

CONTRIBUTIONS TO THE CREATION OF WORK CULTURE 4.0

EXECUTIVE SUMMARY

The current document provides a summary of ACDE's reflections on the creation of a fairer and more humane work culture suitable for the fourth industrial revolution.

The main objective of this reflection was to identify the key elements to be included in such a culture and how to facilitate them.

It begins with basic ideas on culture and work, and then highlights some tendencies of work culture in Uruguay.

The core of this reflection revolves around the values that should be promoted, the role of the business leader and the company in the creation of work culture, and the objectives and ethical principles that they should be built upon.

INTRODUCTION

Reflecting and acting on issues related to work culture is one of ACDE's main concerns and gave rise to a public conference by the Minister of Labour and Social Security, Ernesto Murro, and Cardinal Daniel Sturla¹. The results of this meeting were further analyzed by the different commissions and work groups of the association.

The following is a summary of those deliberations.

Key concepts

Work is a human right, a constitutive aspect of the meaning of life, and a requirement for personal development and fulfillment, which leads to the creative transformation of the individual and their environment while procuring a livelihood for themselves and others. At the same time, it is a duty and a responsibility, since it helps to maintain and foster common wellbeing. The greatness of work lies within this concept, which is known as its "subjective dimension."

What is work culture? "Work culture²" refers to the set of distinctive, spiritual and material, intellectual and emotional features. It encompasses the traditions, values and beliefs of a society or social group in relation to work.

Groups and organizations are agents of socialization and promote "work culture". Individuals socialize and acquire attitudes, knowledge, values and

¹ Conference organized by ACDE, October 29, 2015.

² We refer to UNESCO's definition of culture.

beliefs in social organizations and groups. It is within the family setting that individuals learn the first models and values of work through examples from life and by helping with household chores. These notions are later and simultaneously affected by the educational system through attendance, schedule and study requirements. At the same time, behavioral models and patterns are disseminated through the media; while work habits are then shaped by the different types of work and companies. The role of the various agents in this socialization process is not linear; they interact with each other throughout a person's life.

The state, through its many institutions, organizations, companies, policies and laws, and its direct and indirect influence over every single one of these agents, affects all of these aspects.

The educational system, the state and the media are agents that disseminate culture. While families, organizations, companies, etc. are the settings where work culture is practiced, lived in and shaped in all its aspects.

What is the goal of this reflection?

We all think that, one way or another, it is possible to have a positive impact, "to make a difference", through conscientious work. However, how well is this feeling represented in our daily work? Is it really a conviction? What elements characterize the work culture of Uruguayans today? What components should they include? How do we facilitate them?

Although it is not the only factor, our work culture has contributed to the development of a fragmented society. It is through work that people socialize, and it is through this reality that business executives, workers, governments and other stakeholders have to advance towards a more developed, just and caring society in both the public and private sectors. To meet this goal, we must work together while making our best contribution to the establishment of good relationships based on dialogue.

One of ACDE's guidelines is to create a work culture, in line with Uruguay's comprehensive and inclusive development, aimed at:

- contributing to reduce and eliminate inequalities and gaps related to work, education, geographical location, age, gender, and groups.
- promoting constant learning and creativity in public and private organizations.
- fostering communication, respect of other people's work and study, regardless of their position.
- creating work environments and structures that promote humanizing relations through companionship and solidarity.
- contributing to the creation of a more developed, productive, innovative, and cohesive country; with social justice, fair rent, better wealth redistribution and quality of life.



