

## Summary of panel 7: The link between job quality and innovation: Virtuous or vicious circles?

The panel was moderated by Katja Lehto-Komulainen and comprised of presentations by Karen Jaehrling (University of Duisburg-Essen), Maarten Keune (University of Amsterdam), Chris Mathieu (Lund University). The presentations reported on the findings of the Horizon 2020 project Quality of Jobs and Innovation Generated Employment Outcomes (*QuInnE*). From 2015-2018 QuInnE examined the interplay between innovation (product, process, and organisational innovation) and six dimensions of job quality (wages, employment quality, training and education, working conditions, work life balance, and consultative participation and collective representation), and this interplay's impact on employment. Employment was analysed both in terms of volume – numbers of jobs, and types of jobs in terms of job quality (i.e. better or worse; higher or lower skill or qualification demands).

The session opened and closed with comments by Katja Lehto-Komulainen, who also noted the participation of members of the ETUI/ETUC in the QuInnE international scientific advisory board during the project,, and the strong interest of the ETUC/ETUI in issues covered by the project.

The first presentation by the project coordinator, Chris Mathieu of Lund University gave an overview of the quantitative and qualitative findings. The primary findings from the quantitative analyses are that in general, product and process innovations lead to improvements in both job quality and employment (especially for product innovation), and that the results for organizational innovation are ambiguous, primarily due to the tremendous heterogeneity of actions taken under the rubric of organizational innovation – where some actions are oriented towards reducing employment and job quality, whereas others are oriented towards increasing job quality and employment. In general, there is a noticeable correlation between high job quality and high innovation and low job quality and low innovations at the country and firm levels, though there are exceptions. Another significant finding emerging from the quantitative analyses, especially at the firm level is that innovation tends to benefit those with higher skills and qualifications most, supporting the skill biased technological change thesis over the polarization thesis that predicts positive effects of innovation at the high and low ends of the labour market, and an erosion in the middle. Thus, the tendency of innovation is beneficial to employment and job quality, but it also exacerbates inequalities.

Maarten Keune (University of Amsterdam) took up the qualitative studies of the computer games industry as an example of a virtuous circle, where high job quality leads to increased innovation and high innovation leads to improved job quality. Management strategies are oriented towards facilitating employee creativity and engagement by granting relatively high degrees of discretion, structured on agile development methods. As skilled labour and well-functioning teams are critical to this industry, great efforts are made towards retention, which has a positive impact on job quality. However, as with many other creative industries, there seems to be a trade-off of extrinsic (especially wages) rewards for increased intrinsic rewards.

Karen Jaehrling's (University of Duisburg-Essen) presentation focused on the vicious circle of "digital Taylorism" found in qualitative studies of the retail logistics industry. Like the computer games industry, retail logistics is also a growing industry, but one subject to tremendous cost pressures due, at least in part, to its position in the value chain. Jaehrling noted that collective representation had "very low influence on the decision process concerning technological innovation; [being] more focused on trying to attenuate the negative consequences of innovations." In this generally weak position, collective representatives adopted different strategies, often in line with national traditions and utilised different institutional resources, and in some cases succeeded in moderating a more rapid degradation of job quality.