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Patterns of Regional and Workplace Innovation in the Basque Country

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Abstract

The importance of Workplace Innovation to improve competitiveness and employability strategies in the Basque Country has been a key ingredient of policy discussions in this region. This paper is focused on the analysis of the context and current state of workplace innovation and productivity policy and programmes. For this purpose the focus is on the analysis of the institutional context at Regional level (Basque Country), the territorial context surrounding workers participation-based programme in the Province of Gipuzkoa, and the socio-organisational situation of companies in territorial contexts that comprises the project of Gipuzkoa Workplace Innovation.

This article seeks, therefore, to establish a pattern between these three contexts, and to explain how these dynamics have influenced the development of new programmes and policies through the feedback of their different components related to participation and workplace innovation. It also aims looks to understand the diverse and complex workplace environment of an important part of the Basque Country's work organisations and companies. The evaluation of their practical learning activities, management as intervention, work organisation, and worker participation, and their influence in the employment skills of their workers, is a crucial part of this research. This article takes a close look to these organisations, through a detailed analysis of their main changing processes in their workforce skills, their organisational knowledge and their economic and competitive performance.

Keywords: Workplace Innovation, Basque Regional Innovation System, Integrated Development, Basque Country, Gipuzkoa, Learning Territory, Lifelong Learning

Introduction

Support for business innovation and employment in the Basque Country[1] has been a recurring process in the different political initiatives and strategic plans of recent years. A commitment to improving business competitiveness, the organisational change of Basque industry, new technological and scientific innovation processes and the transition from a mainly industrial Basque industry to a Post-Fordist one have significantly influenced the development of the political strategy with regard to technological, scientific and organisational innovation in Basque manufacturing and businesses.

The perspectives oriented towards the endogenous development of the region through its development integrated into areas and the restructuring and consolidation of a Basque Regional Innovation System, have encouraged the new institutional context for the development of new public policies and programmes to support regional innovation and competitiveness, with a particular focus on employment, sustainable development, social innovation, organisational change, and science and technology, among others.

This article is framed within this context and has two objectives: on the one hand, to describe the progress of these strategic goals as part of far-reaching public plans and policies in the Basque Country in the field of Regional Innovation and Competitiveness; and on the other, to describe the development and dissemination process of the Gipuzkoa Workplace Innovation (2014-2016) project within the framework of the "Programme for the promotion of a Socially Responsible Territory" set up by the Regional Government of Gipuzkoa[2] in 2014.

This last programme gave rise to the commitment to this new strategic focus in the Territory of Gipuzkoa, becoming an example of integration, adaptation, dissemination and learning in the co-design and co-production of intermediate innovation structures. The political materialisation of these public initiatives has contributed towards enriching Regional Learning and Policy Learning, impacting on the way organisational change, social learning and policies are understood as potential and effective vehicles for Regional Development (Karlsen & Larrea 2014).

Throughout this article we will focus on an analysis of the following elements:

- The institutional context of socio-structural change that these policy programmes take place in at a Regional level (Basque Country). This context is part of a broader process involving the development of policies and regional competitiveness and innovation perspectives that has evolved since the early 90s until today.
- The territorial context surrounding the "Programme for the Promotion of a Socially Responsible Region" promoted by the Government of Gipuzkoa.
- And finally, the specific Gipuzkoa Workplace Innovation project as a reflection of the socio-organisational situation in the Territory of Gipuzkoa.

[1] The Basque Country is one of the 17 Autonomous Communities that make up the Spanish State. With a surface area of slightly more than 7,000 km2 and with approximately 2,200,000 inhabitants, the Basque Country enjoys ample power for the planning and management of public policies by virtue of the Statute of Autonomy approved in 1979.

[2] Gipuzkoa is one of the three historical territories that make up the Basque Autonomous Community. The region has an extension of 2,000 km2 inhabited by slightly more than 700,000 people. The Regional Government of Gipuzkoa is the institution that governs the territory.

- This article seeks, therefore, to establish a pattern between these three contexts, and to explain how these dynamics have influenced the development of new programmes and policies through the feedback of their different components. The action-research strategy has helped us to exemplify these policies in particular by means of the description and analysis of the Gipuzkoa Workplace Innovation project (2014-2016).

The Basque Institutional Context: towards a Regional Innovation System

The existing literature on Regional Innovation Systems[3] converges on the hypothesis that a system such as this one is stronger if there are systemic links between the different units that it is comprised of; i.e. between its sources of knowledge production (education and scientific research infrastructures, organisations, etc.), the political-institutional framework (public institutions and the "government of innovation"), and the business sector. In many cases this vision leaves aside the importance of the socio-cultural, historical and political dimensions that influence the institutionalisation process of these links and the dialectics that take place between *expert knowledge* and *political knowledge*. A problem that has been thoroughly dealt with by historical sociology and political sociology and which, however, is now rescued by economic geography through path dependency theory[4] (Mahoney 2000; Lagerholm & Malmberg 2009; Musterd & Murie 2010).