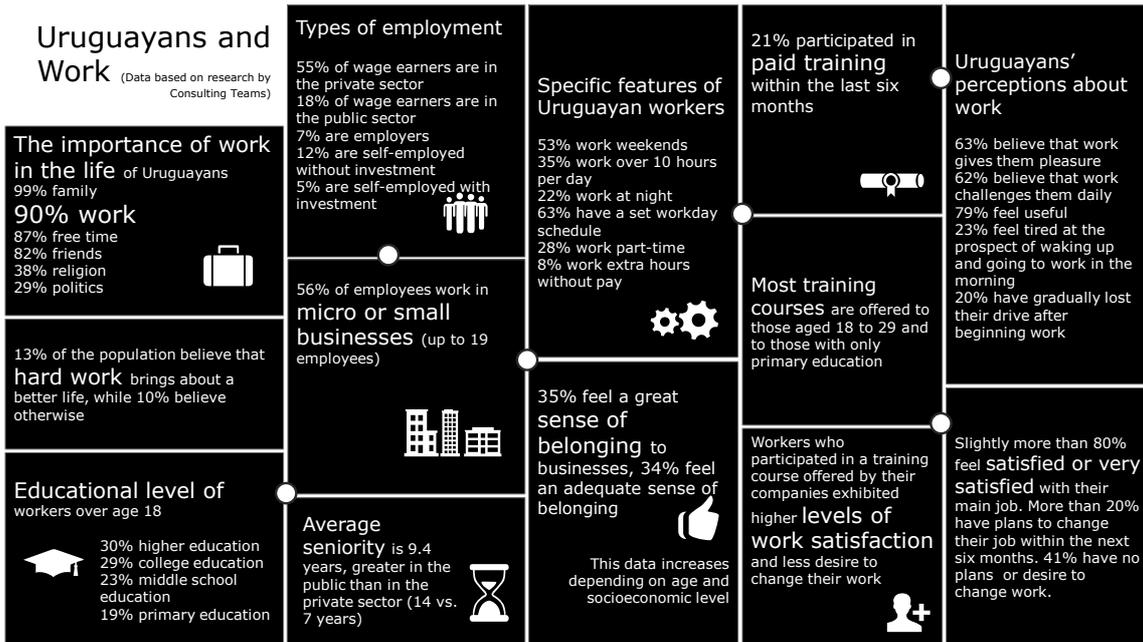
- improving the structure of opportunities and accessibility to the labor market, under decent work conditions as per the International Labour Organization (ILO), with rights and responsibilities.

As a society, we were able to create a country and work culture. It is up to governments, workers and business executives to continue contributing to this collective foundation while identifying the common goals required to achieve the type of work culture we envision.

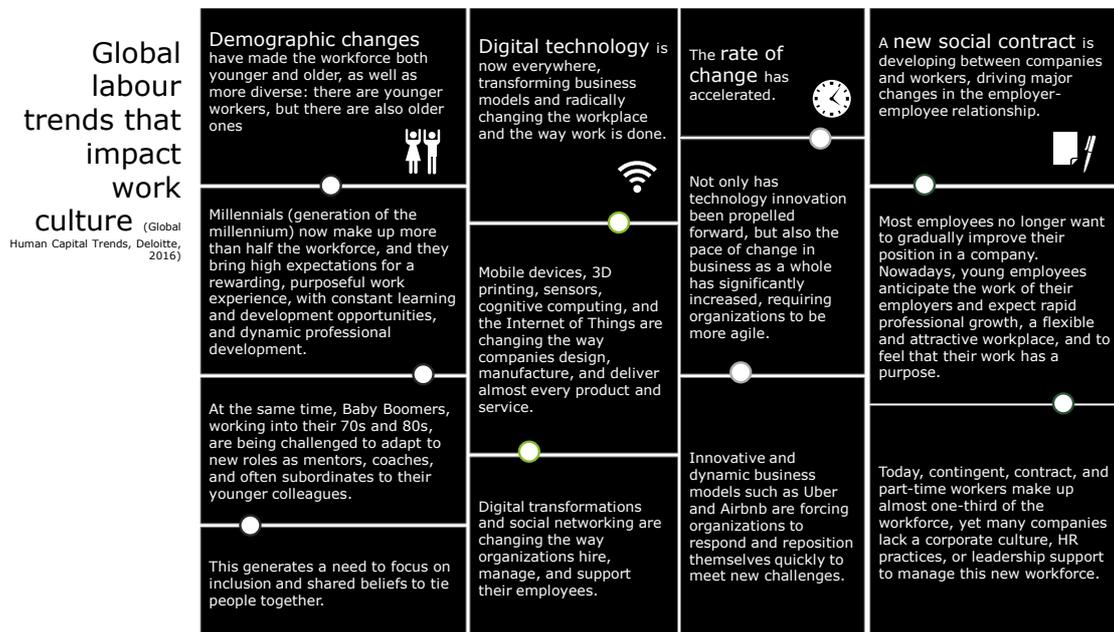
WORK CULTURE TRENDS IN URUGUAY

During a presentation about Uruguayans and Work at a 2016 conference organized by the ACDE, consulting teams highlighted that workers cannot be defined as a homogenous group. Therefore, they concluded that rather than having ONE work culture, each institution, organization and group has its own culture. “This poses significant challenges to the bodies responsible for designing and managing public (social and labor) policies, to the organizations coming up with human resources management policies, and to the groups of workers.”

