



Alternative Ways of Organising Knowledge Work

Working Paper: May – 2021

ISSN: 2597 - 1360

Research Project: Socially Innovative Knowledge Work



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Alternative Ways of Organising Knowledge Work

Prepared for
Innovation Fund Denmark

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May 2021

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Executive summary

This is the second report from Work Package 4 of the project **Socially Innovative Knowledge Work (SIW)**. SIW is a many-faceted research project, co-funded by Innovation Fund Denmark, Grand Solutions and led by Roskilde University. In the project, researchers from the Department of People and Technology Institute at Roskilde University, along with partners from representing research institutions as well as social partners and private enterprises, explore current and future trends in knowledge work, seen through the lenses of the individual employee, employers and society and with a view to identifying strategies for preventing growth in inequality and marginalisation among knowledge workers.

The report draws on previous research, including research that forms part of the SIW project. One strand of this research indicated that at least a share of Danish knowledge workers is increasingly looking for work in organisations that are designed to constitute alternatives to mainstream organisations and companies. A different strand of the project, looking into atypical employment among knowledge workers, found that an increasing share of knowledge workers holding temporary contracts did not do so because they could not find permanent jobs. This could cautiously be indicated as a reflection that this group of knowledge workers perhaps prioritised other aspects of work higher than income security. Based on these observations, the study set out to explore how alternative ways of organising knowledge work can play out in the current reality in Denmark and what happens when visions of alternative ways of working meet the mainstream market and the mainstream labour market.

First, the report presents the key concepts and outlines the main theoretical discussions of these concepts:

- **Knowledge workers and knowledge work.** Although there is no common and clear definition of factors that separate knowledge work from non-knowledge work, four common characteristics of knowledge workers are identified: it requires (almost always) knowledge and analytical skills achieved through higher education; it is embodied in certain occupations; it entails gathering, applying, creating and disseminating knowledge; and it involves independent judgment. Also, in this section, discussions about factors motivating knowledge workers are presented.
- **Value-based or purpose-driven work.** Contributions of social psychology and organisational science to theories in this field are considered with a particular view into the relationship between individual purpose and organisational purpose.
- **Alternative organisational principles.** A distinction between 'alternative' in the sense 'not typical' and 'alternative' in a normative sense, as not only different but also "better" reflecting an organisational and individual purpose beyond financial value creation. Empirical indications of the emergence of organisations that are alternative in the latter sense are briefly presented.

Subsequently, the report briefly considers drivers for the emergence of alternative organisational forms. It is found that, at least in Denmark, digitalisation, in a broad sense, provides a fertile ground for experimentation with alternative forms of organising knowledge work. In addition, the Danish flexicurity model and the general level of prosperity in Denmark means that the risk of altogether losing personal income



as a result of experimenting with alternative organisational forms is limited. Finally, there is a general pressure for flexibility in the form of short-term contracts and increased use of freelancers in the mainstream labour market that may lead some knowledge workers at the margin to seek employment in alternative organisations.

The report then goes on to present the three concrete alternative forms of organising knowledge work that have been studied empirically, through case studies. While these three forms are the most common alternatives to mainstream companies in Denmark, there are other alternative – but less common – forms of organising knowledge work that are not included here. Thus, the findings from the case studies illustrate some, but not all, of the ways that knowledge workers can organise an alternative working life.

The three forms are **sustainable co-working spaces, employee-owned cooperatives** and **social enterprises**. Further, the research questions that have underpinned the case studies are presented. They are:

- What has motivated the knowledge workers to pursue alternative ways of working? What have been their experiences?
- What types of non-economic value are pursued in the organisations studied?
- What are the commonalities and differences between the organisations studied?
- What dilemmas have resulted from the tension between an organisational purpose that emphasises non-financial values and doing business in a capitalist market?
- Are there indications that the organisational form is scalable? That it is sustainable in a broad sense?

The methodology for the empirical research is described in the subsequent section. Seven Danish enterprises were selected such that each represents one of the three aforementioned alternative ways of organising knowledge work. The aim was to select “most likely” cases, i.e., cases which we would expect to confirm the propositions about the drivers for the development of alternative forms of organising and the role of knowledge workers in this development. Common to the seven cases is the experimentation with alternative forms of organising and running a business that will provide income for individuals, create a meaningful and healthy working life for those working in the organisation and allow the pursuit of non-economic value and sustainability. The research combined desk research and interviews. First, available documentation of the organisation and management of the enterprise, its operations and its people was collected and analysed, and subsequently, founders and/or leaders of the seven enterprises were interviewed. The interviews were guided by the research questions.

With respect to motives for seeking alternative ways of organising work, the research found that **knowledge workers who choose to engage in the alternative forms of organisation tend to see the organisation as a vehicle for disseminating their values more widely**, and there is indeed an attraction to purposeful work, expressed as narratives about contributing to improved working conditions, social inclusion or environmental and social sustainability. On the other hand, the interviews indicate that **it is**



of less importance to the interviewees that the specific job content matches their academic specialisation. The interviewees described their own qualities in relation to the work in general terms, highlighting their analytical competencies as university graduates and downplaying information about their educational field when they explained how they had come to choose a career in an alternative organisation.

The alternative organisational forms appear to offer working conditions that satisfy three of the four identified characteristics of knowledge work. Concerning the fourth of the characteristics of knowledge work (that it is linked to specific occupations), we find that the work in the alternative organisations that we have researched is not linked to specific occupational fields. This would suggest **that individuals who choose to perform knowledge work in alternative organisations do not attach as great importance to their profession, education or specialist role as to their values.** For some of these knowledge workers, meaning in their working life is derived mainly from organisational characteristics, forms of working and influence. For others, meaning is derived from the ability to contribute to change in the external world. There is an overlap between these two groups, so that for some, but not all, the working environment and the ability to “make a difference” are equally important.

However, we would expect that since the majority of knowledge workers currently work in “traditional” organisations, professional identity and career prospects still provide sufficient meaning for these knowledge workers to prevent them from giving up their traditional careers.

With respect to the values pursued, we found that there was a clear relationship between the nature of these values and the concrete organisational form. For partners and founders of both employee-owned cooperatives, democracy within the company was the main tenet, while management and staff in the social enterprises emphasised their company’s contribution to social inclusion and social sustainability in a wider social context. Finally, the co-working spaces were committed to contributing positively to sustainability at a global scale and across different forms of sustainability but at the same time wanted to create a working environment supporting knowledge-sharing and creativity across start-ups and small enterprises.

All the interviewees had experienced **tensions between the need to provide income for the management and staff and the non-financial values** since the pursuit of the latter could lead to non-competitive prices of products or services. Some of them had experienced prejudices coming from potential customers who did not believe that companies with non-economic purposes are able to deliver quality products or services. However, in spite of this, they all expressed conviction that the pursuit of a purpose beyond financial profits was, or would be in the near future, a competitive advantage.

About half the companies had the ambition to scale up the operation so that more people would learn about their purpose. Except for one social enterprise that currently employs 150 people, they had experienced difficulties. The close personal relations between people in the organisation who, in many



instances, were also the ones creating the organisation and the organisational culture has proved difficult to replicate at a larger scale.

In spite of the experienced tensions and difficulties, **interviewees from all three alternative organisational forms expect that the future will bring more enterprises of that type, and in general, more enterprises that pursue multiple bottom lines.** They explain this by a heightened social and environmental attention in the wider population, which is reflected in a request for products and services produced in sustainable ways, whether this means improved working conditions, inclusion of people at risk of exclusion, less use of resources, less pollution, less energy consumption or other aspects of sustainability.



1. Preface

This is the second report from Work Package 4 of the project **Socially Innovative Knowledge Work (SIW)**. SIW is a many-faceted research project, co-funded by Innovation Fund Denmark, Grand Solutions and led by Roskilde University. In the project, researchers from the Department of People and Technology Institute at Roskilde University, along with partners from representing research institutions as well as social partners and private enterprises, explore current and future trends in knowledge work, seen through the lenses of the individual employee, employers and society and with a view to identifying strategies for preventing growth in inequality and marginalisation among knowledge workers.

This report draws upon in-depth case studies conducted in the SIW project investigating work conditions among knowledge workers (e.g., Dupret & Pultz 2021, Billekop 2020a, 2020b) that supports the finding that more knowledge workers seek alternative working lives focusing on, for example, participating in meaningful communities, sustainability and responsibility. Further, this report draws on the labour force report that examines the employment statuses, working conditions and job quality of atypical knowledge workers (Andersen, et al., 2019). The labour force report examined the extent of part-time work, temporary contracts and solo-self-employment among Danish knowledge workers, and the development of these figures from 2006-2017. We found that, while most knowledge workers still hold full-time permanent contracts, a – relatively constant – share of Danish knowledge workers are either solo-self-employed, work part-time, or hold temporary contracts. Within this group, more than half hold temporary contracts, and this share has been increasing. We noted some interesting developments with respect to the characteristics of knowledge workers holding temporary contracts: The duration of the temporary contracts increased over the years¹, and at the same time, and while more than half of the persons surveyed said that they had been unable to find permanent employment, an increasing share² stated that they did not want permanent employment. In addition, we found that the composition of the (small) group of solo-self-employed (more than half were men, two-thirds were over 45 years old, they worked in ‘consultancy-type occupations’ and none of them were newly graduated) supported a hypothesis that solo-self-employment among knowledge workers is largely the result of a personal choice by individuals who want to take control of their working life or earnings after being employed on ordinary terms for most of their career. Overall, the findings indicate that atypical employment is not just a direct reflection of changes in the extent and nature of the demand for labour, but that some individual knowledge workers actively choose an ‘atypical’ working life over a traditional career. We found this interesting and worthy of further exploration, but available statistical data on Danish knowledge workers however did not allow us to pursue this exploration in depth.

Together with findings from other strands of the SIW project that indicated a growing interest in the alternative organisation within trade unions (see e.g., Friborg and Pilmark (2020), these questions and

¹ In 2006, contracts with a duration of over 12 months amounted to 38% of the temporary contracts, while in 2017, the figure had increased to 53%.

² The share increased from 20% in 2007 to 23% in 2017.



observations prompted an interest in studying the relationship between individual career choices of knowledge workers and alternative ways of organising knowledge work or enterprises employing knowledge workers. The study was carried out by a research team, the members of which were Tine Andersen and Malene Hartung, both from the Danish Technological Institute (DTI) and Per Kongshøj Madsen (Aalborg University).

Our arguments were discussed and refined through several meetings, which took place online due to the Covid-19 restrictions of 2020 and 2021. Malene Hartung was responsible for conducting all interviews in the seven case studies that form the empirical evidence, while the analysis and drafting was a collaborative effort.

The report is the result of a collaborative effort among the authors. In particular, Katia Dupret, Anne Vorre Hansen and Tine Andersen were responsible for drafting the main content of chapter 2, while Malene Hartung was responsible for chapters 3 and 4. Per Kongshøj Madsen provided input for the theoretical discussions. The report went through several stages of drafting, and at each stage, drafts were discussed in the team of authors, leading to significant improvements.

Members of the SIW team at Roskilde University, Klaus Tranetoft Nielsen and Sabina Pultz contributed to the section on key concepts and the section on research on purpose in organisations, while Klaus Tranetoft Nielsen was a critical friend whose requests for clarity contributed to strengthening the argument. Elsa Brander contributed vital insights into the cooperative movement and its many expressions. Thanks are due also to all the kind managers and staff in the case companies who kindly spent precious time responding to our questions and correcting our misinterpretations and without whom we could not have written this report.



