

Work Ability and Social Inclusion project -enhancing collective knowledge through leadership and stress management

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Abstract

This paper describes a project aimed at the development of leadership and the reduction of occupational stress through the application of the Metal Age method. With a view to providing effective and practical solutions for ICT organisations, the project approach targets Intellectual Capital development through the increase of work ability, stress management, enhancing leadership and thereby social inclusion in the work force in Finland, Estonia, Latvia and Sweden. The primary goals are to improve leadership through increased cooperation and discussion between leaders and employees, decreasing stress and improving communication within organizations. Consequently, human capital, leadership, stress management and work-ability are the areas of interest in this paper.

Intellectual Capital, Leadership and Well-Being in ICT companies – theoretical and practical aspects

In this paper we consider Intellectual capital as collective knowledge of the individuals in an organization or society. It's widely accepted that knowledge and the organisational ability to effectively utilize its knowledge resources constitute the basis of economic growth and welfare (Martin-de –Castro, 2010). The proficiency in knowledge exploitation refers/ to an integration of individual knowledge into collective knowledge through the process of combining potentially complementary components of knowledge that reside in various individuals and parts of organisation (Prahalad Hamel, 1990). The integration of various complementary competencies possessed by individuals or organisational units creates learning efficiencies due to resulting specialization in accumulation of different kinds of complementary knowledge (Leiponen 2006). However, as Kogut and Zandler (1992) are noticing, it is still the management challenge to enable sharing and integration of knowledge by establishing organizational linkages and communication channels. In this paper we propose that this challenge can be addressed by introduction of innovative leadership and enhanced well-being of individuals.

Leadership, perceived as a process through which people influence other people in order to reach certain organisational and individual goals (Muller, Raich 2005) plays a hefty role in the support and creation of knowledge sharing. By permanent motivation of an individual to continuously develop and enhance their work practice, leaders improve one's work satisfaction and productivity. Consequently, leadership contributes to value creation and competitiveness by enhancing communication, and thereby decreasing unnecessary stress, increasing cooperation and enhancing innovation. As a result of raising customer expectations and rapid growth and development in ICT sector, there is a growing demand for innovation leadership. As innovation becomes the key driver of competitive advantage (Armbruster et al 2008), innovation leadership has become a new area of skills that has triggered the attention of scholars and practitioners. Unfortunately, due to the relative novelty of the concept the existing research in the field is sparse (Valovirta and Hyvönen 2009). Previous research on innovation has shown that the organisation strategies, administration, leadership and organisational culture are crucial factors influencing the realisation of innovations (Tidd and Bessant 2009, Valencia 2010). Further, employees innovation activities depend of the amount of internal co-operation and communication (Andersson et al 2004). Here leadership comes into play. Leaders have a significant impact on employees behaviour and can either promote or inhibit innovational and creative activities within organisation.

On the other hand, the degree of knowledge sharing and creation is directly related to stress, work ability and well-being concepts. By work ability of an individual we do understand set of distinctive but correlated factors like health and functional capacities, competencies, values, attitudes and motivations, work, work community and leadership (Nasman 2011). The relationship between stress, leadership and work ability is illustrated by the research results. According to the recent inquiry in 2010 the main causes for early retirement in Finland were bad leadership and work load (Nasman 2011). In organisations with poor leadership and communication, there are higher number of sick-leaves, early retirements and lowered work ability. These climate in these organisations can create feelings of stress, anxiety and ambiguity amongst the workers, which results in lower levels of innovation and productivity. In large organizations there are four levels of benefit from well-being at work:

- 1) the individual,
- 2) the working team,
- 3) the enterprise, municipality or organization,

4) society at large.

Although the discussions and activities related to well-being at work have gained increasing interest, further efforts to market and promote well-being at work are needed. This paper attempts to address that requirement.

The Purpose of the study

In today's fast changing market, organisations and companies need to adapt and constantly transform in order to survive. They need to deliver more and more innovative products and processes by effective utilisation of their intangible assets. Effective utilisation means ability of the leaders to leverage all the skills, knowledge and creativity of employees in the work place. In other words, this relates to effective training, development and renewal of human capital, organisational ability to transfer and transform the tacit knowledge of the most experienced individuals into explicit or tacit knowledge of the younger employee. On the other hand, demographic, economic and social changes trigger the necessity for prolonging the professional career of people. This requires an holistic approach towards the problem – the importance of developing well-being at work gained attention as it affects health, competencies and attitudes towards work in a positive direction and creates a basis for a long working life.