Some of the data discussed in the conference is presented below.



On the other hand, what are the global trends in terms of labor? To answer this question we refer to a report by Deloitte that we summarized as follows:



Culture 4.0 for production 4.0

We are currently taking part in a technological revolution that is transforming all relationships of the individual with themselves and their environment. This extends to the world of labor (the diversity and ubiquity of communication allows for telework; the assignments, tasks and jobs are being replaced by robots and software; artificial intelligence, etc.). Likewise, this revolution requires different skills, competencies, attitudes, habits, new contractual agreements and legal frameworks, etc., so that business leaders and workers are able to become part of this ever changing world. The fourth industrial revolution generates and demands a different type of work culture, one that provides the title to the current document.

VALUES FOR THE CREATION OF WORK CULTURE

In order to move forward together to create a work culture that meets the objectives mentioned in our introduction, the various stakeholders must first reach an agreement in terms of the goals and values to be fostered.

First, it is essential to uphold the rights and responsibilities of the members of the labor community that are established in diverse regulatory frameworks and to help develop these.

In addition, we recommend that all stakeholders and socialization agents design a work culture that includes the following values:

Sense of accomplishment

The work culture that should be promoted must consider a person in their entirety, as an end and not as a means. We are not machines; we are people who work, dream, and have feelings and histories and plans. We belong to a family and to a social, cultural and economic environment; and we need to feel a sense of accomplishment in all our aspects. Our work, our freedom to choose it, and the way we perform it all play important roles in achieving this potential. When work is carried out under decent conditions that contribute to our overall development, and is in line with the meaning of our lives, it dignifies us and helps us feel a sense of accomplishment. Therefore, we must create the proper conditions so that people feel valued and recognized in their entirety, and can choose their work according to their vocation. This challenge involves the creation of tools on the part of schools, companies and organizations to favor such decisions.

Justice

Justice is built upon the concept of the universal right to use the goods of the earth, which in turn is based on the principle of the universal destination of goods. Each person must have access to the level of well-being necessary for



their full development. The right to the common use of goods is the first principle of the entire ethical and social order, and the characteristic principle of Christian social doctrine.³

This principle is an invitation to develop an economic vision inspired by moral values that help remind people of the origin or purpose of these goods, so as to bring about a world of fairness and solidarity, in which the creation of wealth can take on a positive function.⁴

The universal destination of goods requires a common effort to obtain the necessary conditions to achieve the comprehensive development for every person and for all peoples. In this way, everyone can contribute to making a more humane world, “in which each individual can give and receive, and in which the progress of some will no longer be an obstacle to the development of others, nor a pretext for their enslavement.”⁵

Business leaders exercise their creativity to organize the talents and energies of labor and to assemble capital and other resources from the earth’s abundance to produce goods and services. When this is done effectively, well-paying jobs are created, profit is generated, the resulting wealth is shared with investors, and everyone involved excels. Yet creating wealth is not restricted to financial profit alone, but instead is closely linked to the broader notion of wellbeing: the physical, mental, psychological, moral and spiritual well-being of others.⁶

As creators of wealth and prosperity, businesses and their leaders must find ways to make a just distribution of this wealth. In terms of employees, this should be carried out following the principle of the right to a just wage; in terms of customers and suppliers, by fixing and paying fair prices; in terms of owners, by providing just returns; and finally in terms of the community by paying fair tax amounts.⁷

Justice can be defined by three principles: giving each person what they are entitled to, favoring the weakest, and providing access to equal opportunities.

³Compendio de la Doctrina Social de la Iglesia [Compendium of the Social Doctrine of the Church], numeral 172

⁴Compendio de la Doctrina Social de la Iglesia [Compendium of the Social Doctrine of the Church], numeral 174

⁵Compendio de la Doctrina Social de la Iglesia [Compendium of the Social Doctrine of the Church], numeral 175

⁶La Vocación del Líder Empresarial [Vocation of the Business Leaders], numeral 51

⁷La Vocación del Líder Empresarial [Vocation of the Business Leaders], numeral 55

Solidarity

Solidarity requires an understanding of the needs of others, putting ourselves in other people's shoes, and translating this into concrete actions that help them develop and meet their needs.