2. Key theoretical discussions, concepts and definitions

The purpose of this piece of research is to explore how alternative ways of organising knowledge work can play out in the current reality in Denmark and what happens when visions of alternative ways of working meet the mainstream market and the mainstream labour market. Before embarking on the analysis proper, it is befitting to present and discuss key concepts that we have used in the exploration of alternative ways of organising knowledge work and that have served as the basis of the research questions that we have pursued, and that have guided our data collection and analysis.

2.1. Knowledge workers and knowledge work

The term “knowledge work” was coined by Peter Drucker (Drucker, 1996), who described knowledge work as a work role requiring education, qualifications and an ability to acquire and to apply theoretical and analytical knowledge. Later scholars have focused on the individuals (the knowledge workers) rather than on the work role, as exemplified by the opening line in an article by Mládková (2015, p. 179): *“Knowledge workers are highly regarded by employers for their innovation and creativity.”* This quotation indicates that persons can be knowledge workers independent of their job role – they may even be unemployed. In this understanding, being a knowledge worker is a personal attribute or quality. The knowledge worker, according to Mládková et al. (2015), is characterised by possessing a combination of explicit and tacit knowledge, which they are able to combine into activities or products in a non-routine manner.

There is abundant literature on knowledge work and knowledge workers (see, e.g., the literature review by Okkonen et al. (2018). While the interest in knowledge work is spread across a wide range of academic disciplines, illustrated by the emergence of articles on the subject in a very diverse range of academic journals (e.g., a Journal of Rural Cooperation (Troberg, 2000), or a physics journal (Guo, et al., 2012), not to mention the plethora of articles on knowledge work and knowledge workers in management journals), there is no well-established definition of the term ‘knowledge worker’ which would allow a clear distinction between knowledge workers and non-knowledge workers.³ This is evidenced also by the body of literature that discusses the working conditions of knowledge workers without defining knowledge work or knowledge workers, thus assuming that the concept is firmly established (Arthur, et al., 2008; Soto, et al., 2021).

There are, however, four core characteristics of knowledge work that are highlighted repeatedly in the literature:

³ The SIW project (<https://www.futureknowledgework.com>) has previously described and defined ‘knowledge work’ in terms of characteristics that could be operationalised into variables found in statistical databases. The definition considered the educational and occupational field and hence did not take into account knowledge work carried out by persons without a higher education qualification. Also, it included individuals in occupations where it can be debated if the work carried out can be characterized as knowledge work, such as e.g., dentists. The extensive report on labour market conditions of knowledge workers in Denmark can be consulted (in Danish, executive summary in English) here: <https://futureofwork.squarespace.com/publications-and-gamification>



- Knowledge work requires (almost always) knowledge and analytical skills achieved through higher education;
- It is embodied in certain occupations. Examples mentioned in research include teaching, legal consulting, public administration, management, occupations in IT, engineering and journalism;
- It entails not only gathering and applying knowledge but also creating and disseminating knowledge;
- It involves independent judgment (see e.g., (Mládková, 2015; Troberg, 2000; Okkonen, et al., 2018; Guo, et al., 2012; Mládková, et al., 2015)).

Moreover, knowledge work comprises creativity, innovation and adding value to products and services (Mládková, 2015). This delimitation is not straightforward, and several examples can be mentioned of persons fulfilling these criteria yet still seeking work in occupations marked more by routine tasks. Likewise, examples abound of persons who fulfil the last two criteria without having a higher education degree, for example, in the IT sector or the creative industry.⁴

Of particular interest for the current study, several articles indicate that knowledge workers are motivated by (and conversely, stressed by) other factors than non-knowledge workers. Mládková et al. (2015), in a small qualitative study, identified four motivating factors: achievement of objectives, satisfaction with the work, the character of work, and freedom. Likewise, it identified two de-motivating factors: inefficient use of knowledge workers' energy and low moral qualities of a manager.

A somewhat different perspective is offered by Okkonen et al. (2018), who discussed **enablers of knowledge work** and **motivation of knowledge workers**. The enablers of knowledge work combine with individual motivation factors to harness the knowledge of the knowledge workers to the benefit of the organisation. The research found that **key enablers included the physical work environment, the organisational culture and the availability of digital tools**.

The physical environment should be conducive to autonomy as well as interaction by offering private spaces as well as collaborative workspaces. **The organisational culture** should contribute to collaboration, communication and knowledge creation. These enablers, where present, interact positively with **the knowledge workers' motivation**. Based on a literature review, the authors find that knowledge workers have a **high job involvement, have higher job performance, are more immersed in their job and more committed to their organisation than non-knowledge workers** and that, in addition to extrinsic sources of motivation (monetary incentives, career prospects), intrinsic factors such as **autonomy, independence, personal and professional growth, recognition, appreciation and acknowledgement** are

⁴ For a discussion of these examples, please refer to Andersen et al. (2019).



equally important for knowledge workers (Okkonen, et al., 2018, p. 4). Conversely, if the enablers are not present, knowledge workers tend to develop stress as a result of their high job involvement.

A third perspective is offered by Mallett and Wapshott (2012), who examined the narratives of knowledge workers, in this case: designers, about **the relationship between their narrated identity and changes in their organisation**, a design company. They found that *"the increasing commercialisation and formalisation of the business and the resultant changes in their job roles threaten the specialist enclave that has supported their claims to value and status."* (Mallett & Wapshott, 2012, p. 24).

Hence, there appear to be strong links between knowledge worker motivation/demotivation and the organisational and management structures in their workplace. In this regard, we have found it interesting to examine empirically the (self-narrated) motives and experiences of knowledge workers who choose a working life in an alternative organisational environment and to see whether they reflect the findings of the studies above.

2.2. Value-based or purpose-driven work

For decades, studies within organisational and social psychology have examined how and why some organisations appear to be driven more by purpose or value than by an economic imperative. Scholars have been working with conceptualising purpose and value-driven organisations (Grant, 2017). This literature addresses individual purpose as well as purpose in an organisational sense.

In social psychology, purpose is defined as "a stable and generalised intention to accomplish something that is at the same time meaningful to the self and consequential [beneficial] for the world beyond the self" (Damon, 2008). Even though purpose represents an overarching commitment to society that includes broader aims, such as making a difference, improving lives, or reducing harm, the motivation and materialisation of purpose have mainly been investigated from an individual perspective. So, when defining purpose and looking at the beneficial effects of purpose, the focus has mainly been on evaluating its influence on psychological and physical wellbeing on a whole range of individually defined health and wellbeing parameters (e.g., (Hill & Turiano, 2014; Bronk, 2011)).

In the organisational stream of thought, purpose is generally related to strategic considerations. The main assumption appears to be that if employees can incorporate or mirror the organisational purpose in their own viewpoint, it will give more meaning to their efforts (Rey, et al., 2019). The impact of working explicitly with the purpose to affect the individual knowledge worker is thus founded on the following logic: *"When companies are true to their purpose, ordinary employees can do extraordinary things"* (Rey, et al., 2019, p. 5). Employees who have internalised the corporate purpose conduct not just simple tasks but feel that they contribute to a higher cause through their work (Dupret & Pultz 2021, p. 1). To the extent that employees internalise the organisational purpose, it affords them an opportunity to transcend the concrete tasks, giving them a more meaningful understanding of their work (Rey, et al., 2019).



The idea that organisational purpose can be transferred directly to employees and guide their actions can be challenged on at least two counts: 1) In relation to managing the tension between today's constant changes and pressures from surroundings (clients, customers, shareholders, etc.) and pressures to upgrade skills as a result of technological developments, and 2) the personal purpose of independent, autonomous knowledge workers is likely to be different from a corporate vision of purpose. In fact, some scholars instead find that individual employees are increasingly defining their own purpose, focusing on more purposeful living as well as a shift toward collective values (Dupret & Pultz (2021); Dupret & Hedegaard (2021); Grant (2017)).

Hence, purpose may also be understood as a force driving individuals to pursue collective and sustainable values and to strive to do good in society rather than just do good for themselves and their closest relatives. *"It (purpose red.) specifies our contribution to this world and to the society in which we live"* (Rey, et al., 2019, p. 4). This includes well-being, equality and solidarity within the organisation (Langergaard & Dupret, 2020).

To sum up, the research on purpose appears to follow two different directions. One stream focuses on the managerial and strategic interest of formulating purpose to increase work motivation and productivity of staff, while another looks at how organisations and employees can act collectively and in solidarity to formulate a purpose that unites individual and organisational aspirations and hence create truly purpose-driven organisations. When transferring "good practices" from this kind of purpose-driven organisations to traditional, hierarchical organisations, results have however consistently failed to live up to those of their role models (Rey, et al., 2019). Therefore, alternative forms of organisation become relevant to pursue further.

2.3. Alternative organisational principles

In this study, we explore alternative ways of organising knowledge work. Therefore, an explanation of what is meant by "alternative" organisational principles in the context of this study is called for. This is especially so because "alternative" has (at least) two quite different meanings. The first sense of "alternative" is purely descriptive, while the second has strong normative connotations. The two meanings are illustrated by the two definitions in the Oxford Dictionary: The first definition is neutral and descriptive and almost synonymous with "different": *"Alternative: (of one or more things) available as another possibility or choice"*, while the second definition indicates a value judgement: *"Alternative: relating to activities that depart from or challenge traditional norms"*.⁵ Applied to organisational principles, we see that organisations may be alternative in two ways:

⁵ Oxford Dictionary, as cited by Google, https://www.google.com/search?q=alternative+definition&rlz=1C1GCEA_enDK916DK917&oq=alternative+definition&aqs=chrome..69i57j0l2j69i60l3.4919j0j4&sourceid=chrome&ie=UTF-8%22



Alternative in the sense “not typical”. In this sense, alternative organisations are those that deviate from a conventional model of an enterprise or organisation. The alternative organisation is alternative by applying alternative approaches to, e.g., ownership, operational principles, relations to suppliers or to customers, value chain management, employer-employee relations, etc. For example, digital employment platforms such as Uber, the countless food delivery services and the platforms mediating knowledge work are alternative in this sense.⁶ In this sense, even criminal networks can be characterised as alternative forms of organising work and creating income.

Alternative in the sense that the organisational rationale differs in one or more ways from that of a “traditional” organisation or enterprise. These organisations have been created or moulded with a purpose in mind that depart from traditional organisations/enterprises, for instance, they have objectives that extend beyond financial value creation. Further, the organisational principles are designed to reflect values beyond effectiveness and efficiency in value creation. These values may be connected to democracy, ethics, individual needs for fulfilment or social or environmental sustainability.

Parker (2013) distinguishes between “conventional organisations” in which “*decisions are made by those with power and status*”, and organisations in which a democratic and slow process of decision-making is an aim in and by itself (Parker, 2013, p. 35). He proposes three principles for the creation of such alternative organisations: autonomy, solidarity and responsibility. In this sense of “alternative”, the alternative organisational principles reflect a desire to create fundamental changes to the functioning of enterprises. In contrast to the first meaning, this concept of “alternative” is normative – “alternative” is not only different but in addition, “better”, reflecting an organisational and individual purpose beyond financial value created.