Unfortunately, the majority of projects aiming at the enhancement of the well-being at work are time consuming. Moreover, in-depth analysis of the situation does take time and thus the benefits of it are seldom fast enough to provide any gains for the analysed organisation. The Metal Age method (described in this project) is simple and fast. It does not require any in-depth analysis of all the circumstances that affect well-being in the workplace. It focuses on tackling the issues that are currently on the table in the respective working places.

The WASI Project and the Metal Age Method

The Work Ability and Social Inclusion (WASI) project is mainly based on Metal Age, a method developed to increase well-being at work, including measuring the effects of intervention on organizational leadership, stress management. In a previous study, where the Metal Age method was used, the economical analysis suggested a 46% annual return on investment WASI is carried out in

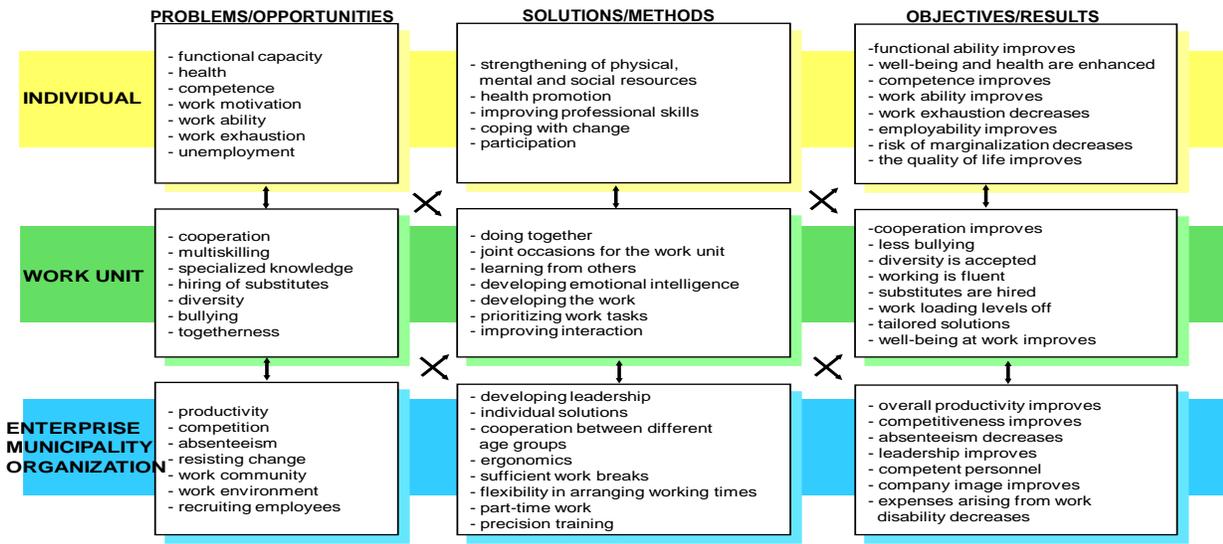
companies with people who work a lot with ICT technology in Finland, Estonia, Latvia and Sweden. Many Finnish, Estonian, Swedish and Latvian companies struggle with similar problems: poor leadership, insufficient stress management and poor communication. Leadership and stress management problems are common among people who work a lot with ICT technology. Stress, poor communication and leadership problems often lead to lifestyle and health related problems in leisure e.g. alcohol, sedentary lifestyle etc. Work ability and other health related challenges can be solved by a work well-being program, where the specific development areas of each involved country are taken in consideration. The WASI program is well structured and realistic for each environment and focus group. The purpose and primary goals of this project is to increase work ability, stress management, leadership and thereby well-being and company productivity and profitability. Methods are 1) a short survey, simple field measurements, surveying sick-leaves, early retirements etc, (n=1000) 2) carry out Metal Age work well-being intervention program (n=200), 3) implementing the Metal Age program in workplaces (n=20) by intervention participants, 4) maintain and updating program by employees trained in the Metal Age method and supporting the program by an internet-program, 5) follow-up measurements including cost-efficacy evaluation, 6) designing a model for good leadership and stress management.