Solidarity is often understood as a horizontal process, among peers, or as circumstantial support to a cause. Here, however, we refer to solidarity as the support one provides to a person in need of help, without expecting anything in return. As such, solidarity is not exclusive to workers or business leaders, but rather refers to the universal solidarity of the human race. According to this understanding of work culture, solidarity involves all the actors within the work environment (employees, employers, government bodies, etc.) and extends far beyond a group of associates or merely a group who think alike.

Such solidarity cannot exist without justice. Similarly, justice cannot be limited to meeting legal responsibilities since, as discussed in the previous section, there is no justice without favoring those who are most in need. Likewise, there is no solidarity without justice.

“There are many people who are willing to carry out charity... but are unable to do the one thing they have to do; that is to pay their workers a good salary that is sufficient to live like people... Although it might seem paradoxical, it is easier to be benevolent than fair. However, benevolence without justice will not bridge the gap between boss and worker⁸.

Solidarity should not be understood as doing for workers what they must do for themselves, or to give as a favor what the other must receive as a right⁹. On the contrary, solidarity begins by truly considering the individual worker while fulfilling obligations (not only legal, but also the human obligation of prioritizing the creation of opportunities for those who are most in need). This can be accomplished by employing empathy to understand the individual worker's specific situation, by being flexible in terms of mutual obligations to go a step further (without expecting anything in return) and by providing the most appropriate support to meet the person's needs. These needs can often simply be a sympathetic ear, more opportunities, or emotional or financial support. These actions must always foster human development and encourage each person to do the best they can for their own growth and that of their family, environment and community.

⁸ La práctica de la justicia. “Humanismo Social.” [The Practice of Justice. “Social Humanism”] San Alberto Hurtado Cruchaga s.j., Fundación Padre Hurtado, 4ª edición junio 2004

⁹ *Ibidem*.

Integrity

Being morally impeccable in all aspects of life is an ideal we must all follow without concessions. Nowadays, the business and labor world needs examples and lifelong commitments with the principles and values that match our human dignity and that can be seen in detail in our daily lives. Honesty and moral rectitude must guide our actions and decisions. This will often bring about a dilemma in deciding between the damages a decision might cause and what we believe to be true. Judgment can only be guided by honesty, human dignity and the common good.

Doing the best one can

We are living in a society that continuously seduces us with comfort, with the notion of the “all inclusive” and valuing “the good life”, often synonymous with effortless wellbeing. These traits, characteristic of a consumerist culture, push us away from a work culture based on doing the best one can in order to accomplish significant results. They can even lead to the irresponsibility of not working and looking for other means of economic sustenance and personal realization that run contrary to individual rights and the common good. On the other hand, work that is carried out doing the best one can do provides us with the satisfaction of good results achieved with our own effort. When the result is not the one we expect, it provides us with the peace of mind of having done all that was possible to achieve the best result.

Quality

For entrepreneurs, continuous improvement to achieve quality is an ethical duty that the company must carry out in order to be sustainable, to contribute to the common good, and to promote the development of its members.

Quality as a permanent goal requires keeping improvisation, complacency, and egocentrism at bay. It demands that we seek out further training, learn from other people's knowledge and experiences, and forget about the old ways of doing “just enough”. It requires us to be more open, more sensitive, and more curious and proactive regarding ways to accomplish better results in our work.

Responsibility

In order to promote our vision of work culture all members of the company have the responsibility to work and claim responsibility over their work, both for their successes and failures.

There are many obligations that form part of the responsibility of business leaders and that contribute to the work culture we want to create. These



include: timely payment; compliance with tax obligations; the provision of safe working conditions and appropriate tools, information, training and recognition; dialogue and lending a sympathetic ear; openness to member participation; the timely provision of information about the company's state of affairs; environmental protection; social sensitivity and establishing productive relationships within the work environment; not discriminating for any reason; and respecting the rights of workers, including their right to create unions.

On the other hand, some obligations that are part of the responsibilities of the workers include being punctual, meeting work safety and health standards, showcasing personal improvement and honesty, taking part in training, cooperating, being productive and proactive, not discriminating, and respecting everyone's freedom of expression and right to work.

Creativity and innovation

One of the elements that characterize us as people is our creative capacity, our ability to find inspiration in the changing environment, in the growing demands of clients and competition, and in the skills of those who perform better than us. We have the ability to learn from different sources and challenge ourselves to do better each passing day, using our will, and our openness to learning and feedback.