Cruz et al. found that current research on alternative forms of organisations could be divided into at least six types according to the main research focus and whether the organisational forms considered under the heading “alternative” could be seen as incremental, i.e., functioning within a capitalist system and on market conditions, or as fundamental alternatives: “*Taking a broader and very inclusive view, ‘alternative’ can be seen as anything different to the traditional for-profit model. In this case, any legal structure that does not follow this standard (such as cooperatives, associations, NGOs, social enterprises in some countries) is seen as alternative. A much more restrictive view is to conceptualise ‘alternative’ as something that is different and in contrast to the dominant economic system, in other words, different to capitalism.*” (Cruz, et al., 2017, p. 323). A similar, yet more elaborated explanation of differences between alternative organisations and mainstream for-profit enterprises and pursuing non-financial purposes is offered by Mair and Rathert (2019), who find the following characteristics to be distinguishing factors of alternative organisations: the pursuit of multiple economic and social goals, attention to local needs, that the alternative

⁶ see Nordic Council of Ministers (2020) for a discussion of the working conditions and employment and social security of platform workers



organisations are resource-conscious by marshalling underused resources or limiting resource consumption and that they experiment with democratic forms of decision-making.

These theoretical contributions to the understanding of alternative forms of organising, even though they are not fully aligned to a common understanding, have served as guidance for the empirical part of this study. In identifying cases in the Danish context, our intention has been to focus on alternative organisational forms within organisations which 1) are created by or employ knowledge workers and 2) are part of the Danish labour market. Hence, we have considered organisations – or enterprises – where knowledge workers may generate an income as entrepreneurs, owners or co-workers. We will therefore expect that most of these organisations are mainly incremental in nature, striving to reconcile a (non-capitalist) purpose or mission with the need to ensure an income for the individuals who together constitute the organisation. Hence, we wanted to examine the extent and nature of the tensions that may arise from the need to balance non-financial values with the necessity for economic survival (Cruz, et al., 2017, p. 326).

2.3.1. Increase in alternative organisational forms - cooperatives, social enterprises and other alternative ways of organising businesses

In line with the increasing interest/focus on the emergence of alternative approaches to organising work and making decisions in businesses more democratic and transparent, international research points to **growth in alternative forms of organising business activities**, in particular **social enterprises** and **cooperatives** (Eurofound, 2019; European Commission, 2020). A study by Eurofound analysed the prevalence and nature of cooperatives and social enterprises in five European countries.⁷ The study found a growth in the number of 'traditional' cooperatives and social enterprises, but in addition, observed the emergence of new hybrid organisational forms. As examples of legal expressions of such organisational forms, the study mentions:

- **Community interest companies** - a specific (British) legal form of social enterprises;
- **B-Corps** (benefit corporations, found in Italy and the USA) which are for-profit companies, but with added emphasis on social and environmental values;
- **L3Cs** (low-profit limited liability companies), for-profit, social enterprises with a socially beneficial purpose, whose aim is not to maximise income; and
- **Platform cooperatives**, where cooperatives of platform workers own and run labour brokerage platforms (Eurofound, 2019, p. 9).

As part of the Eurofound study, interviews focusing on employment and job quality were carried out among employees and management of 20 cooperatives and social enterprises in the five countries. The interviews focused on job quality and career prospects. With the caveat that the 20 case studies were not randomly selected and that findings were not generalisable, the study found that employees in the

⁷ Namely, Italy, Poland, Spain, Sweden, and the UK.



selected social enterprises and cooperatives rated their job quality more positively than employees in mainstream businesses, while their views on career prospects were more mixed.

Combining the findings of these different fields of research, we wanted to further explore whether alternative forms of organisation were also emerging in the Danish context, in particular among knowledge workers and whether a link could be observed between the changes in individual drivers of the career choices of knowledge workers and the emergence of the alternative types of organising work.

Following these considerations, and to be able to explore different aspects of alternative organisational forms, we have selected three different alternative organisational forms for our empirical study: **1) sustainable co-working spaces, 2) employee-owned cooperatives** and **3) social enterprises**. The following sections briefly present each of these three types of alternative organisations.

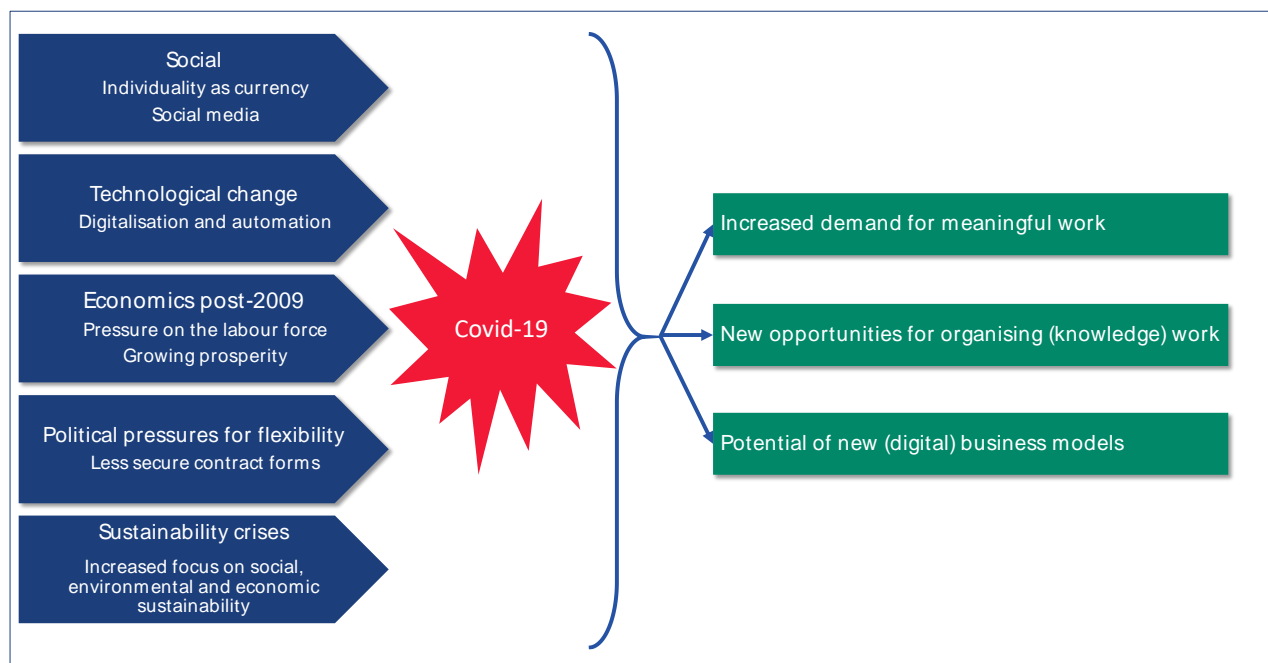
2.4. Drivers of the development of alternative forms of organising

Our initial observation that the emergence in Denmark of alternative ways of organising knowledge work is more widespread now than one or two decades ago, makes it relevant to ask which factors or drivers come together to create fertile soil for such types of organisation. Without entering into an in-depth analysis of each factor and their interaction, we can list a number of factors that may enable or accelerate a drive towards experimentation with alternative forms of organising knowledge work. Figure 2.1 indicates types of drivers that may serve as enablers of alternative organisational forms. Using the STEEP methodology,⁸ the drivers are divided into five groups: social (S), technological change (T), economics post-2009 (E), political pressures for flexibility (P), and sustainability crises (E).

⁸ STEEP: Social, Technological, Economic, Environmental and Political.



Figure 2.1: Drivers of alternative organisational forms



2.4.1. Social drivers

With relevance for knowledge work, the last decades (in Denmark) have been characterised by an overwhelming presence of social media. Platforms like Facebook, Twitter, Instagram, YouTube, LinkedIn, etc. have attracted attention to persons who were able to create images (virtual personas) of themselves that were interesting to others. This has been intimately tied in with a new business model in which likes of the social media profile yields income to the “influencer” who gets paid by sponsors according to the traffic to the profile. Together with this development, we have seen an increasing emphasis on individual uniqueness and the idolisation of unique individuals who are able to represent themselves as someone special. This may make knowledge workers who work in large organisations as “cogs in a large machinery” want to take a more publicly visible position as entrepreneurs, perhaps as someone fighting for a worthy cause.

2.4.2. Technological change

Technological change, in a broad sense, is an important driver of social change. Most importantly, in regard to knowledge work, the digitalisation of processes and work tasks has had a profound influence on jobs as well as social interaction. Several technological developments with huge impact are taking place these years within sectors and scientific fields. Think, for example, of the advances taking place in



the energy sector or the development of advanced materials. We shall limit ourselves here to discussing only technological developments with general impact on knowledge work in order to illustrate the magnitude of the impact on knowledge work and the opportunities for alternative forms of organising knowledge work.

Digital communication enabled by broadband connections, ubiquitous communication platforms, individual and mobile devices connected to the internet has greatly changed the content and processes involved in knowledge work. Desk research that previously took years and involved the painstaking recording of work found only in hardcopy can now be carried out in days. This has in itself accelerated the processes involved in collecting and sharing knowledge. In addition, virtual communication with employees, colleagues, potential partners and clients in other geographical locations is possible without the need for travel and physical meetings. This last development has been accelerated in 2020 and 2021 due to the Covid-19 pandemic, which put a stop to travel and necessitated a swift change to virtual forms of communication.

Automation of work processes has affected the workforce since the first industrial revolution and knowledge workers for at least 40 years since computers made their entry into offices worldwide. The current wave of automation of knowledge work affects both the administrative tasks of knowledge workers, who are faced with automated systems of, e.g., accounting or management intelligence systems, and the content of the knowledge work, which is currently disrupted by new applications involving artificial intelligence.

Artificial Intelligence is currently progressing quickly. Machine learning through neural networks (algorithms or advanced statistical models) is currently used for very diverse purposes including, for example, medical tasks,⁹ legal analysis¹⁰ and the provision of labour market intelligence.¹¹ AI underpins social media, enabling personalised content and fake news and makes autonomous transport possible. In short, what AI does is enabling the analysis of data volumes that would be untenable for humans. It has increasingly become evident that current AI applications come with bias and ethical problems.¹² Nevertheless, there is no indication that the development of AI will be halted. On the contrary, its uses can be expected to increase.

⁹ For example, diagnosis, drug development, personalisation of treatment and improvement of genetic editing, see <https://www.datarevenue.com/en-blog/artificial-intelligence-in-medicine>

¹⁰ For instance, helping in perform due diligence and legal analytics, see, e.g., <https://emerj.com/ai-sector-overviews/ai-in-law-legal-practice-current-applications/>

¹¹ See for example Cedefop's skills online vacancy analysis tool for Europe, Skills-OVATE, <https://www.cedefop.europa.eu/en/data-visualisations/skills-online-vacancies>

¹² UNESCO is currently developing a legal, global document on the ethics of AI, see <https://en.unesco.org/artificial-intelligence/ethics/cases>



Work platforms are not widespread among knowledge workers in Denmark,¹³ but offer the potential for alternative (in the sense different) ways of organising knowledge work by breaking it up into well-defined work tasks that may be carried out by individuals regardless of their geographical location and without employer obligations. Work platforms may however also potentially serve as collaborative fora where “members” share tasks according to their expertise.