Similarly, we must take into account that any political planning and management process has to consider the constant interaction between the dominant economic synergies and interests, in addition to the mediation and rivalries that arise in the institutional framework itself. In this respect, we forget that often the dynamics, the configuration of *powers* and the institutional complexities intrinsic to any political system, set out and regulate the agenda of relations, policies and institutional activities of each region.

From this position, the social, economic, political and institutional characteristics of the Basque Regional Innovation System (BRIS) make it a unique, singular and complex case for several reasons:

[3] Regional Innovation Systems are built on a theoretical-discursive perspective dedicated to analysing the institutional architecture present in the regional support networks for innovation and cluster policies. All with the aim of increasing the business and economic competitiveness of the regional and territorial scale of the different countries. That is, that the regions within a same country also compete among each other in innovation and economic growth, which creates different typologies, strategies and policies between them, making it very difficult to replicate the same approaches in different socio-structural contexts. For more on this, see Porter (1990); Cooke (1998); Moulaert & Sekia (2003).

[4] A term derived from historical sociology to refer to the establishment of possible relationships of causality between the historic past, present and future from a deterministic and evolutionist perspective. That is, the need to establish causal factors that explain certain results, considering that political or economic action processes cannot be generalised or extrapolated without acknowledgement of the factors involved in their socio-historical evolution. See Mahoney, J. 2000. "Path-Dependence in Historical Sociology", in Theory & Society 29: 507-548.

On the one hand, worth noting is the level of political, economic and institutional autonomy linked to the Basque Statute of Autonomy, where the regional government is[5] the main public agent that has led the construction of a R&D&i structure in the Basque Autonomous Community. The launch of a Science and Technology policy in 1980 and a technological-industrial orientation towards Small and Medium-Sized Enterprises of regional R&D&i, marked the early decline and industrial inheritance received from the 19th and 20th centuries. This process has created a productive culture based on strong economic, co-operative and political-identity ties.

On the other hand, and precisely as a consequence of this industrial inheritance, the Basque Regional Innovation System is built with a focus on the readaptation of its technological-industrial infrastructure and, therefore, is centred around policies to support technology centres and to encourage the *clusterisation* of its productive fabric (Porter 1990), mainly focused on metal forming, machine tools and the automotive industry. This initial orientation determines the course of the Basque Country's regional policy during its future evolution, as it is focused on research oriented towards the productive-technological sector led by the *Industrial Promotion and Reconversion Association* (SPRI) which belongs to the Basque Government's Department of Industry. This leadership has had scarce collaboration with other departments of the same government such as the Department of Education or the Department of Health, the Public University of the Basque Country and the scientific infrastructures of basic research (Olazarán & Gómez Uranga 2001; Del Castillo & Patón 2010; Martínez Granado et al. 2012).

The construction of a BRIS is a faithful reflection of the *competitive paradox* that productive sectors around the world are exposed to; that is, the difficulties that exist when mechanisms must be created to compete in a global world, but with local and regional elements and dimensions.

As regards the BRIS, the main elements forming it have been developed from this *endogenous* capacity with equal importance of the processes and policies for the governance of innovation, the characteristics of its industrial and technological framework (networks, level of connection, etc.) and the sociocultural dynamics implicit in the same.

However, before carrying out a specific analysis of the factors of regional development and competitiveness in the field of innovation, it is appropriate to carry out a brief description of the economic, labour and productive indicators of the Basque Autonomous Community, taking into account that the industrial sector and manufacturing activities continue to play a very important role in the competitive development of the territory.

[5] The Basque Country is formed by the regions of Gipuzkoa, Bizkaia and Araba; throughout the article we will use the concept of region to refer to the Basque Autonomous Community, while we will use the term Territory for Gipuzkoa.

Some Contextual Facts

The Basque Autonomous Community is currently the wealthiest community within Spain, with a per capita gross domestic product of 30,829 €, 30% above the EU average and 35.4% above Spain's average. The services sector represents 62.6% of GDP according to the prices set by the market, while industry generates 21.3%, leaving the construction sector and the agricultural sector with 6.5% and 0.8% respectively. In 2012 the unemployment rate was 12.1%, well below the Spanish average of 25%, and 2.5% above Europe's average, which was at 10.5%. This unemployment rate rose during the first third of 2014, strongly influenced by the impact of the crisis which, although felt later than in the rest of Spain, reached 15.5%. The figures related to youth unemployment among younger people are more worrying, reaching 42.8% in the 16-24 age group (Eustat 2014).

From a strictly industrial point of view, classic sectors such as metallurgy, metal products, machinery and capital assets are those that dominate most of industrial production, together representing 37.2% of industrial Gross Added Value (GVA) in 2011. The energy sector (electricity, gas and steam) also occupies a prominent position with 11.8% of the GVA, while the pharmaceutical industry is the smallest with 0.4% (2011). Together with the production of rubber and plastics, the sectors mentioned concentrate 59.1% of the industrial weight.