This creative capacity also allows us to be entrepreneurial. For example, many workers and families develop companies with their own means of production and creativity.

Companies and labor relations must include incentives and recognitions to reward innovative ideas put at the service of generating shared value.

The Genuine Entrepreneur

An entrepreneur is a worker who risks capital, and time and energy in a company, with the main objective of creating and leading the organization. The entrepreneur's social responsibility and importance are due to the key role they play. That is to say, other jobs, along with the company's products or services, the value it brings to society, its intellectual property, legacy and reliability all depend on the entrepreneur. Similar to fair wages for work, an entrepreneur deserves just returns.

For society to have the jobs, products and services it requires, there must be a sufficient number of entrepreneurs who are capable, hardworking, creative, innovative, and responsible, who possess the values described above.

Therefore, all social agents should foster and support the entrepreneur's vocation, training and activity. The work culture we propose has to be consistent with this notion, so we can have a society with sustainable development.



However, the entrepreneur cannot be solely responsible for creating the company's worth in terms of jobs, goods, services and community value. This will only be achieved if entrepreneurs and employees join forces. To the degree that this relationship is understood as one of co-creators, they will achieve better results for all participants in the work environment.

CREATION OF A WORK CULTURE IN THE COMPANY

The company as a community

As entrepreneurs, we understand that the goal of the company "is not simply to produce goods, but to exist as a community of men who attempt to satisfy their basic needs in different ways and represent a specific group at the service of the society as a whole".¹⁰ While the phrase "community of men" is not commonly used today to speak about economics, it is the best way to express what might be meant by a company and corporation. The etymologies of the words "company" and "companion" (Latin cum and panis) literally mean "sharing bread". The etymology of the word "corporation", from the Latin "corpus", literally means a group of people "united in one body".

If we want to create a culture of good work, we have to begin by humanizing work, and by fostering integration, knowledge and assembly among company participants. At the same time we must support their personal interests and create environments where each boss, coordinator, middle manager or director speaks with their colleagues, not only about work but also about family and personal challenges, and shares their joys and listens to their concerns. This requires training all personnel levels to listen to, support and develop the staff. An organization open to listening and dialogue is built upon the accessibility examples set daily by its entrepreneurs and leaders. In this way, they contribute to a work culture based on dialogue, which builds teams and communities, and fosters the development of each person according to their idiosyncrasies.

Specifically Christian business leaders are called upon to bring our spirituality to work within the noise, the people and the complex work environments; overcoming the danger of a divided life, while following the guidance of God in a complex and stressful world where difficult decisions are made. It is from this position that we can ask ourselves "What would Christ do if he were here in my place?" At this level, in addition to speaking about rights and responsibilities, we speak about charity and forgiveness.

If we ask ourselves, both at a personal level and within our work community, how we are able to achieve a culture of good work in these and other areas, we will probably find many positive actions that we could encourage and improve.

¹⁰ San Juan Pablo II, Centesimus Annus 35

Culture in the company¹¹

Business culture has become one of the most important business topics of 2016. CEOs and HR leaders now recognize that culture drives people's behavior, innovation and customer service: 82% of survey respondents believe that culture is a competitive advantage.

Culture can determine the success or failure of a business during times of change: mergers, acquisitions, growth, and product cycles can either succeed or fail depending on the degree that culture is aligned with the business' objectives and strategies. Just as the entrepreneur and general manager are ultimately responsible for business strategy, they are ultimately responsible for business culture as well. In addition, there is the responsibility of union leaders, who can facilitate or impede the cultural changes needed by the company and its members.

In order to foster a change in culture, everybody needs to be involved: business leaders and workers, unions and chambers, governments and education organizations, all uniting their efforts in favor of common goals.

In short, leaders must understand that their beliefs and actions are the primary drivers of the organization's culture. In the "new organization", leaders must drive cultural change and reinforce the necessary behaviors. But before any cultural transformation can take hold, we must identify the practices that need to change and then use all the tools available today to evaluate and align business culture with business goals.