2.4.3. The national economic situation

After the financial crisis in 2009, the Danish labour market, including the labour market for knowledge workers, was under pressure and unemployment was on the rise. For the first time since the beginning of the millennium, university graduates had severe problems finding employment shortly after graduation. The unemployment benefit system in Denmark provides an income which, viewed against average salaries for knowledge workers, is not impressive, but on the other hand, can be counted upon if e.g., an entrepreneurial venture fails. Overall, the prosperity in terms of average income of the Danish population has increased steadily since the financial crisis.¹⁴ These factors in combination have provided conditions favourable to social experimentation with alternative ways of generating income.

2.4.4. Political pressures for flexibility

The globalisation of labour markets and hence, the influx of workers from countries with lower wage levels, has reinforced efforts by employers to increase the flexibility of the workforce by utilising short-term contracts. In research and teaching in particular, this has led to an increase in the use of fixed-term contracts, which in many cases are renewed several times, placing the young employees in an unsecure, if not precarious, position in the labour market (Andersen, et al., 2019). Also, Pultz & Dupret (2020) review 38 articles on three types of employment flexibilities among knowledge workers and their protective and risk factors. Employment flexibility reconfigures work in terms of how and when it is done (temporal), where work is done (spatial) and with what kind of employment work is done (occupational) (p. 3). They found that on the individual level risk factors included work intensification and (techno)stress and self-responsibility in relation to autonomy versus control. At the organisational and family level, unclear management, work/life conflict and external demands were identified. At the societal level, working conditions and reduced bargaining power were identified.

¹³ Ilsøe and Larsen (2021) have researched individuals who have had income from labour platforms in 2017 and 2019. Only 1% of respondents have had income from work platforms and among them, 19% belong to the top income quartile. Regrettably, the data are not split by educational level, but income classes can be used as a rough proxy.

¹⁴ With the exception of 2009, from 2001 to 2019 the average personal income in Denmark increased steadily by 2-3% a year. During the same period, the inflation has been negligible, so spending power has increased. Source: Statistics Denmark, table INDKP101, own calculations.



2.4.5. Sustainability crises

Issues related to sustainability should be counted among the drivers for alternative organisational forms. According to the Brundtland Report, sustainable development is defined as development that "*meets the needs of the present without compromising the ability of future generations to meet their own needs.*" (United Nations General Assembly, 1987).

Sustainability is often divided into three spheres: economic sustainability, environmental sustainability and social sustainability. It is an ongoing discussion whether sustainability can be achieved in all three spheres simultaneously, and some authors claim that if viewed in isolation, they represent conflicting perspectives. Therefore, efforts to promote sustainability should approach sustainability in a multi-dimensional way where social sustainability should be understood as interwoven with economic and environmental factors (Langergaard & Dupret, 2020).

The UN Sustainable goals, known as the SDGs¹⁵ have provided a further breakdown of these three spheres, specifying goals for actions to ensure that future generations may live in peace and prosperity without destroying the main foundations for life on the planet. The SDGs thus can be interpreted as representing a further "silo-isation" of sustainability. Nevertheless, the SDGs and their accompanying guidelines have proved to present a framework that is widely used by governments, public authorities and private companies to explain their activities.

In the context of the current study, we have been particularly interested in sustainability from two perspectives: 1) the stories that knowledge workers tell about how the purpose of their organisation relates to sustainability and 2) the sustainability of the organisational form in view of the challenges portrayed by those who inhabit it.

2.4.6. The role of Covid-19

Finally, we need to mention that this report has been written during the Covid-19 pandemic. It has yet to be seen how the pandemic will affect the emergence of alternative forms of organisation. There is no doubt that the pandemic has accelerated virtual communication and the development of digital tools, and in this respect, it can be expected that it has created better foundations for the creation of innovative ways of organising knowledge work. On the other hand, the pandemic has led to increased unemployment. The implications of the latter are uncertain. Rising unemployment is known in earlier times to have strengthened a drive towards traditional employment and away from entrepreneurship in all its forms. But at the same time, the restrictions under the pandemic have opened wholly new avenues for innovation

¹⁵ See <https://sdgs.un.org/goals>. The 17 Sustainable Development Goals were adopted by all United Nations Member States in 2015. They provide overarching goals that cross the three spheres of sustainability and should be pursued by states and private organisations globally.



in the production and distribution of goods and services. At this stage, it remains to be seen how these opposing forces will influence the creation of alternative organisational forms in the long run.

2.5. The organisational forms studied

2.5.1. Sustainable co-working spaces

Co-working spaces are a form of organisation that involves individuals working independently or collaboratively in a shared physical space. Co-working spaces range from incubators, which are available only to entrepreneurs in their start-up phase, to shared office spaces owned by private developers or public authorities who rent out offices and technological infrastructure to small enterprises. In order for such facilities to be called coworking spaces, they should involve some sharing of workspace, back-office and support tasks (Eurofound, 2015). Co-working spaces involve more intensive cooperation and exchange between the self-employed or small businesses than shared offices spaces generally do (Eurofound, 2015). Co-working spaces may include some office spaces without any extra services, but the emphasis is **on shared facilities, offering support to tenants, facilitating social community and sharing of experiences across the tenants**. Of particular interest to the exploration of alternative forms of organising are what we, for want of better words, have dubbed “sustainable co-working spaces”. **Sustainable co-working spaces offer co-working opportunities to individuals and small enterprises that commit to certain values connected to sustainability**. Their purpose and values should be interpreted by the organisation to be in line with those of the organisation itself, which may or may not be democratically organised. Hence, “the organisation” may include all member of the community inhabiting the co-working space at any time, or it may be a separate organisation that creates conditions for the tenants/inhabitants conducive to co-working. In this study, we have examined co-working spaces that promote social and/or environmental values and which mainly target knowledge workers as tenants or “residents”.

2.5.2. Employee-owned cooperatives

The cooperative is a long-established business format, and in the European Union, there are at least 3,00,000 cooperatives with more than 140 million citizens being members (European Commission, 2004). There are records describing cooperatives in pre-industrial Europe. The present-day cooperatives still adhere to the principles established in 1844 in the UK: **voluntary and open membership; democratic decision-making with each member having a right to vote; members contribute capital, which is then collective owned; economic proceeds or profits are distributed equitably to members or re-invested in the organisation** (Eurofound, 2019). The International Co-operative Alliance define a cooperative as “*an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise*”. Members of cooperatives can be producers (large agricultural companies like ARLA being the prime example of this), consumers (where retailers like COOP provide the main example), or employees. In addition



to the original principles, the Alliance has added a set of cooperative values: **self-help, self-responsibility, democracy, equality, equity** and **solidarity** (International Co-operative Alliance, 2021). These values can be seen as echoing Parker's (2013) principles for alternative organisations: autonomy, solidarity, and responsibility. This does not mean that all cooperatives can be interpreted as alternative organisations; while all co-operatives act in the economic interests of their members, not all of them pursue social or environmental activities or subscribe to sustainability in a broad sense (European Commission, 2004, p. 4).

There is no precise data available on the number of cooperatives currently existing in Denmark according to the definitions and principles described above. Some proxies can be found, however. For example, according to the think tank Demokratisk Erhverv (Democratic Enterprise), in 2017, 18,605 companies were either directly democratic or had a democratic organisation owning more than half of the enterprise. Most of these were owned by consumers (Tænketanken Demokratisk Erhverv, 2019).

Since the producer- and consumer-owned cooperatives differ mainly from privately owned enterprises in their ownership and do not involve democratic decision making in the day-to-day operations, we have chosen, in this study, to focus only on employee-owned cooperatives for knowledge workers. Cooperatives of this type are owned or managed by their employees and each employee has one vote. According to the Danish enterprise register, in 2018, 54 Danish companies were organised as employee-owned cooperatives, but there is no information available about how many of these employ knowledge workers. According to Tænketanken Demokratisk Erhverv, companies organised as employee-owned cooperatives have proven to be more productive and stable compared to other forms of companies. In spite of this, the number of such enterprises is very limited (Tænketanken Demokratisk Erhverv, 2019).

2.5.3. Social enterprises

A social enterprise is an enterprise that operates on ordinary market terms but differs from traditional companies by using its profits to solve societal challenges, such as creating jobs for vulnerable individuals or creating solutions within the social, environment, culture, employment and health sectors. Overall, a social enterprise works for the good of the community and society rather than for the benefit of individuals or smaller groups of people (Sociale Entreprenører Denmark, 2021).

The European Social Business initiative has defined social enterprises as shown in see Box 2.1

Box 2.1: Social Business Initiative definition of social enterprises

A social enterprise is an undertaking:

- whose primary objective is to achieve social impact rather than generating profit for owners and shareholders;
- which uses its surpluses mainly to achieve these social goals;



- which is managed in an accountable, transparent and innovative way, in particular by involving workers, customers and stakeholders affected by its business activity.

Source: (European Commission, 2014),

This definition has withstood the test of time since it was still used in a recent report from the European Commission on social enterprises (European Commission, 2020) as well as by a Eurofound study on co-operatives and social enterprises (Eurofound, 2019).

The European Commission synthesis report is complemented by country reports detailing the situation in all European countries. The Danish legal definition of a social enterprise differs somewhat from the European definition, which has practical and financial ramifications for the enterprise, for example, with respect to taxes. To register as a social enterprise in Denmark, an undertaking has to fulfil the five criteria shown in Box 2.2

Box 2.2: Danish criteria for legal registration as a social enterprise

- Social purpose - The enterprise must have a primary purpose that is beneficial to society with a social, cultural, employment-related, health-related or environmental aim.
- Significant commercial activity - The enterprise must sell either goods or services. This activity must constitute a significant element of the revenue generated by the enterprise.
- Independence of public authorities - Public authorities must not have any significant influence on the management or operation of the enterprise.
- Inclusive and responsible governance - The enterprise must involve employees, customers, partners and stakeholders. In addition, the company must be managed responsibly in accordance with the social objectives.
- Social management of profits - The enterprise must spend its profits on social objectives or reinvest the funds. However, a limited share of profits may be distributed as dividends to investors or owners. Profits should be reinvested in the enterprise, invested in other registered social enterprises, donated to charitable organisations or distributed as dividends to owners and investors to a limited extent. (Hulgård & Chodorkoff, 2019)

Sources: (Hulgård & Chodorkoff, 2019; Retsinformation, 2021)

The Danish criteria emphasise that social enterprises must have significant commercial activity and must be independent of public authorities – this is not part of the European definition. Hence, the Danish definition, while longer, is also more restrictive than the European definition.

In Denmark, more than 350 companies are registered as social enterprises (Sociale Entreprenører Denmark, 2021). The share of social enterprises that employ knowledge workers is not available in the statistical databases.



In practice, in the Danish context, social enterprises are divided into two main types: Social enterprises that work *with* a target group and social enterprises that work *for* a target group or a (social or environmental) cause. However, the boundary between the two types of business is fluid and often has both types included in the business strategy. In selecting cases for the study, and in line with the discussion about alternative forms of organisations, we have prioritised the latter type of social enterprises.

2.6. Research questions

Following on from the discussions above, the study has explored the following questions in an empirical and qualitative study of seven companies, each representing one of the three types of alternative forms of organising knowledge work.