The technological level of its industry, following the categorisation used by the OECD, is average-low. In the year 2011, 41% of the activity was at this level. The activities that are in the average-high category represent 25.9% and just 3.5% have a high value (Eustat 2014). In relation to innovation carried out in the field of production, expenditure in innovation carried out by industry as a whole represented 37.9% of the total expenditure, where investment in in-house R&D&i was the most prominent innovative activity with 48.4% of the total invested. Innovation in machinery purchases represents 24.1% and investment in external R&D&i represents 20.8% of expenditure. If we analyse investments carried out according to the branch of industrial activity, transport material and the production of computer and electronic material are the most innovative branches with 24.8% and 21.8% of investment respectively, with a notable presence of the automotive sector (Eustat 2014).

In the European Innovation Union Scoreboard (IUS) from 2105, the Basque Country has an index of 0.50, at the same level as countries with high levels of innovation, above the Spanish average of 0,38%. There are two dimensions in which the region stands out with respect to the European average. On the one hand its human resources, with averages above the EU's regarding young people aged 20 to 24 with higher education, and the population aged 30 to 34 with tertiary education. On the other hand its business links and initiatives, with a high percentage of SMEs with in-house innovation, and the percentage of SMEs that collaborate in the field of innovation. In relation to the dimensions of Research Systems, Business investment and Economic effects, although these have had positive effects, the results are slightly poorer. Funding and support, and Intellectual and Innovative Assets are dimensions in which the results are lower than the European average (Eustat 2016).

Towards a Polycentric City-Región

The commitment to incorporate a model of *territorial innovation* is obvious in the *New Territorial Strategy of the Basque Country* contained in its *Territorial Management Guidelines* (2012). The combination and organisation of the future of the Basque Autonomous Community is based on this approach, protected under the umbrella of the *Polycentric City/Region* (*"Euskal Hiria Plus"*) and the path towards a *second economic transformation*.

This proposal is perfectly aligned with the protagonism granted to the three Basque territories (Bizkaia, Araba and Gipuzkoa) and to their main cities (Bilbao, Vitoria-Gasteiz and Donostia-San Sebastian), as the main centres of transformation. In this context, the space between region, territory, urban cluster, neighbourhood or district is thus transformed into the foundation that makes it possible to generate economic development projects and initiatives that are capable of mobilising civil society through its *participation* (Bellemare & Klein 2011: 5).

The perspective of *Integrated Area Development* supports the idea that the development of any region involves a contrasted analysis of its historical evolution.

Each territory has very specific ways of organising their regional spaces in relation to their production processes, generating and witnessing, during their development, new challenges or alternatives to face the crisis in their own spatial and economic environments. Metropolitan regions and their most distinguished cities often suffer these industrial and productive crises, which reveal how the old structures of the more traditionally profitable industrial frameworks disappear or are rendered obsolete with the emergence of new socio-economic realities. But these critical situations can become windows towards the incorporation of innovative industrial, social and technical structures; or on the contrary, they can derive in greater socio-economic and urban degradation.

It is, therefore, a process of dialectic transition that substantially modifies the organisation of labour, the territorial space and the social/labour and productive divisions; a process that incorporates a series of synergies of organisational, technological, institutional and social changes that can help us explain why certain regions survive their own challenges and why others are, inevitably, abandoned to their fate. In any event, this space of change is always a framework open to new regulatory and institutional opportunities through which their deficiencies can be overcome (Moulaert et al. 1988; Moulaert & Swyngedow 1989; Moulaert 2000; Jessop 2001).

3. Regional Competitiveness and the perspective of Participation in Industry Plans

These perspectives, regional in nature, are the referential framework based on which each territory within the Basque Country has been able, independently, to design their own territorial programs and policies. Since the Framework Programme for Employment and Economic Reactivation, Euskadi 2020, the Basque Government's commitment in these fields is divided into two important blocks: the Employment Reactivation Plan and the 4I Strategy[6]

[6] Innovation, Industrialisation, Internationalisation and Investment.

for Economic Reactivation (2014). Likewise, the Industrialisation Plan 2014-2016 contains the instruments for support and the strategic guidelines that define the future of the new Basque industrial policy, placing particular emphasis on the need to build foundations to strengthen business competitiveness after the strong economic crisis of recent years.

Specifically, the Plan highlights as a goal the promotion of technological and non-technological innovation, coordinating initiatives for the promotion of organisational innovation and different formulas of workers' participation in companies. Participation and organisational innovation are increasingly recurring concepts. As contained in the 2015 Basque Competitiveness report, *"the innovation strategy has been more based on hard innovation assets than on soft assets and on the promotion of innovation from the point of view of the offer (creation of infrastructures) more than demand (increasing the capacity of absorption of businesses). This has led to a situation where today there is a specific profile of innovative companies"*. However; there are deficiencies in the capacity to generate spaces of learning in the workplace and poor positioning in organisational innovation, with a weak development of high-performance work systems" (Orkestra 2015; 24).

