand R&D departments, renowned universities or large global organizations. They are found in diverse private and public workplaces, amongst workers and employees at all levels.

It is important that all stakeholders acknowledge this fact.

This is why the Danish Confederation of Trade Unions (LO) promotes employee-driven innovation and workplace innovation. This builds on an LO Report – the first of its kind - which focuses on employee-driven innovation in private and public-sector workplaces.

It helped pave the way for a new understanding of innovation in which:

• The focus is on innovative practices contributed by any employee at any level of the organisation.
• The ideas, creativity, competencies and problem-solving abilities of employees drive the innovation process.
• Innovation is embedded in employees’ daily work activities – often in teams - based on experience and learning on the job.
• Innovation may unfold itself in spontaneously, informally and unplanned ways, or it may be organised and supported by different kinds of organisational and managerial means.
• It is a bottom up process, yet it has to be supported, recognised and organised through, for example, participation in innovation processes and high involvement innovation practices in the firm.
So, how do Danish trade unions participate in workplace innovation as knowledgeable partners? Here are three important dimensions.

Firstly an important element in stimulating and sustaining workplace innovation is to keep the Danish labour market model vibrant and robust.

The Danish labour market model is characterised by flexibility and by providing security for workers at the same time. It is a model which ensures that workplaces, companies and employees are capable of providing the innovation and adaptation required in a fierce competitive global environment. Furthermore it is known to bring about a sense of community between sections of the population.

Mobility and adaptability in the Danish labour market is closely related to liberal employment rules. This is balanced by a relatively well-functioning benefits system in combination with an active employment policy based on the right to work.

If available benefits are not sufficiently good, the labour market will not be as flexible because of the insecurity felt by employees. Conversely, if the benefits system addresses perceived insecurity it produces flexibility. When combined with an active employment policy (understood as both an active labour market policy and an active social policy), the employment of those in the labour market will be much more stable.

The role of trade unions and employers’ organisations constitutes an important element of this flexicurity model. If an active employment policy is to be effective, the social partners must assume great responsibility and participate actively in a widely distributed system of collective agreements. In other words the Danish labour market model offers win-win outcomes for both employers and employees. It underpins the mutual trust and cooperation between the social partners that constitute the building blocks for workplace innovation.

Secondly, trade unions are involved in creating and sustaining cooperative mechanisms and cooperation committees in workplaces. A cooperation committee is a forum for dialogue between management and employees. The development and future of the workplace is at the centre of this dialogue. Cooperation committees are composed of representatives from management and employees, and meet regularly to discuss workplace issues.
Committees must involve employees in the process of defining workplace goals and strategy. They should also create the desire and motivation to achieve workplace goals by enhancing competencies, optimal working conditions and productivity.

The cooperation committee will discuss some issues that fall under the managerial prerogative. Leadership must be exercised in cooperation with the employees in a motivating and stimulating way. The dialogue must ensure that employees actively contribute to workplace development. The employee representatives on the committee must seek out common employee interests in dialogue with management.

Thirdly, the trade unions and LO are very much involved in developing the educational system and possibilities for lifelong learning. Skills development of workers is a prerequisite for enabling employees to engage in innovation and development activities in the workplace. Union involvement in learning takes place at different levels.

LO and the trade unions are in close dialogue with political decisions makers and ministries at the national level. Their job is to make sure that, for example, the vocational education and training system is on track to give students the problem solving skills and the focus on creative solutions needed to continuously come up with suggestions for new products, service or work processes, helping companies and workplaces grow. LO’s affiliated unions are directly represented on the boards of the vocational schools.

To sum up, the vision of LO’s business and research policy is to ensure Denmark’s sustained welfare and economic growth in the global age. The aim is to develop, attract and maintain knowledge-intensive jobs by ensuring that private and public-sector employees have optimum conditions for exploiting their innovative potential.

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