- What has motivated the knowledge workers to pursue alternative ways of working? What have been their experiences?
- What types of non-economic value are pursued in the organisations studied?
- What are the commonalities and differences between the organisations studied?
- What dilemmas have resulted from the tension between an organisational purpose that emphasises non-financial values and doing business in a capitalist market?
- Are there indications that the organisational form is scalable? That it is sustainable in a broad sense?



3. Methodological approach

The remaining, empirical part of the current report conveys the results of case-based research into new or alternative ways of organising knowledge work. As the previous sections have indicated, our purpose has been to explore the main drivers and value assumptions behind alternative ways of organising knowledge work. Therefore, and because there is no established analytical framework offering clear propositions that could be tested qualitatively or quantitatively, our approach to the empirical study of alternative ways of organising knowledge work has been exploratory. Since the topic (the combination of alternative organisational forms and knowledge work) has not previously been researched, **the case study methodology presented itself as the most relevant way to approach the topic**, enabling us to seek answers to our research questions. Case studies can provide an in-depth and contextualised understanding of the topic under study, here: knowledge work combined with the three alternative forms of organisation (Flyvbjerg, 2006).

Among the alternative approaches to organising knowledge work presented in the previous chapter, we have focused on the **three organisational forms**, described above, in section 2.3: **sustainable co-working spaces, employee-owned cooperatives** and **social enterprises**. These forms are different in many respects but have in common a desire by those involved to shape their career and working life in ways that differ from the traditional employer/employee relationship and the mainstream ideas of what it requires and entails to make one's way in the world. Since our main interest has been to explore organisational entities that compete in the market on an equal footing with mainstream capitalist enterprises, organisations building on voluntary work and engagement have not been considered in this study. A further requirement has been that the cases should involve knowledge work in some form or shape. Due to the specific characteristics of knowledge worker engagement discussed in section 2.1, the cases should allow us to examine challenges related to the professional identity of knowledge workers in our case enterprises and strategies (individual or collective) that have been developed and adopted to overcome these challenges.

The research was carried out in seven enterprises that each represent one of the three aforementioned alternative ways of organising knowledge work. We have aimed to select "most likely" cases, i.e., cases which we would expect to confirm our propositions about the drivers for the development of alternative forms of organising and the role of knowledge workers in this development (for a discussion about strategies for case selection, see Flyvbjerg (2006, pp. 13-17)). Identifying the companies proved a separate issue since there is little information available in the public domain to give an overview of enterprises belonging to these three categories. For example, Statistics Denmark holds figures on cooperatives, but no information about the ownership structure (suppliers, customers, or employees), and no information that would allow us to decide whether the company operates within activities requiring knowledge work is readily available. Consequently, we have been forced to adopt a network-based and snowballing strategy, combining the professional networks of the entire SIW research team with extensive web research.



Common to the seven cases is the experimentation with new forms of organising and running a business that will

- provide income for individuals;
- create a meaningful and healthy working life for those working in the organisation;
- and allow the pursuit of non-economic value and sustainability.

Due to the limited number of cases, care should be taken in generalising the findings so that they are taken to represent a trend that is certain to grow in the future. Rather, the cases may be interpreted as **signals from the future of knowledge work**.¹⁶ Across the company cases, we have sought to **compare and illuminate different aspects of the research questions**, thus deepening the understanding of alternative forms of organising.

Concretely, the methodology for the case studies involved **desk research of available information about each of the seven companies** with a focus on the companies' own websites and publications, where such were available. The desk research was aimed at achieving a preliminary broad understanding of the enterprise which subsequently served to tailor interviews with founders, owners and employees. As a result of the desk research, the following items of information was recorded for potential cases where available:

- Organisational type
- Ownership
- Contact details
- Mission as described by the company itself
- Concrete information about products, services, clients etc. as available.

Subsequently, the results of the desk research were refined and complemented by **in-depth interviews** with managers (where such existed) and employees. We have interviewed the following companies:

Table 3.1: Interviewees in companies

Form of organisation	Company	Interviewee
Sustainable co-working spaces	DISIE	Anne Katrine Heje Larsen, CEO
	Greencubator	Stine Casparij Kondrup
Employee-owned cooperatives	Analyse & Tal	Sarah Steinitz, Partner Søren Nielsen-Gravholt, Partner
	KnowledgeWorker	Frederik Pedersen, CEO

¹⁶ A signal of the future is '...a recent small or local innovation—a new product, service, behaviour, initiative, policy, data point, or technology— with the potential to scale in impact and affect other places, people or markets. Signals are specific events or innovations happening today that you instinctively feel will take us in a new direction. Signals help capture emerging phenomena sooner than traditional social science methods and are used as evidence to show that a forecast or scenario is plausible' (Institute for the Future, 2020).



Social enterprises	SIVIL	Camilla Schwalbe, CEO
	TeraTech	Anders Bech, CEO
	Huset Venture	Lars Holstein, Development Consultant Jeanett Dian Amonsén, Communication Manager

The interviews were framed by the following themes which are closely connected to the research questions:

- The knowledge worker's motivation for founding or joining a company organised either as a sustainable co-working space, an employee-owned cooperative or a social enterprise. This motivation targets investigating the research question about the knowledge workers motivation to pursue alternative ways of working;
- The purpose and values of the company and how they pursue them, which seek to investigate the research question about what types of non-economic value the companies pursue and the commonalities and difference between the three forms of organisation which are studied;
- Details pertaining to the organisation, including the day-to-day organisation which as the above theme enhance the differences among and between the participating companies;
- Challenges faced by the organisation and how they have been addressed which refers to the research question about the potential dilemmas arising from the tension between an organisational purpose that emphasises non-financial values and doing business in a capitalist market;
 - The future prospects for the organisation which are linked to the research question about the companies are scalable and which way of being organised is sustainable in a broad sense.

4. Findings across the empirical case studies

In this section, the findings from the empirical company cases will be discussed with reference to the research questions listed in Section 2.6. The discussion is based on the seven case studies below (presented in Section 5) across the following forms of organisation: sustainable co-working spaces, employee-owned cooperatives and social enterprises.

The discussion focuses on the potentials and tensions arising when knowledge work is carried out in alternative organisational formats. We shall discuss the motives that drive individual knowledge workers to pursue alternative ways of working, the types of non-economic value that are pursued in the organisations studied, the commonalities and differences between the organisations studied, the lessons learnt by organisations that pursue non-economic purposes in a profit-oriented economic environment, and finally, whether the cases hold indications that the organisational form can turn out to be scalable and sustainable or whether there are signs that the organisational form can only exist at the margins of the economy and the market.



Overall, and across the organisational forms represented by the cases, the interviews indicate that those knowledge workers who choose to engage in the alternative forms of organisation see the organisation as a vehicle for disseminating their values more widely. They emphasise the role of knowledge in this regard – the organisation and the individuals working in it constantly learn about the potentials and constraints for their way of working and engaging with the outside world, and the knowledge thus obtained is seen to be useful for the future. Few of the interviewees work strictly within the professional field that their education prepared them for but that appears not to create intrapersonal conflicts. Rather, they appear to be comfortable with a more generalised knowledge worker identity where an analytical approach coupled with independence and initiative play the main role.

The discussion below includes findings that are unique to the individual form of organisation and findings across the three forms of organisation. Table 4.1 summarises findings across the research questions.

Table 4.1: Empirical findings summarised

Research question	Findings
Which motives may drive knowledge workers to pursue alternative ways of working? How do they describe their experiences?	The knowledge workers in the seven company cases have all been attracted to being in a workplace with a certain set of social values that are closely linked to the individual organisational forms. For example, employees in the employee-owned cooperatives are attracted by the prospect of participating in democratic decision-making processes, while employees in the social enterprises value the content of the work, e.g., to help vulnerable groups in society finding employment.
Which types of non-economic value are pursued in the organisations studied?	The non-economic values that are prioritised by the case companies are quite different: from ensuing democracy, equality and fairness in the internal decision-making, over the creation of knowledge-sharing communities and to the development of products and services with social purposes.
What are the commonalities and differences between the organisations studied?	All the case companies have a strong focus on non-economic values. At the same time, they strive to have a financially sustainable business. All subscribe to some idea of sustainability; however, the interpretation of sustainability varies highly across the cases. However, they work to have a socially sustainable business. Social sustainability has many facets, which is also shown in different forms of organisation and across companies within the individual organisation forms.
What dilemmas have resulted from the tension between an organisational purpose that emphasises non-financial	According to the interviews, there are both positive and negative experiences associated with each of the three alternative forms of organisation. In all the cases, it was noted that the explicit purpose and adherence to a set of non-financial values has been an asset in the market rather than the opposite – the experience is that the company’s set values create positive associations in both customers and



values, and doing business in a capitalist market?	business partners. On the other hand, the purpose and values may prove difficult to explain to the outside world. Knowledge workers' ambitions to grow or scale the business give rise to a range of challenges. Democratic processes may turn out to be slow and cumbersome beyond a certain number of employees.
Are there signs that the organisational forms may be scalable and sustainable or the opposite?	<p>All the interviewees express great confidence and hopes for the future of their organisation. They back up their hope with reference to the increased focus on sustainability in society and to a hunch that there is currently an increasing demand for meaning in work among knowledge workers.</p> <p>The case companies express ambitions to contribute to a wider diffusion of their particular form of organisation. For example, one of the co-working offices will try to establish a similar community in another part of the country to improve the opportunities for start-ups in Denmark. One of the cooperatives wants to spread the cooperative principles to the Danish labour market by supporting the establishment of similar companies.</p>

The following sections analyse the results according to each of the research questions in depth.

4.1. Knowledge workers' motivation

With respect to the individual values of employees and management of the case companies, we found that they varied according to how they saw the relationship between their individual values and the values of their organisation. Based on the interviewees' narratives about their own motivation and that of their co-workers, we have tentatively identified three ideal types of knowledge workers that are drawn to alternative forms of organisation:

- "Climbers", using the employment in an alternative organisation as the first step into a traditional career. For these knowledge workers, the engagement in alternative ways of working is transitory and forced by conditions in the labour market meaning that a traditional career is (temporarily or permanently) out of reach, for example, if their qualifications are not in demand or they have no prior labour market experience. None of the interviewees belonged to this group but referred to colleagues or employees that they had known previously.
- "Pragmatic idealists" who engage in alternative ways of working believing that they will be able to combine value-based work with a career and income corresponding to that of their peers working in traditional organisations. Examples of individuals pursuing this combination of organisational purpose with individual aspirations were present in the group of interviewees
- "Purpose-seekers" - knowledge workers who pursue work in an alternative organisation because they find that the gain in meaningfulness offsets a possible loss in the income that a traditional career would bring. Most of the interviews pointed to the interviewee having this self-image.



Whether it is indeed reflected in the individual's behaviour and actions cannot be established based on the interviews in the current study. It would probably require an observational study over a prolonged time.

Across the organisational forms, **interviewed knowledge workers express the values and purpose of their work in various ways.** The interviewed knowledge workers that are involved in running the two co-working spaces claim to be attracted not only to the social values at the workplace but also to being able to assist and support the green and social initiatives of the start-ups, small businesses and NGOs inhabiting the space. These interviewees are driven by the company's values by a feeling of contributing to environmental and social sustainability through the projects and products of the residents.