The Basque Government's Economic Reactivation Plan explores in more depth the development of ad hoc formulas for participation in companies, the creation of a capital risk Fund to support participation in the ownership of the company (LANPAR Fund), and advice programmes or the exploration of fiscal formulas. Another guiding principle is based on the development and support of human capital, by promoting and encouraging people's participation, aligned with the Employment Reactivation Programme 2014-2016, by the Department of Employment and Social Policies. The strategic employment guidelines point towards innovation-based competitiveness through education and the creation of organisational dynamics that make it possible to develop and take advantage of the creative and relational skills of workers.

In line with the activities to promote participation, in the year 2013 the Basque Government, along with the three territorial governments, created the Innobideak programme. The strategy based on this programme is exclusively aimed at industrial companies and supporting services (it does not include the network of science, technology and innovation agents, and other stakeholders) by means of different programmes based on its own advanced management model. The model includes market diversification, training of senior staff and the diagnosis and implementation. 2015 saw the emergence of a new programme to foster and promote the participation of workers in management (decision-making), results and in the capital.

Another decisive aspect is the education system; the Framework emphasises the synergies derived from the Law on lifelong learning (Law 1/2013), and the new Basque Law on vocational training approved in 2015. The Law on Vocational Training and the Basque Vocational Training Plan, which mention the transformation of business models and employability through participation, along with the University Plan, in addition to supporting the adaptation and transformation of the education and training model, modestly contribute towards the application and dissemination of innovation among companies.

According to the Industrialisation Plan (2014-2016), Basque companies need to overcome the current scenario (*labour conflicts, high levels of absenteeism, salary levels not adapted to the current economic environment, etc.*)[7]. The aim is to support a new governance in companies. *"Governance within the company is the reflection of its particular culture, of a strategy designed according to medium and long-term competitiveness, of the particular policy concerning its social capital and the management of the people who share the productive activity"* (Landa 2014: 304).

If we consider the consequences of effective governance in the company, the term *participation* must include a nuance of a functional nature and not so subject to the regulatory sphere. The participation of people is much more than intervening, collaborating or getting involved, it means acknowledging diversities. Participating makes sense along with a clear vision of what one seeks to achieve and the steps to be taken to achieve it. This is why, specifically, innovation-oriented participation processes and change must necessarily be developed from the particular (people) to the collective (what is shared, the company, and the territory).

Participative processes must generate results and an impact on the productivity of organisations. These processes in organisations, and by extension in the region, can be privileged contexts to create, share and transform knowledge. The aim is to distribute knowledge, to expand it. In addition, the importance of participation in business competitiveness, the quality of work and the commitment of workers to the improvement of their skills (lifelong learning), motivation and intra and inter-organisational exchanges of knowledge (business-university-public institutions) are priority lines of work. In Europe, these priorities have been grouped under the terms of work organisation and workplace innovation, with policies over the course of twenty years, starting in the 90s with the *Lisbon Agenda* and the current EU 2020 Strategy (Pot et al 2016).

Key concepts: workplace innovation, territorial development and promotion programmes

The *Green Paper Partnership for a new organisation of work* approaches the modernisation of work as: *"a more fundamental change in the organisation of work is emerging; three factors — human resources, markets and technology — can have a fundamental impact on the way workplaces are organised. The potential economic benefit of a new organisation based on participation and trust, are substantial with potential gains for everyone"* (1997; 9-10). Thus an invitation was extended to social partners and to public authorities in order to seek new partnerships for the development of a new framework for work modernisation in Europe in 1997.

Since then, typical objectives in European work organisation development programmes

[7] We should mention at this point the latest labour reforms passed in Spain in the years 2010 and 2012, in particular the latter (Law 3/2012), approved unilaterally by the Spanish Government and which introduces a series of urgent measures as a response to the crisis. Although the purpose of this article is not to assess or analyse the reforms, we do consider it important to mention that the changes introduced have an effect on the mechanisms of adaptation of working conditions and their *flexibilisation*, and that it established a regulation of collective agreements that tended towards their decentralisation, prioritising company agreements as opposed to sectoral agreements. These regulations, conceptualised under the term of *flexibilisation*, are also known in Europe (COM 2005).

include team-based organisational structures; flexible working practices; and business practices (Alasoini 2016; 23). Workplace innovation (WPI) is defined as strategically-induced changes that are adopted in a participatory manner in an organisation's practice of managing, organising and deploying human and non-human resources that lead, simultaneously, to an improved organisational performance and an improved quality of working conditions (Pot, Dhondt & Oeij 2012, 8).