Three great objectives and 6 principles for work culture in the company¹²

Respect for human dignity and the common good are foundational principles that should inform the way we organize the labor and capital employed and our innovation processes. The main purpose of individual businesses and commercial systems is to address the relevant needs of everyone who is linked to or served by a business. In particular, the work culture we want to create has three main great objectives, each of which is supported by the basic principles briefly summarized below:

1. Addressing genuine human needs through the creation, development and production of goods and services;
2. Organizing good and productive work;
3. Using resources to create and to share wealth and prosperity in sustainable ways

1.- Meeting the needs of the world through goods and services:

¹¹ Taken from "Tendencias Globales de Capital Humano 2016: la nueva organización, un diseño diferente" [Global Human Capital Trends 2016. The new organization: Different by design], Deloitte University Press.

¹² "La Vocación del Líder Empresarial", documento del Pontificio Consejo "Justicia y Paz", 2012 [Vocation of the Business Leaders, Pontifical Council for Justice and Peace 2012]

Business is inherently other-centered: a business joins together people's gifts, talents, energies and skills to serve the needs of others. This in turn supports the development of the people who do the work.

Principles

- I. Businesses contribute to the common good by producing goods that are truly good.
- II. Businesses should support people in need, who would otherwise be marginalized and underserved.

2.- Organizing good and productive work

The grandeur of human work not only leads to improved products and services, but also develops the workers themselves. "Work is for 'the person' and not the other way around." Employees are not mere "human resources" or "human capital". Consequently, work must be designed for the capacities and qualities of human beings, and we must not simply require that people adapt to their work as if they were machines. Leaders need to have the ability and responsibility to select and develop the right person for the right job. That is, the job which is most appropriate according to their skills and competencies, and that at the same time allows for personal growth.

Good work must be sufficiently well-organized and managed to be productive; thus, guaranteeing the sustainability of the company and job positions with adequate pay for the workers. Moreover, reward structures should make sure that those workers who do engage in their labor in a sincere way also receive the necessary esteem and compensation from their companies.

The more participatory the workplace, the more likely each worker will be to develop their gifts and talents. Employees should have a voice in their work, especially in the day-to-day work. This fosters initiative, innovation, creativity and a sense of shared responsibility.

While some companies communicate their strategy and objectives to their workers, there is always more that can be done when the workers' expectations or interests are not incorporated into a company on a medium and long-term basis. This can be accomplished by improving communication and making the workers full participants, based on trust, honesty and a genuine interest in the workers.

The principle of subsidiarity (allowing each person and group to accomplish what they can with their own efforts and abilities, in contrary to centralism, bureaucratization, and unjustified control) offers business leaders great insights. Specifically, this principle engages business leaders in three related responsibilities:

- To define the scope of autonomy and decision making at every level in the company as widely as possible



- To provide employees the needed tools and training and to ensure that they have the knowledge and skills to carry out their tasks. Selection and continuous assessment processes play an important role in reaching the goal of striving for excellence, doing the best one can, which leads to gaining the most from what I do. Assessments can also provide valuable insight to adjust training programs to develop people's technical and labor skills, as well as the so-called "soft skills" (social abilities linked to emotional skills). In growth cycles, the entrepreneur must show diligence in ensuring that all members of the company, thanks to the later, can acquire and perfect their general and specific competencies, verifiable in terms of personal development and increasing competitiveness within the organization and also in the labor and professional market. In times of crisis, responsibility ethics require employing the largest number of people possible.
- To establish a work culture of trust so that those to whom tasks and responsibilities have been given will make their decisions with genuine freedom. The company informed by subsidiarity nurtures mutual respect and shared responsibility among all personnel. It allows employees to clearly appreciate the link between good results and their sincere engagement.

Principles

- III. Businesses make a contribution to the community by fostering the special dignity of human work.
- IV. Businesses that embrace subsidiarity provide opportunities for employees to exercise their gifts, as they contribute to the mission of the organization.

3.- Creating sustainable wealth and distributing it justly

Profit is an indicator that a business is functioning well. When a firm makes a profit, it generally means that the factors of production have been properly employed and corresponding human needs have been duly satisfied. A profitable business, by creating wealth and promoting prosperity, helps individuals excel and realize the common good of a society. Yet creating wealth is not restricted to financial profit alone. The very etymology of the word "wealth" reveals the broader notion of "well-being": the physical, mental, psychological, moral and spiritual well-being of others. The economic value of wealth is inextricably linked to this wider notion of well-being.

Principles

- V. Proper management of resources contributes to sustainability.
- VI. Businesses are just in the allocation of benefits to all stakeholders: owners, employees, customers, investors, suppliers, and the community.