Those who worked in the two cooperatives strongly subscribed to the cooperative principles as expressed in their company. They were motivated by being part of a democratic workplace and felt that this would contribute to creating a sustainable future for their clients and for themselves. They saw the workplace as a community focusing on human needs and aspirations and valued the access to influence at all levels of decision making. In these interviews, sustainability was very much conceptualised as social sustainability in the workplace and in the surrounding community, and the interviewees felt that their organisation could serve as an ideal that they could promote through their participation in projects with partners and in their collaboration with customers.

The interviewed knowledge workers employed in social enterprises felt motivated by being part of a company that creates a positive social change. The concrete social purposes of these three case companies address different social agendas in addition to offering a workplace for individuals unable to gain a foothold in the mainstream labour market, mainly due to physical or mental disability. The interviewees were strongly motivated by being part of a workplace that offers work, and with it, income, social interaction and social status to individuals who could otherwise be left to social welfare. In addition, the external purposes of each of the three case companies also served to motivate the interviewees.

We find that, at least among the small sample of knowledge workers interviewed here, **there is indeed an attraction to purposeful work**, expressed as narratives about contributing to improved working conditions, social inclusion or environmental and social sustainability. On the other hand, the interviews indicate that it is of less importance to the interviewees that the specific job content matches their academic specialisation. The interviewees described their own qualities in relation to the work in generalist terms, highlighting their analytical competencies as university graduates and downplaying information about their educational field when they explained how they had come to choose a career in an alternative organisation.

The alternative organisational forms appear to offer circumstances/working conditions equalling three of the four characteristics of knowledge work as described in section 2.1. Working in these types of organisations **requires knowledge and analytical skills**; It entails **gathering, applying, creating and**



disseminating knowledge; and it involves **independent judgment**. It could therefore be argued that these organisations provide ideal settings for knowledge work. Concerning the fourth of the characteristics of knowledge work, we find that the work in the companies that we have researched is not linked to specific occupational fields. In addition, and judging by our interviews, the individuals who choose to perform knowledge work in alternative organisations do not appear to attach great importance to their profession, education or specialist role. This runs counter to what was suggested by Mallett and Wapshott (2012), who described the sense of belonging to a profession as the main pillar in knowledge workers' self-image.

This could suggest that **for some knowledge workers, meaning in their working life is derived mainly from organisational characteristics, forms of working and influence. For others, meaning is derived from the ability to make a contribution to change in the external world.** There is an overlap between these two groups, so that for some, but not all, the working environment and the ability to "make a difference" are equally important. The knowledge workers that we interviewed belong to these two groups. However, we would expect that **since the majority of knowledge workers currently work in "traditional" organisations, professional identity and career prospects still provide sufficient meaning for these knowledge workers** to prevent them from giving up their traditional career. Whether the traditional labour market and its organisations will continue to attract the majority of knowledge workers, or the alternative form of organising is indeed foreshadowing major changes in the ways we work will be up to future research to establish.

4.2. Values perused

The seven company cases indicate that while all the interviewees claimed that their company had strong social values, the concrete understanding of what this means in practice varies greatly. The two employee-owned cooperatives, both consulting companies, are both based on values that related to democratic and fair decision-making processes. They have experienced that these values have had a positive impact on the working environment as well as on their competitive position in the market for consultancy services.

Regarding the interviewed companies organised as social enterprises, the interviewees emphasised two expressions of social purpose: improving the social sustainability of the organisation itself and providing an external output (product or service) contributing to values social inclusion and social sustainability, for example, by developing assisted technology for rehabilitation or producing marketing materials for socially responsible companies and organisations. By employing vulnerable individuals whose access to mainstream jobs is limited, for example, by a physical or mental disability or illness, they see the company as contributing to social sustainability. In two of the three case studies organised as social enterprises, the majority of the employees have a disability entitling them to early retirement benefits, while others prior to their employment in the company received social benefits.



The two companies organised as co-working spaces promoting sustainable values require that potential tenants/residents work with one or more aspects of the UN's 17 Sustainable Development Goals. Both co-working spaces emphasise community and social interaction between tenants by organising social events and meetings with the purpose of sharing knowledge and experiences. Interviewees in these organisations have experienced that their inhouse community and their residents' shared focus on sustainability is highly appreciated and attractive among start-ups and small businesses because these factors contribute to creating an inspiring atmosphere.

The interviewees underline that it is crucial for the organisation to balance the core social values with the need to run a healthy business, but that there is no contradiction between the two sets of values – on the contrary, the social values actually contribute to the financial objectives.

4.3. Competitive advantages for companies of prioritising social values

All of the interviewees share the concept that overall, the fact that their organisation is alternative and pursues non-financial purposes contributes to the company having a competitive advantage over more traditional providers of similar products or services. The sustainable co-working spaces have experienced that their tenants/residents are attracted to the network in the office communities, the cross-disciplinary work within sustainability and the inhouse co-working environment. In addition to the motivating working environment in the two interviewed co-working spaces, the residents are attracted to the network of partners and investors, which has been cultivated by the organisation offering the co-working space.

The two companies organised as employee-owned cooperatives have experienced that their democratic way of running their businesses attracts employees as well as clients. The majority of their clients who work with or prioritise social sustainability prefer to collaborate with consultants with democratic values, such as a cooperative organised company that reinvested any profits in the company. According to the two cases it is clear that their clients intentionally prioritise collaboration with companies that are based on reliable social values instead of contributing to large venture capital companies which typically focus more on economic value rather than social values. The interviewed social enterprises have expressed similar opinions that social values are a competitive advantage to attract some specific clients.

The companies organised as registered social enterprises have experienced that their clients prefer to collaborate with companies with social purposes and these clients find that their cooperation with the social enterprise brings value to their own relations with their own clients, employees and shareholders. The social enterprises differentiate themselves from their competitors by making it explicit that they invest their profits to solve societal challenges and/or to create jobs for vulnerable individuals. Common to our social enterprise cases and the cooperatives is their experience that clients have a strong trust in them due to their social values.



Although interviewees across the seven cases strongly expressed that their values represent a competitive advantage, the degree to which they make these values visible in their marketing varies considerably. For instance, interviewees in the employee-owned cooperatives stressed that the democratic organisation of work and decision making is internal to the company and is not being used in their marketing strategy. Likewise, one of the social enterprises that employ people with reduced ability to work but whose products and services do not serve social purposes does not publicly announce their social purpose but instead prefer to emphasise the (competitive) quality of their products and services in their marketing.

4.4. Prejudices about working with sustainable values

Across the social enterprises and the sustainable co-working spaces, there is a shared experience that potential clients and business partners sometimes have negative and incorrect perceptions of what it entails for an enterprise to prioritise non-financial values. The interviewees from social enterprises found that clients and partners sometimes have displayed blatant ignorance concerning the concept of social enterprises. For example, it has been difficult to explain that the social enterprises are not funded by taxpayers money but compete on equal footing with mainstream enterprises in the market. In addition to this misconception, social enterprises have experienced that their clients and partners expect a lower quality of products and services compared to their competitors. The interviewees saw these misconceptions as a challenge which makes it difficult for them to be considered as trustworthy business partners that deliver products and services of competitive quality.

The tenants/residents in the sustainable co-working spaces have experienced that business angels/investors are sometimes put off when they hear that the entrepreneur wants to pursue a non-financial purpose in addition to starting a business. The interviewees from the organisation running the co-working spaces had found a sizable share of investors to be sceptical about how social/environmental sustainability can be combined with economic sustainability in the short and long run. The organisation and the tenants/residents have experienced that it takes more effort to raise capital than would be the case for start-ups prioritising earnings and bottom lines above other aims. Raising external capital is often crucial for businesses to move an idea into a real profitable business case. To ameliorate this situation, one of the co-working spaces has established a network of investors, thereby facilitating personal relations between the entrepreneurs and the investors, for instance, by setting up social events. This network increases the visibility of the start-ups and offers the investors a chance to understand how a balance can be struck between seemingly conflicting purposes.

4.5. Dilemmas related to the growth of the organisation

The seven cases are – with the exception of Huset Venture, which employs 150 people - all small enterprises with the number of employees below 20 or even below 10. Most of them have the ambition to



grow the number of employees to achieve a more robust professional environment. Small knowledge-based organisations are vulnerable to changes of staff – the small size necessitates a certain degree of specialisation and it can be difficult and costly to replace employees who are on leave or leave the company altogether.

Across the seven cases, interviewees report a challenge related to growing the numbers of people working in the organisation. Employee-owned cooperatives and social enterprises are not allowed to sell parts of their company to investors, which means that they have to seek other means of receiving an injection of capital that would allow them to expand their operation. Investments may be sought from foundations established with a social purpose as part of their expansion in Denmark, for example, Den Sociale Kapitalfond which invests capital and skills in companies and organisations which help solve social problems,¹⁷ just like there is EU funding available for such organisations. However, the search for sources of financing, the bureaucracy sometimes involved in applying for funding and the requirement for accountability, possibly in the form of evaluation, means that there is a barrier involved in obtaining investment for growth.

The interviewees from the employee-owned cooperatives expressed that it is their objective to grow in terms of the number of employees, but that they want to grow with caution, keeping a keen eye on preserving the spirit of collaboration and the democratic decision-making processes within the company. They were aware that expanding the number of employees might potentially jeopardise their democratic processes. Also, they were keenly aware that they, as cooperatives in the consulting industry do not have access to “role models”, since all other consulting companies in Denmark, although some of them are not-for-profit, all have a traditional, hierarchical organisation where the individual consultant is often far removed from strategic decisions.

The social enterprises have specific challenges related to their dual workforce and a patchwork funding of activities. In mainstream companies where people typically work full-time, efficiency is typically higher than in social enterprises and the income generated is sufficient to cover the costs of management and administration. Social enterprises, where the workforce has a variable working capacity and often work reduced hours are not as efficient and their productivity is lower. As a result, the income generated may be insufficient to cover management and administration. Sivil and Huset Venture both, in addition to selling products and services in commercially dominated markets, offer courses and labour market preparation programmes to municipal social services, who buy them for their social clients. Concerning the employees with disability, many of them have their income topped up by disability pensions or social benefits, and communication with the municipal social services in this respect requires resources. Additional income may be sought by applying to foundations for the financing of specific projects but complying with municipal rules and regulations and setting aside time for applications creates additional pressure on the management and the need for extra resources in addition to those used to manage the

¹⁷ More about Den Sociale Kapitalfond here: <https://www.densocialekapitalfond.dk/en>



commercial operation. As a consequence, the recruitment of staff is considerably more resource-demanding for social enterprises than for mainstream companies.

4.6. Future potential

Interviewees across all the seven company cases in the analysis foresee a positive future for their form of organisation. They expect that their focus on purpose, be it social or environmental, will be an even greater competitive advantage in the future due to the increased focus in society on the relationship between working conditions and individual wellbeing, and on sustainability, as embodied in the UN's 17 Sustainability Development Goals.

In recent years, the interviewees from the sustainable co-working spaces have observed the emergence of increasing numbers of similar office communities. This has increased the competition between the sustainable co-working spaces for tenants/residents as well as for funding, but this is seen as mainly positive since it contributes to spreading knowledge about alternative ways of working and organising to a wider public. An interviewee from an organisation offering sustainable co-working spaces emphasised this learning perspective: By running the office, the permanent employees increase their knowledge about specific challenges and opportunities in regard to starting up a company with sustainability as an overarching purpose. This knowledge is integrated into the advice that they can offer to future start-ups. They also actively seek to broaden their knowledge base by expanding the internal advisory board as well as their network with municipalities, companies and investors as partners. These initiatives were seen to improve the resilience of the operation as well as the quality of the offer to their tenants/resident.