In this sense, Tuomo Alasoini *refers to WPI as "collaboratively constructed changes in a company´s organisational and management practices that lead to simultaneous improvements in productivity and quality of working life and that also supports other types of innovation; WPI may include, for example, technological changes, changes in the workplace's network relations, or changes in labour and employment relations, which are mediated through changes in organisational and management practices"* (Alasoini 2011). In this definition we find that these practices can be revised from three dimensions; first, through their content (describing the features of the new practices implemented); second, the process (the way in which the practice has been created and who has participated); third, the context (which refers to the common and shared framework of the staff and management of the organisations). Thus, for example, the *Third European Company Survey – WPI in European Countries* determines that WPI is a practice (or combination of practices) that structurally (in terms of division of labour) and/or culturally (in terms of employee empowerment) enable employees to participate in organisational change and renewal so as to improve the quality of working life and organisational performance (Eurofound 2015).

Among the compared studies and research carried out within the framework of Europe (Business Decisions Limited,2000, 2002; Alasoini, T. et al 2005; Gustavsen 2008; Eeckelart,2012), and those carried out in companies and businesses (Eurofound 2015) we find that, in general, the elements of analysis contained practices focused on management based on autonomous teams, flexibility, diversification of skills and capacities, and participation.

As pointed out by the definitions chosen, the promotion of WPI has a clear orientation towards the promotion of improvements in productivity, the quality of working life and employment. The general idea is based on the use of organisations as a strategic tool; introducing workplace innovation allows the improvement of quality of QWL, employee well-being and the improvement of organisational performance (Pot, 2011). *"Sustainable convergence between high performance and high quality of working life is explained by cumulative causation in which empowering workplace practices are aligned at each level of the organisation. The mutually-reinforcing impact of workplace partnership, shared learning, high involvement innovation, enabling organisational structures and systems, self-organised teams and empowering job design can create a tangible effect in workplaces which is hard to quantify but which is often described in terms of engagement and culture"* (Totterdill & Hague 2004; 43).

The evolution of the workplace has been transformed from the establishment of scientific management principles to the current modern socio-technical systems. In the current context what is required is a new integration of theoretical and practical knowledge in organisations oriented towards long-term results; less inequality, higher quality of work, more productive and more innovative companies (Dhondt & Van Hootegem 2015).

An example of this is a readiness to carry out developments in the organisation of work, and an interest by research, the business world and public administrations in exploring the relationship with productivity, well-being and innovation. Northern European countries with a long tradition in national programmes for workplace development and with high levels of

QWL use this dual premise, where innovations and improvements in productivity and QWL can be considered as key outputs. For example, according to Tuomo Alasoini the high standards reached by Northern European countries in terms of QWL and productivity and innovation can be found in the special characteristics of Nordic capitalism (advanced technology, high levels of education and training among employees, industrial relations based on cooperation, the openness of their economies and exports) and in the idea of the enabling welfare state. According to this author, the system is underpinned by a welfare state that plays a twofold role. The first is due to the contribution made to the rapid transformation of working life and the protection of workers through risk reduction. The second corresponds to the support and mobilisation of resources for the reform of working life. This convergence results in the conditions necessary to understand WPI as a driving force and strategic factor for development and competitiveness (Alasoini 2016).

Workplace Innovation and its relationship with Regional development

We thus find WPI as a product of complex intra and inter-organisational social interactions (with stakeholders). Or, in other words, that the outcomes of these interactions have social and economic consequences that go beyond the boundaries of organisations. *"In particular the –regional- setting within which the organisation exists acts as a gateway to knowledge and resources able to inspire and support workplace innovation"* (Totterdill & Hague 2004: 43).

In addition to the importance of learning in organisations (Argyris & Schon 1978) the way in which they adopt new ideas and absorb and exploit knowledge (Cohen & Levinthal 1990), there is also a consideration of the perspective of the regions that learn (Asheim 1998), the interaction of the different stakeholders (Etzkowitz & Leydesdorff 2000), of development coalitions (Ennals & Gustavsen 1999) or the institutional and organisational infrastructure where the innovation interacts within the regional system (Asheim et al; 2011). In this sense "*regions are significant for their ability to act as focal points converging economic opportunities, technologies, human resources and culture, as centres of collective learning. Regional competitiveness depends on the ability to unlock such resources through the creation of favourable learning contexts. Thus, new approaches towards smart regions are also required".* (Totterdill & Lantz 2004; 183),

WPI Participation and Programmes and Policy Production

The importance of the improvement in productivity and QWL has contributed towards increasing public attention in the search for new solutions. Diverse modes of policy production and implementation co-exist, reflecting the changing nature of the state and the increasing complexity of social and economic problems (Totterdill, Cressey, Exton & Terstriep 2015).

