

Project Insights Report

# Workplace innovation for quality of work: Research synthesis and recommendations on adaptation for Canadian contexts



## PARTNERS

WEtech Alliance

Workplace Innovation

Network for Canada (WINCan)



## LOCATIONS

Alberta

British Columbia

Newfoundland and Labrador

Ontario



## PUBLISHED

November 2023



## CONTRIBUTORS

Stacey Young,

*Strategic advisor at FSC*

Laura McDonough,

*Associate Director of*

*Knowledge Mobilization &*

*Insights at FSC*

## ☰ Executive Summary

The world is changing rapidly and the way enterprises respond to those changes will have long-term consequences for economic competitiveness, social cohesion and environmental change. One way that enterprises are evolving is supporting employee-led workplace innovation – the social process of mobilizing new ideas to create better work, improving both organizational performance and quality of work.

With support from Workplace Innovation Europe, this project worked with a small sample of Canadian workplaces to adapt European research advances to improve quality of work through employee-led innovation. It also identified what European policy and program issues and initiatives should be explored further to guide Canadian initiatives to scale-up employee-led workplace innovation for quality of work.

The workplaces involved in the project aimed to use employee-led workplace innovation to increase retention and recruitment of particular groups of workers, adapt job roles to reflect skills needed to work with new technologies, and enhance an innovation-training program for employees, teams and organizations.

While successful, the project identified that employee-led workplace innovation can be resource intensive and identified a lack of supporting public policy for employee-led workplace innovation in Canada. However, the project also identified an opportunity for Canada to establish a competitive edge as both innovative and inclusive — making it more attractive for inbound investment by European companies seeking to establish jobs and facilities in North America that provide good quality of work.

## KEY INSIGHTS

- 1** Evidence shows that workplace innovation leads to improvements in firm performance and increases employee motivation and well-being – reducing stress, enhancing job satisfaction and mental health, and improving retention.
- 2** Workplace innovation can foster inclusive workplaces — and vice versa. For example, increasing the diversity of ways of thinking within an innovation team can increase the likelihood of breakthrough innovations.
- 3** Responsibility for public policy and programs to support workplace innovation in Canada is fragmented. Integration into regional workforce development programming could be beneficial.

## ► The Issue

Technical, social and environmental changes are reshaping the wider business environment, fueled by many factors including the rise of China and India as economic powerhouses; technological change that is transforming the way goods are produced and work happens; and the need for environmental protection and stewardship. The way in which enterprises respond to those changes will have much longer-term consequences for economic competitiveness, social cohesion and environmental change.

One way that enterprises are evolving is by supporting employee-led workplace innovation – the social process of mobilizing new ideas to create better work, improving both organizational performance and quality of work.

European examples provide extensive evidence that employee-led innovation initiatives can improve both the quality of work life for employees and their organizations' performance in their missions to advance economic and social well-being. European governments have also begun to view employee-led workplace innovation as a competitive edge for economic and social success.

Canada is well-positioned to become the North American leader in leveraging employee-led workplace innovation but more support is required to translate European research and experience for the Canadian context.



## What We Investigated

This project was guided by two research questions:

1. How can Canada's workplaces and workforce adapt research advances from Europe to improve quality of work through employee-led workplace innovation?
2. What European policy and program issues and initiatives should be explored further to guide Canadian initiatives to scale-up employee-led workplace innovation for quality of work?

The project recruited eight Canadian organizations to participate in field tests for research adaptation.

Five of the field tests occurred with workplace partners who sought to use research to advance workplace innovation and quality of work in their organizations:

1. ENWIN – a municipally-owned and operated energy and water services utility in south-western Ontario;
2. Academy Canada – A private training institute in Newfoundland & Labrador;
3. LTC Network – A progressive network of long-term care retirement villages across Ontario;
4. EngServ – An engineering services company in Alberta;
5. ForestCo – A forestry products company in BC.

Three of the field tests occurred with organizations supporting networks of workplaces, whose research adaptation focused on regions or sectors.

6. Newfoundland and Labrador Workforce Innovation Centre

7. Electricity Human Resources Canada

8. WEtech Alliance

The field test included collaborative work between the project teams and participating organizations to:

- Clarify the current status and goals relative to employee-led workplace innovation.
- Conduct a customized research synthesis curating illustrative examples from public policy and programs in Europe.
- Identify research insights to inform scenario development.
- Develop adaptation scenarios to implement insights and achieve goals related to employee-led workplace innovation.
- Evaluate the research-to-practice process.

Goals from partners included:

- Enhancing an innovation-training program for employees, teams and organizations.
- Increasing retention and recruitment of particular groups of workers, including: younger workers, older workers and more diverse workers.
- Adapting job roles (e.g. project managers) to reflect skills needed to integrate innovative technologies;
- Enhancing an innovation-training program for employees, teams and organizations.