The participating employee-owned cooperatives consider their democratic values to be a future competitive advantage. One of the cooperatives has the ambition to expand their form of organisation and the cooperative principles to both already established companies and to new companies, and they saw this as a realistic ambition due to increased focus on the quality of work.

On a similar note, interviewees from social enterprises expressed that the increasing focus on social sustainability will prove positive for their business. They expect that some of their clients' prejudices about working with social values would continue to be a challenge for some time yet, but that the increasing focus on social sustainability will gradually eliminate these misunderstandings.

5. Empirical case studies

In this section, the seven company cases are presented. The section is divided according to the organisational forms, and the cases are presented in the relevant sub-section. Across the cases, interviews have explored the research questions. We have explored the purpose of starting the company, what motivates



the employees, how interviewees understand and express the purpose and values of the organisation, the challenges they have faced and their perspectives about their form of organisation.

5.1. Sustainable co-working spaces

5.1.1. Greencubator

Box 5.1: About Greencubator

Greencubator is an informal collaborative workspace offering events, exchange of ideas and networking to their residents (Greencubator, 2021). Joining Greencubator's collaborative workspace is associated with a monthly subscription fee of between 1,000-2,000 DKK. As of January 2020, Greencubator has 40-50 residents who are mostly engaged in sustainable solutions. Greencubator was established in 2015 in Copenhagen as a non-profit association and now employs 8 people. Greencubator's vision is to support a sustainable transition by being a catalyst and an accelerator for passionate people and businesses of the future. The core values of Greencubator are community, love and courage.

Greencubator

Motivation: The motive for starting up the company was to provide facilities to entrepreneurs and start-ups who wanted a green transition. They seek to offer an inspiring and open environment, rather than make demands and be judgmental in their communication with the residents. Greencubator sees benefits for development and synergies between residents of being a community with a high degree of diversity. Most of their residents are 'green', but they do not exclude anyone. Internally, in the organisation running Greencubator, they pursue sustainability, while the tenants/residents and projects generally focus on green entrepreneurship.

Values: Greencubator is a co-working company that highly values the community among the residents. The tenants/residents engage with sustainability issues in different ways and represent different organisational phases and setups. Residents include entrepreneurs, start-ups, students, project employees, consultants, developers and educators. There have been no attempts to arrive at a shared consensus about how sustainability should be understood. The tenants/residents constitute a unique and competent community; they share experiences of working sustainably, however that is to be understood, and inspire others through their work. The Greencubator organisation is aware that maintaining a strong community requires regular interaction. Therefore, they organise weekly joint meetings, Friday bars, events, concerts



and rental of offices spaces to voluntary and political organisations. In addition to these social arrangements, Greencubator offers consulting services to the tenants in different aspects of the running of a company. They have established partnerships with a diverse group of partners, including KPMG, Surf & Work, LegalHero and Business House Copenhagen. The partners offer different types of assistance to the Greencubator tenants on attractive terms. Greencubator has experienced that the interest of the outside world in both co-working communities and sustainability has increased significantly in recent years and that this positively impacts their ability to attract new tenants/residents.

Challenges: According to the interviews, Greencubator faces two main challenges in running a sustainable co-working company. First, it is crucial for survival that the physical space is always fully booked in order to cover the fixed costs. It is a challenge to ensure this in a situation with high tenant turnover. The organisation has not monitored how long the tenants remain in-house, which makes planning difficult. They have had to spend a lot of resources on promotion and sales to fill unexpected gaps. They have experimented with waiting lists, but it did not work out well since people who are looking for a collaborative workspace typically are not willing to wait for a space to become available.

The second challenge is that the supply of shared office spaces. Since the competition has increased in recent years, price is a competitive parameter. Given that Greencubator cannot lower their rent without compromising the idea and values of the organisation, this is a challenge to the financial sustainability of Greencubator. In this situation, the need to make their values and what they are able to offer over and above cheap office space very visible to start-ups with a sustainable agenda. Greencubator believes that their office spaces are unique in the knowledge-creating community they offer and the opportunities for collaboration between tenants/resident, e.g., in fundraising, but it is challenging to get the message through.

The future: Greencubator is experiencing a growing trend in entrepreneurs and start-ups with a sustainable focus. In addition, they also experience an increasing number of similar organisations offering co-working spaces for start-ups and small enterprises with a focus on environmental and social sustainability in Denmark and abroad. Greencubator finds that it is positive that the supply of co-working spaces is increasing since it contributes to highlighting the value of being a part of a larger network of inspiring people.



5.1.2. Danish Institute for Sustainable Innovation & Entrepreneurship

Box 5.2: About Danish Institute for Sustainable Innovation & Entrepreneurship (DISIE)

DISIE is a community of innovative entrepreneurs, start-ups and small NGOs in growth (DISIE, 2021). All the residents work with at least one of the UN's Sustainable Development Goals. DISIE's collaborative workspace offers both open and private office spaces to their 90 entrepreneurs, 35 organisations, and 20 master thesis students. The members pay between 650-1750 DKK for an open office space while the private offices are between 6000-8700 DKK. DISIE was founded in 2009 in Copenhagen as a non-profit association which, as of January 2020, has 6 employees and a board consisting of 7 members. DISIE's vision is to work to support green and social entrepreneurs because they believe that these are key components for a sustainable future. They believe that the more innovative and creative people they gather, the better social solutions they create.



Motivation: Copenhagen's Project house (later DISIE) was, in 2009, the first project house with a focus on cultural, social innovation and sustainable entrepreneurship in Denmark. The original idea was to develop sustainable solutions to meet challenges in Copenhagen. In 2014, the project house turned into a co-working community for entrepreneurs, start-ups and NGOs that have a social, cultural and/or environmental focus. In 2019, the co-working community became the Danish Institute for Sustainable Innovation and Entrepreneurship (DISIE), which brings together knowledge, entrepreneurial ecosystems and develops tools and services for sustainable entrepreneurs throughout Denmark. The essential part of DISIE is the co-working communities in Copenhagen and Aarhus (est. 2021). In addition to managing these co-working spaces, the organisation sees itself as a key actor gathering what they call "the entrepreneurial impact ecosystem" and which includes potentials investors, funds, municipalities, universities and partners. The founders of DISIE have been motivated by a drive to help, assist and support green and social initiatives initiated by entrepreneurs, in start-ups and in NGO's, so that they can pursue their purpose and be successful in the market at the same time.

Values: A collaborative community among the tenants and an inspiring working environment are core values of DISIE. They support this through facilitating networking and providing advice and consultancy aimed at enhancing the ability of the tenants/residents to develop sustainable business models. Following the Covid-19 restrictions, DISIE is launching a digital membership in 2021. DISIE has assembled a network of external professionals and partners with the purpose of supporting DISIE members and shorten the distance between investors and the members' companies. As participants in the network, entrepreneurs



gain visibility and the opportunity to participate in events where they meet potential partners and investors. The network gathers entrepreneurs and showcases their knowledge about sustainable business, and DISIE finds that this attracts other entrepreneurs to be a member at DISIE.

It is important for DISIE to keep the relative proportion between sustainable entrepreneurs and start-ups on one side and NGOs on the other to 80/20. The interviewee pointed out that DISIE has experienced that a too high share of NGOs tended to scare away investors. On the other hand, it is also found that a combination of companies and NGOs creates an inspiring working environment and a unique synergy among the members in the co-working space, which is highly valued at DISIE.

Challenges: DISIE has found turnover difficult to handle. It is not easy to foresee how long a particular member will remain in the office since it depends on how quickly they reach a level of maturity allowing them to move out. Normally, social enterprises are found to stay longer in the start-up phase compared to more profit-oriented companies since social enterprises typically have more difficulties raising capital. This is often caused by scepticism from the investors who feel that the combined social and/or environmental purposes stand in the way of financial sustainability and is connected with uncertainty. DISIE has struggled with this challenge since their formation and they keep seeking solutions, for example through their established network with potential investors.

DISIE has met another challenge in their attempt to establish similar co-working spaces at other locations in Denmark (outside Copenhagen). They found that it was too resource-intensive to establish a local network of entrepreneurs and start-ups without locals to drive the process. In Aarhus, they found an opportunity facilitated by collaboration with PensionDenmark who provides a house for DISIE SPACE Aarhus free of charge for the next two years. Building up a new hub like DISIE in their experience requires a partner who can contribute significantly to the economy until a stable income from tenants is achieved.

The future: The future of DISIE embraces more than their co-working community. They have greater visions of helping to create a sustainable and innovative entrepreneurial nation. They have the ambition to take greater advantage of their in-house knowledge to establish local ecosystems for entrepreneurs with investors, municipalities and companies as well as establishing more satellites around Denmark, which will form the framework for their nationwide network. Moreover, DISIE works on creating tools to assist the members in meeting potential challenges and supports them in developing their value chain. DISIE's first tool is INNOMAP¹⁸. The INNOMAP framework allows organisations to analyse, measure, and communicate their contribution to the Sustainable Development Goals by focusing on the relation between the specific value chain and the SDG targets. Another future ambition of DISIE is to establish a pre-seed venture fund that will invest in early-stage sustainable entrepreneurs, typically, in collaboration with other funds.

¹⁸ More on INNOMAP here: <http://www.innomap.net/>



5.2. Employee-owned cooperatives

5.2.1. Analyse & Tal

Box 5.3: About Analyse & Tal

Analyse & Tal is an employee-owned association with limited liability which offers data analyses and data visualisations. In Denmark, this form of organisation means that the association acts more like a business compared to an ideal association (non-trading association). If the association engages in a business operation of a certain magnitude intended to promote the economic interests of the members, it will be classified as an association with limited liability and will thus be subject to different legislation (Erhvervsstyrelsen, 2021). Analyse & Tal was founded in 2014 in Copenhagen and employs 19 people today. Analyse & Tal's vision is to create a more democratic society which is why they are organised as an employee-owned cooperative. They take pride in investing their surplus in developing new projects and democratising society.



Motivation: The founders of the company were attracted to the cooperative principles: equal pay and equal management. Analyse & Tal aims to create and maintain a democratic workplace and to demonstrate democratic values in practice to the surrounding society. They seek to prioritise client projects that are in line with a democratic agenda. Their clients typically prefer to use consultants who explicitly prioritise social sustainability. The management and employees of Analyse & Tal are also motivated by the vision to spread a cooperative form of organisation in Denmark and abroad and seek to contribute to the democratisation of the business community. At the moment, they are in the process of establishing a similar association in Norway. The idea behind supporting the establishment of a new cooperative company instead of expanding the current Analyse & Tal is to spread the cooperative idea, yet remain a small cooperative based on equal participation in decision making.

Values: The democratic values in Analyse & Tal are expressed in many ways. This is especially evident in their democratic decision-making processes and equal pay. Decision making takes place in weekly and monthly joint meetings between all employees. These meetings allow the colleagues to jointly discuss current issues and plans and to make decisions. However, not all decisions are taken in plenary; they have established several committees that take administrative or practical decisions without prior collective meetings. Even though community and democratic decisions is at the essence of Analyse & Tal, employees have a lot of freedom to shape their own path and bring their interests into new projects and the



overall cooperate strategy. Therefore, it is crucial as an employee to be able to reconcile own visions and aspirations with those of the collective.