The use of hard regulation has been rare; from general policy frameworks to the provision of 'good practices', training and education, and more direct forms of support, workplace development programmes are a widely used *soft form of regulation* to facilitate workplace change (Alasoini 2008, 2011). The use of soft regulations, as opposed to hard or normative regulations, is understood in relation to the diversity of the organisations going through change, the processes and individual itineraries, and the variety of stakeholders taking part (Alasoini 2016:21).

These soft forms can be understood as mechanisms of Animation. Animation understood as proactive interventions by public administrations designed to bring (about social or economic) changes that lie beyond the scope of passive regulatory mechanisms (Totterdill 2016). On this basis, we can distinguish between regulations designed to influence change in specific workplaces (*Direct Animation*), measures designed to raise the level of knowledge or create practical tools and resources for workplace innovation including research, learning networks and educational programmes (*Meso-Level Animation)*, and general awareness-raising (*Indirect Animation*).

As for the structure and framework of the programmes, the main characteristics are three; first, the development of the programme is carried out simultaneously (in a time period) within a shared framework with a series of organisations. Second, the content of the framework is shared by the management and staff of the participating companies and other stakeholders. And third, the organisations within the programme operate on the basis of exchanges of information, interaction and cooperation (Alasoini 2008). As regards their orientation; programmes typically include accumulating, analysing and distributing knowledge of cutting-edge practices and evidence-based approaches to change; linking researchers and practitioners; active research to promote workplace innovation; the development of new learning resources to support workplace change; providing knowledge-based business support; and creating inter-company learning networks (Totterdill 2002).

From a conceptual framework closely linked to systemic thought, the programme can operate as a production system and as a development system (Alasoini 2008). From this perspective, the programme and the basic elements that categorise it form a production system. As a result, there are a series of conditioning factors that determine the different strategies (Alasoini 2011:37) of the programs depending on the type of changes pursued in organisations by means of the programme; their durability and sustainability; the extension and impact on third-party organisations; or the changes that have an impact on the national, regional or sectoral knowledge system as a whole (Alasoini 2008: 66). On the other hand, the programme as a system of development acts as a system of learning for those implementing the programme and for the policy makers. Thus, it must be capable of generating learning in the implementation (programme learning), and on the other at the level of policies (policy learning) in a broader context.

As a result, we find the fundamental features and orientations that characterise WPI development programmes. In the next point, we will focus on the specific case of the Territorial Programme of Gipuzkoa.

Territorial Programmes in Gipuzkoa through participation

In 2014 the Territorial Government of Gipuzkoa launched the call of the Programme for the Promotion of a Socially Responsible Region. The Department of Innovation, Rural Development and Tourism established the operative framework for the development of social innovation and workplace innovation. The lines of action to be developed by the programme are summarised as; the development of relational models based on participation and shared projects in companies; the promotion of collaboration and cooperation between social stakeholders for the application of innovative and entrepreneurial proposals; and the implementation of initiatives based on WPI and on Social and territorial Innovation.

The programme describes Social Innovation as “collaborative processes of participation between people, involving co-creation and a cross-cutting approach, which generate learning,

incite commitment and have an impact at a local/regional level" (Regional Government of Gipuzkoa 2014). On the other hand, it considers WPI as "the integration between people, skills and technology; innovation based on the flexibilisation of the organisation of work, learning processes and the autonomy of people, making workplaces a source of productivity and quality employment" (Official Bulletin of Gipuzkoa 2014. No.131;2).

Policy background in the Territorial context of Gipuzkoa

Gipuzkoa has a long tradition in the promotion of knowledge through programmes. Since the early 90s, the Territory has developed policies underpinned by three concepts; learning, entrepreneurship and innovation. The principles of action of public policy can be summarised as public/private partnership, subsidiarity and proximity, equal opportunities, the integration of IT and governance.

In the late 90s the Territory had activities related to lifelong learning, the first business innovation programmes, the development and training of the active population, and integral employment programmes. In the decade starting in the year 2000 (Lisbon Agenda) the first programme for the promotion of LLL was created for the promotion of knowledge, or society-company programmes. In a way, from our point of view, there was a logical correlation of policies, centred around the person (learning –Programme for the promotion of a Territory that learns - 2000), the organisation and the company (entrepreneurship– Programme for the Promotion of Entrepreneurship - 2003), and the model of person-company-territory relationships (Programme for the Promotion of a Socially Responsible Territory 2014).

The Partaidetza (Participation in Basque) strategy launched in 2013 was designed for the promotion of new models to configure organisations and companies, based on people on the one hand, and on the other, on the Territory. The *People* approach promotes participation by contributing towards greater involvement in business projects, bringing decision-making powers closer to the local context and facilitating business management; it is aimed at improving the characteristics of job positions, promoting people's skills, the representation of workers and the involvement of companies in the regulation of employment.

On the other hand, the second approach (*Territory)*, seeks an alignment of interests (stakeholders) by including them in decision-making operations and processes. At this point it is about to establish dynamics and networks that integrate economic, social and educational stakeholders in the competitive territorial/regional and local development of a governance system.