## What We're Learning

All but one of the workplace partners were able to adapt research insights to move forward on their employee-led workplace innovation goals. Two of the workplaces took their organizational projects beyond the original scope of the field test, by securing executive approval for implementation of the adaptations into their workplace practices where they are now tracking results. Network organizations participating in the field test identified new opportunities to scale new practices across their member networks.

Lessons learned from the research adaptation field tests included:

**Research adaptation is resource intensive.** Using research on employee-led workplace innovation is easier when organizational leads have a good overall understanding of and experience in innovation strategy. It proved more challenging to support research adaptation when leads were completely new to innovation, requiring more support to identify priorities aligned with organizational goals; foster employee capacity for innovation and create a supportive organizational infrastructure. In response to these additional support needs, the project team developed a foundational workshop for organizations newer to innovation strategy. *Workplace Innovation: From Goals to Game Plans*. However, the overall support needs of organizations that are still developing their innovation capacity make scaling this approach to research adaptation challenging.

**Fragmented responsibility inhibits innovation.** Responsibility for public policy and programs to support workplace innovation in Canada is fragmented. Each of the network organizations participating in the field test had some aspects of the mandate, mission, connections, and resources to play a key role in their regions or sectors, but none had all of the required elements. There are also multiple governmental stakeholders to be engaged, within and across levels of government.

**Low tech sectors could be pilot sites for innovation adoption.** The field tests suggest that sectors with less pressing needs for new technical capabilities may be more likely testbeds for advancing workplace innovation for quality of work, at least in the short term. In principle, workplace innovation capability – at employee, team, and organizational levels – can help a sector’s workforce adapt to new technologies, job roles, and business models. However, in practice, urgent demands for new technical skills can displace attention to innovation capability development despite the potential for earlier mastery of innovation capability to accelerate adaptation of emerging technological innovations.

**Innovation can support more equity, diversity and inclusion.** During the field tests several organizations noted that their efforts to develop a more innovative workforce should be natural allies of their efforts to promote greater diversity, equity and inclusion in the workforce. As just one example, increasing the diversity of ways of thinking (and knowing) within an innovation team can increase the likelihood of breakthrough innovations. However, workplace strategies for employee-led innovation initiatives are not always explicitly inclusive, such as intentionally including members of equity-seeking groups.

## ★ Why It Matters

Innovation is critical to the green transition and an increasingly digital economy. Businesses must digitize across their operations and outputs and do so quickly to keep pace with the competition. Every organization, sector and region will need to embrace innovation as day-to-day practice or risk not making the transition at all.

Individual workplaces seeking to develop a more innovative workforce should seek to understand their own characteristics that impact employees’ motivations and interests in innovation.

Organizations supporting networks of workplaces — such as national or regional human resources councils or associations of HR professionals — can share the case studies and research to support member workplaces to develop more innovative workforces.



### State of Skills: Quality of Work

As Canada navigates continuing labour shortages in critical areas of the economy, policymakers and employers are looking for more effective approaches to recruit and retain workers

[Read Thematic Report](#)

Market mechanisms based solely on economic goals have not proved successful in making innovation practices as commonplace as they should be. Workplace innovation connects a variety of different policy agendas such as productivity, innovation, skills, digitalization, quality jobs, as well as the “social contract.” Public sector organizations supporting more innovation in the workplace will benefit from the analysis of European policies and programs which could be adapted to the Canadian contexts.

More specifically, there is an opportunity for Canada to foster more innovative and inclusive workplaces and to use this as a competitive edge, making it more attractive for inbound investment by European companies seeking to establish jobs and facilities in North America that provide good quality of work. Policymakers should look for ways that our priorities for equity, diversity and inclusion and for innovation can support one another.

## ► What's Next

Building on this work, WEtech Alliance and NL Workforce Development Centre are exploring the possibility of regional Living Labs to foster more innovative regional workforces. Living labs are user-centered, open-innovation ecosystems, often operating in a place-based context (e.g., city, region), integrating concurrent research and innovation processes within a public-private-people partnership.

The project leads are also engaging higher education institutions to share resources and insights on developing graduate capability to engage with inclusive innovation in the workplace — in their other roles as community members and global citizens. This may involve designing and testing knowledge translation activities by senior undergraduate students, as part of work-integrated learning placements with interested regional workplace partners supported by both higher education teaching and research.

Have questions about our work? Do you need access to a report in English or French? Please contact [communications@fsc-ccf.ca](mailto:communications@fsc-ccf.ca).

### How to Cite This Report

Young, S., McDonough, L. (2023) Project Insights Report: Workplace Innovation for Quality of Work: Research Synthesis and Recommendations on Adaptation for Canadian Contexts. Toronto: Future Skills Centre. <https://fsc-ccf.ca/projects/workplace-innovation-for-quality-of-work/>

Funded by the  
Government of Canada's  
Future Skills Program



Workplace innovation for quality of work: Research synthesis and recommendations on adaptation for Canadian contexts is funded by the Government of Canada's Future Skills Program. The opinions and interpretations in this publication are those of the author and do not necessarily reflect those of the Government of Canada.