In addition, a healthy working environment is a core value. It is crucial to Analyse & Tal to have a healthy balance between work and free time. Employees are allowed to have a second job, provided that it is in line with Analyse & Tal's visions, and profits are shared with Analyse & Tal.

Challenges: Analyse & Tal's formation of a similar association in Norway is linked with a generic challenge in employee-owned cooperatives. It is a challenge to continue growing the number of employees while maintaining the spirit of association and democratic decisions. Analyse & Tal employs currently 19 staff and the interviewees do not think that their structure could be effective if the number of staff becomes much bigger. There are no other Danish employee-owned cooperatives in the consultancy sector that they have been able to draw experience from. Currently, they seek to support growth in the number of cooperatives in Denmark rather than seeking to grow the number of staff.

The future: Analyse & Tal see a bright future for their form of organisation which, they feel, is attractive to a growing share of clients of consultancy services. Although the number of and focus on employee-owned cooperatives has increased in recent years, the potential is seen to be much bigger. Since the Danish think tank "Demokratisk Erhverv" has been established, it has helped to increase public awareness of cooperatives and what unique democratic values they hold, which according to Analyse & Tal, hopefully, contributes to encouraging more people to establish employee-owned cooperatives.

5.2.2. KnowledgeWorker

Box 5.4: About KnowledgeWorker

KnowledgeWorker a.m.b.a is a platform-based worker cooperative that functions as a project and an investment agency specialised in turning good ideas into sustainable businesses. The cooperative is shaped by its members for its members, where everybody is in it together - both regarding wins and losses. KnowledgeWorker was founded in 2012 in Copenhagen and had 17 co-owners by December 2020. KnowledgeWorker's vision is to create a sustainable future through developing, accelerating and investing in projects that contribute positively to the welfare society.





Motivation: KnowledgeWorker was created by individuals who saw a need to focus more on human needs rather than on economic parameters. They want to create a sustainable future for their clients, for themselves and for their descendants. That is where their cooperative origin comes into the picture. Being based on the principles and values of the cooperative movement, KnowledgeWorker naturally works towards a common, sustainable future in cooperation with other cooperatives.

Values: The values of KnowledgeWorker are, as mentioned above, rooted in cooperative values. These values centre around democracy, solidarity, equality and responsibility for oneself. The democratic foundation of KnowledgeWorker is among others expressed in their two annual general assemblies, where each partner has one vote. Besides that, KnowledgeWorker has several other democratic activities in their annual cycle of work; four annual strategy meetings, four annual association council meetings and weekly Monday meetings, where the previous week is being evaluated and the following week is discussed.

Challenges: In the start-up phase, the founders found that there were more obstacles to starting a cooperative business than if they had wanted to start a mainstream limited company. There were limited opportunities to get external help and support to set up an employee-owned cooperative and to understand the administrative requirements.

Besides, the main challenge of operating as an employee-owned cooperative has been to combine the associational spirit and business practice, especially when the number of employees has been increasing. It has been difficult to maintain the spirit of association at the same time as running a larger business efficiently. The founders and members/employees have wanted to maintain a 'cooperative competitive advantage' by combining a professionally managed association and a market-oriented business. They have sought to manage this challenge by growing the business slowly in order not to lose the spirit of association.

The future: The Covid-19 epidemic has shown KnowledgeWorker that the cooperative foundation provides a clear advantage when it comes to overcoming a crisis. Even though activities and turnover were put at a standstill, the workers joined together and saved the bleeding company without external help and it is now, according to the interviewee, "pivoting out of the crisis at warp speed". In addition, the interviewee in KnowledgeWorker, like the other interviewees, has observed an increasing interest in community-oriented companies with a sustainable and democratic focus. The shift in society towards more sustainability is reflected in a shift in the priorities of their clients; more and more people have become aware of the advantages of cooperative business and to a greater extent than before prefer to cooperate with companies that are not owned by external shareholders.



5.3. Social enterprises

5.3.1. SIVIL

Box 5.5: About Sivil

Sivil is a social enterprise which is specialised in communication. Sivil's mission is to collaborate with socially responsible companies and organisations to ensure that they are visible in order to gain access to new business partners and financing required to reach the objectives of their agendas. As a social enterprise, Sivil reinvests their surplus in their own enterprise, other social enterprises, or other social projects. Sivil was founded in Copenhagen in 2016 and has five employees in total, and they closed the company down at the end of 2020. In addition to the employees, Sivil has an advisory board that consists of six people which helps to cultivate new social and sustainable answers to society's challenges. Sivil's vision is to create social and sustainable changes in society.



Motivation: Sivil was established in 2016 and the founder was highly motivated by helping social organisations to improve their communication, for instance, within integration and inequality. Sivil had found a unique position in the communication industry due to their focus on social purposes. From the beginning, Sivil had the vision to strengthen the agendas and initiatives that promote sustainable and inclusive development of society both through their commercialised projects and through their investments in social projects.

Values: A highly prioritised value in Sivil is social sustainability, both internally and externally, in their projects with clients. Sivil wants to attract and prefers to work with organisations, companies, individuals, and municipalities that have a value-driven purpose. Sivil expressed, that they want to make a difference in their projects about communication, such as reducing inequality, resource scarcity and helping the socially disadvantaged. In Sivil's experience, their clients highly valued Sivil's interests in social work due to their knowledge in the social area and network within this industry. In addition, they have experienced that some clients use the collaboration with Sivil in their CSR profile.

Sivil reinvests their surplus in the company or in other social initiatives. In addition to Sivil's work within the social agenda, they facilitate courses with people who are in a process of being clarified in their work abilities. The purpose of the courses is to clarify which areas of interest the course participants have and how they should enter the labour market.



Challenges: It is a challenge for Sivil that some clients have misconceptions about social enterprises - there generally exists a very narrow understanding of socioeconomics. Sivil struggles to avoid such misunderstandings and works towards being perceived as a serious business with social purposes. Another general challenge across social enterprises in Denmark is that there is a minimal focus to keep a check on whether social enterprises are meeting the standards of being organised as a social enterprise after their formation. In some industries, companies are utilising the title of a social enterprise for a competitive advantage.

The future: Sivil sees a great potential for social communication companies because they possess a different form of legitimacy than the other profit-oriented companies. Despite the strong competition in the communication industry Sivil assesses, they have a unique market position due to their focus on social sustainability. It is still crucial, that the essential part of the company is the combination of the social focus and their communication work.

5.3.2. Huset Venture

Box 5.6: About Huset Venture

Huset Venture is a non-profit social-economic enterprise that has the social objective of creating jobs for people with reduced working capacities. Huset Venture consists of four independent companies located in four cities in Denmark and employs around 150 people. Each company specialises in different services ranging from accounting and communications to upcycling clothes and design¹⁹. The social enterprise was an idea thought up by a group of passionate people from "Daghøjskolen for Bevægehandicappede" (boarding school-type, mostly for young adults with physical disabilities) in Aarhus in 1999. The vision of Huset Venture is to create a sustainable social enterprise that may run without substantial public financial support.

Motivation: Huset Venture was established in 1999 by a group of disabled pensioners who were highly motivated to work. They wanted to have a business that operated on equal market terms with other competing companies. The disability pensioners were frustrated that it was almost impossible to get a job because of their reduced working capacity. Together, they developed the idea of creating a private

¹⁹ <https://husetventure.dk/om-os/husene-i-danmark/>



company for people with disabilities, focusing on the resources of the individual rather than their limitations. The idea became a reality in 1999 and Huset Venture was established in Aarhus.

Values: Huset Venture has social purposes on several dimensions. Around 95% of the 150 employees have flexible jobs, allowing them to work for as long as their health allows them to. One service offers courses for unemployed people with difficulties entering the labour market to help them find their way into employment. These courses are run by employees in flexible jobs who serve as role models for those who are in the process of clarification. It is crucial for Huset Venture that their primary social effort takes place in the context of a business with flexible workers, regardless of their work ability and level. They focus on both economic sustainability and social sustainability and work constantly to balance these two types of sustainability.

Social work is also a competitive parameter. Some clients place a high value on social sustainability when selecting suppliers of products or services. However, not all customers prioritise social sustainability as crucial, so Huset Venture still faces competition on other factors, such as price, speed and quality.

Challenges: Huset Venture's focus on the double bottom line presents the company with a challenge to be sufficiently effective and efficient in a situation where most of the staff are employed on flexible terms. Some processes are not as efficient they would have been with full-time, able-bodied workers; there are more employees per man-year compared to other companies, the consequence being more administrative work and that some work tasks take longer due to more staff changes and breaks.

A crucial structural challenge to Huset Venture is that there are not as many disability pensioners as earlier and those who are available are typically very difficult to incorporate into a business. Both the level of working hours and work ability have dropped drastically. In addition, they still experience prejudices about being a social enterprise with concerns about the quality of the services/products.

The future: Huset Venture sees great potential for social enterprises as they link social values to business. It focuses on the double bottom line but also increasingly on the triple bottom line. Since the UN's 17 Sustainable Development Goals have raised awareness of the triple bottom line, they have also started including services within environmental sustainability. That focus on social, environmental and economic sustainability could make Huset Venture a solid business model in the future.



5.3.3. TeraTech

Box 5.7: About TeraTech

TeraTech is an entrepreneurial company founded in the summer of 2018 (TeraTech, 2021). They develop welfare technologies, primarily for the rehabilitation of people with brain injuries. Their ambition is to contribute to the establishment of a local welfare-technology business cluster in Denmark. TeraTech wants to contribute with technical solutions in the area of physiotherapy and they want to show that it is possible to create solutions with their imagination and private experience in rehabilitation.



Motivation: The founder of TeraTech wanted to develop assistive technology for persons with brain injuries who are following a rehabilitation programme. The founder is a disability pensioner and is an engineer by profession. During the rehabilitation programme following his injury, he experienced that physiotherapists have limited use of technologies in their rehabilitation courses. His vision was to develop welfare technologies that would help disabled persons, but also that this could take place in a social enterprise where disability pensioners would collaborate and contribute their expertise in disability into the development processes.

Values: The values in TeraTech have two focal points: To employ disability pensioners who are still motivated for work and to develop assistive technology for people in rehabilitation programmes to assist in their process of rehabilitation. TeraTech's first product, still in the test phase, is a robotic armrest to be attached to a wheelchair. The armrest has free movement and supports the user's arm in every conceivable position.

Challenges: The founder of TeraTech experiences several personal challenges in running a business as a disability pensioner. It is both challenging and more cumbersome to work from a wheelchair and due to his disability, he cannot work full-time. Moreover, salary payments and growth is a challenge since their product is not yet on the market.

The future: The future vision of TeraTech is to continue developing welfare technologies aimed at the disabled. The founder has identified a niche in rehabilitation technologies: there are very few technologies that can assist the disabled in rehabilitation when the physiotherapist is not present. The founder wants to grow the number of employees at the same time as more welfare technologies are developed, and thus continue to bring the company's values into play.



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7. Colophon

Published by the Research project:
Socially Innovative Knowledge Work – SIW

Project partners:
Kooperationen
PROSA
ACTEE
Danish Technological Institute
Roskilde University

The project is partially funded by Innovation Fund Denmark

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