After the elections in the year 2015, the new government in Gipuzkoa included in its strategic management plan (2015-2019), among others, objectives related to economic reactivation, the model of social cohesion and governance. Specifically, the Department of Economic Promotion establishes as objectives an increase of participation in companies by defining strategy, organisational and systemic innovation, endogenous development and, among others, an increase of participation in learning activities among the adult population (ages 25-75).

The promotion of innovation and knowledge in the Territory is configured in 5 blocks with the new orientation: lifelong learning, science and technology, new companies, business development, and innovation and knowledge.

Description and analysis of the programme in Gipuzkoa

In this context, the main feature of the programme in Gipuzkoa is its focus on participation. The programme aims to promote organisations based on new advanced management formulas that promote the central importance of people, thus including social innovation in companies through WPI. The aim is thus to promote tangible and intangible assets, aligning them towards a sustainable vision of the Territory. The programme's vision considers that public action can create favourable conditions and contexts as a driving force for innovation.

The programme is aimed at broad targets of stakeholders; companies and business associations (regardless of the sector or number of workers), along with trade union organisations, entities belonging to the Basque Science, Technology and Innovation Network and educational, economic, social, local and regional associations. That is, unlike the regional programmes presented in point three, the territorial programme establishes a broad and diverse field in its target group, incorporating social and educational agents in the co-generation of proposals.

The activities receiving subsidies and funding consist, on the one hand, of R&D – experimentation projects, and of extension and generalisation projects (diffusion). The situations contemplated by the program can be summarised in five points: participation (relationship models and workplace organisation); advanced workplace innovation formulas (experimentation); open innovation models; promotion of territorial sustainability; and the creation of spaces, dynamics and networks; valuation and dissemination. With respect to funding, the subsidisable costs of the projects include, depending on the type of project, in-house and external staff, and those derived from management, communication and dissemination. Funding can be up to 100% in R&D, innovation and experimentation projects, and 75% in those related to extension and generalisation projects.

In both scenarios, the projects to be developed and their eligibility and assessment is carried out taking into account parameters such as the innovative nature of the strategy adopted, the coherence of objectives and methodologies, the impact and the quality and intensity of the cooperation and participative processes. In general, the programme promotes equal opportunities and the participation of women, as well as positive actions in favour of the Basque language.

Gipuzkoa Workplace Innovation as a new Regional Asset

Within the territorial programme for the promotion of workplace innovation, in the year 2014, Sinnergiak Social Innovation, the University of the Basque Country's research centre, designed and implemented the Gipuzkoa Workplace Innovation (GWPI) project.

In 2014 GWPI emerged, a research-action project focused on innovation in forms of working in the Territory's companies. Throughout 2014 and 2015 the project was organised on 4 pillars; conceptualisation, research, intervention and dissemination. One year earlier, in 2013, the concept of workplace innovation was being worked on in a community of practice that the researchers involved in writing this article participated in. Hedabide, the project where four communities of practice were developed in Gipuzkoa, was oriented towards the creation of hybrid learning and practice models focused on solving challenges through social innovation.

The conceptualisation of WPI has been carried out taking into consideration the orientations of the Programme, the foundation of the project based on communities of practice, and the contributions of the European Network of Workplace Innovation (EUWIN) of which

Gipuzkoa is a participant. Thus, the concepts underpinning the project are: the organisation of work, participation and continuous improvement. This conceptualisation has been used by us as a foundation to define the main analytical dimensions during the research and intervention phases of the project.

The research carried out aimed to provide a detailed analysis of the situation of WPI within the business fabric of Gipuzkoa (organisations with 20 or more workers). In order to achieve this goal it was considered necessary to collect information on different aspects that we thought acted as indicators and constituent parts of that essential objective which we have divided into five main ideas: to collect the data and characteristics of the target audience; to establish the information that these organisations have regarding innovation in ways of working, as well as their knowledge of the concept; to discover what the actions and practices are; and to learn about the perception and assessment that company managers express about the origin of innovation in ways of working, about the consequences for the life of the organisation, about the appropriateness of putting them into practice and about the difficulties that their implementation has in the organisation. Last of all, to express the incentives, highlighting the role that different agents can have, highlighting the barriers and establishing the role that the public administration should play.

In order to approach and achieve the proposed objectives we have set out a quantitative research design. More specifically, we have carried out a quantitative survey aimed at business organisations in Gipuzkoa that could potentially carry out innovative practices in their ways of working. The type of sampling that we have used is simple random sampling according to counties, establishing in each of them quotas per sector of activity and size of the organisation proportionally to the data provided by Eustat.

The project was carried out in Gipuzkoa where we interviewed 496[8] companies, distributed in 8 economic sectors and distributed in 11 counties. The field work was carried out during the months of January, February and March 2015. Information was recorded in software format for its subsequent debugging, tabulation (descriptive univariate and bivariate) and statistical processing during the months of April and May.