In this innovative task, both employees and leaders are actively involved in process focused on making solutions for enhancing occupational well-being. The goal is the continuous development process in own work and work environment. One of the goals in participatory innovative work is to be part of organizations other activities and it promotes the mutual learning process. This participatory innovative activities is based on trust and dialogue within organizations.

The Metal Age method aims to create concrete, practical and tailored solutions. An integral part of the method is planning how to prioritize the development areas that employees and leaders have recognised. Prioritization stems from the understanding that not all the distinguished development areas can be dealt with in the same time. Thus there is a need for common agreement among the leaders and employees on the development areas that will be addressed at first.. It is important to limit the number of actions and measures in the beginning and agree of certain number of concrete improvements. The prioritisation phase requires communication, mutual understanding and consensus within the work unit; what is important and what should be done. While prioritisation seems to be the crucial stage of the Metal Age method, the approach consists of four other distinct phases. They are as follows:

- 1) **Orientation phase** - the matrix shows the situation at the work unit from three different point of view; the individuals', the work units and organizations (Figure 1).
 - 2) **Intervention planning phase** aims to finding development areas for improving well-being at work for the Metal Age planning group. At this stage the participants should evaluate the development areas freely and list the development areas before grouping them together,
 - 3) **Prioritization phase** - which challenges are the most important and urgent. A crucial part of the planning process of the Metal Age method is prioritization. Without prioritization there is risk that the working place only lists a number of development areas. Further, the list may become so extensive that there are not enough resources and nothing will be done.
 - 4) **Suggestion phase** - suggestions for concrete actions. The phase for establishing concrete actions begins after finalisation of the score setting in the prioritisation phase. Concrete actions are agreed on for the development area that had the highest score during prioritisation.
 - 5) **Follow-up phase** (KIVA –questionnaire). The Metal Age planning session is concluded by the group agreeing on follow-up meeting held after 12 months. In this project we aim to implement also actions and measurements for decreasing work-related stress, by identifying the situation work-related stress is increased and by that knowledge to train the employees and leaders in stress management. The stress level is measured by stress questionnaires and measuring cortisol in saliva
- Figure 1. Orientation matrix (Näsman 2011)

ORIENTATION MATRIX



Mediona
Ove Näsman

Työterveyslaitos
Juhani Ilmarinen 1999

Underpinning theories

The main theories that provide supporting framework for this project are the Cultural Historical Activity Theory (Engeström, 1999), the FIRO model proposed by Schutz (1958) and previous research on innovative and creative leadership. Due to the space limitation, the relationship between these concept and the Metal Age method is provided in the table form (Table 1)

Table 1. A short description of connections between Human Centered and Infrastructure assets and activity theory, group forming and practical solutions according to the Metal Age method.

Metal Age*	3rd activity theory Engeström**	FIRO Schutz***	Human Centered assets****	Infrastructure assets****
Orientation	Object oriented activity system	People's need to be recognized as participants in human interaction		
Intervention	Multivoicedness of	To make a difference in		

planning	activity systems	their social environments and to have some say over what happens.		
	Historicity, problems and potentials against their own history		Education	Management philosophy
			Vocational qualifications	Corporate culture
Prioritizing	Contradictions as sources of change and development		Work-related knowledge	Management processes
			Occupational assessments and psychometrics	Information technology systems
Concrete actions	Possibility of expansive transformations in activity systems	People seek a sense of interpersonal warmth or of being liked or loved	Work-related competencies	Networking systems
				Financial relations
Follow-up				

*Näsman et al 2011, **Engeström 1999, ***Schutz 1958, ****Brooking 1996

Expected results and discussion

The project presented here exploits a model aiming at work ability and leadership enhancement within organisations. It is based on previous experiences applying the Metal Age method. The knowledge related to the Activity theory (Engeström, 1999) and individual behaviour approach proposed by Schutz (1958) will play instrumental role in conducting each of the five phases of the Metal Age method.

Making innovations in organizational level is often a painful and difficult process. Any organizational changes concerning leadership, communication or new structural solutions don't seem to be pleasant and enjoyable tasks. According the description in Table 1, practical concrete Metal Age method can be supported by activity theories in Intellectual Capital context.

We believe that the outcome will lead to enhanced communication in companies, prioritisation of the most crucial problems or challenges and thereby lead to improved co-operation between leaders and employees. As a result we should see development of Intellectual Capital, innovation, and thereby increased productivity and competitiveness.

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