Out of the sample of 496 organisations, 66.3% correspond to companies with 20-49 workers 19.3% with 50-99, 10.8% with 100-249, and 3.6% with more than 250 workers.

As for the activity sector that the consulted organisations operate in, we can observe that more than half of them carry out their activity in the field of manufacturing Industry (54.3%), by far the sector with the largest presence. At a distance we have the professional, scientific and technical Activities sectors (10.4% of the sample) and the Construction sector (10.3%), followed by administrative Activities and auxiliary services and brackets 8.3%) and the Transport and storage sector (7.1%).

With respect to the practices listed, the results show that there are a series of practices that companies in general have totally or partially implemented. Practices such as the autonomous organisation of work; information on the situation of the company, systematised internal communication, coordination of activities, training and systematic learning, support for initiatives by workers, shared use of knowledge and experience, and the integrated use of ICTs. Among these practices, the autonomous organisation of work has much room for improvement with 29% of companies having total autonomy in the workplace and 63% with

[8] Our estimate is that we are working with a total universe formed by 1052 organisations. With this sample, and working with a confidence level of 95% (Z= 1.96, worst-case scenario, where p=q=0.5), we would be tolerating a maximum sample error of +/-3.20%.

partial implementations. Workplace training and learning takes place partially in 42% and totally in 49%. Only 4% of companies do not have practices related to the support of initiatives by workers and the shared use of knowledge and experiences.

In general, 55% of the companies have five to eight of these practices implemented totally or partially. 37% have a catalogue of three to five practices, and only 8% operate with three or fewer practices.

Other than these types of practices, the research shows that there are also others, such as timetable flexibility and mobility, self-managed teams, systematic innovation in the company, and the participation of people in strategic decision-making, which have a more modest implementation. Only 13%, in a total manner, and 41% in a partial manner, have mechanisms for participation in strategic decision-making. With respect to timetable flexibility and mobility, self-managed teams and systematic innovation, the results are similar with total and partial implementations of between 73%-77% of the total of companies.

Companies in the Territory mainly have difficulties in the deposition of management staff (49%), workers (48%), the business culture (46%) and the lack of prioritisation in the adoption of practices (40%). Economic cost (27%) and legal regulations and frameworks (11%) are not perceived negatively. As for attitudes, a large majority (85%) consider that WPI is not a passing trend. 92% consider that it produces benefits in productivity and QWL, 89% that it is necessary for sustainability, and 70% consider it an opportunity for improvement.

As regards the intervention phase, the project has identified 4 companies with which in-depth interviews have been carried out about the organisation of work, the participation of people and the capacity of the company to face continuous improvement. The interviews have included experts (EUWIN) to provide contrast, and have been useful, along with the results of the research, to collect information on a series of experiences related to processes of change, and the way in which WPI is adopted.

The GWPI project during the 2015-2016 period created a learning network formed by 11 companies. The network is useful as an intermediate support resource for exchanging experiences. The project is currently in the evaluation phase and the results of the experiences require future analyses and research.

Conclusions

Throughout this paper we have tried to clarify, analyse and describe the paths of Regional and Territorial Policy-Making and Policy Learning programmes in the Basque Country. We have strongly focused on the contextual factors that have influence this path, from the Basque Country's productive structural change, to the appearance of specific regional programmes that have focused on the development of Workplace Innovation in Gipuzkoa.

In this sense, we have identified a series of key challenges in order for WPI programmes to progress. First, the need to frame WPI within a wider political and structural framework focused on the regional Basque Level and its three provinces. This policy programme has to be aligned with the principles that define the Basque Regional Innovation System and its' main policy frameworks. This is key in order for WPI to become a policy framework milestone recognised by the wider Basque Regional Context and SME's. Moreover, this alignment needs to match the vision of employment and educational programmes designed by the Basque Country. Gipuzkoa has, therefore, been and important pioneer in the development

of a clear *action-research* strategy towards the acknowledgement of WPI but needs to be extrapolated to other productive Basque regional environments.

Also, the future of GPWI needs to clearly define the path of its future challenges according to the observed in its earlier project versions. Participation and analysis strategies have had an important impact on these first attempts. However, it would be interesting to take a clearer notice of the three levels described by Peter Totterdill in order to improve the future development of this GPWI project. That is, the importance of policy actions capable of changing the labour environments inside Basque SME's; the potential use and increase of knowledge and tools inside Basque and Gipuzkoan SME's; and the construction of new learning networks both, internally and externally, exemplifying different reference models and cases in a wider European context.

Professional, scientific and technical employment sectors need to be aware of the potential on WPI. A diversified productive acknowledgement of WPI in the Basque's productive environment is therefore a gap that needs to be reduced. Future editions of this project have to focus on the growth of its internal 11 members' company network in order to generate a significant impact in Basque WPI policy learning.

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