

TITLE

Technology unleashes ‘knowledge of the past and employees of the future’

Introduction

Two cultural shifts are impacting the knowledge workforce and changing the relationship between employers and employees:

1. Companies have been forced to downsize, often releasing older, more experienced and more expensive employees. While there may be a short-term positive impact on the bottom-line resulting from these decisions, the real costs of this action has yet to be recognized. In many cases the Intellectual Property of the company walks out the door with the employee. The immediate loss of this experience and knowledge impacts productivity as well as moral.
2. The new work force of today/tomorrow has come to appreciate the power of technology, how it provides more efficiency as well as supporting employment options more closely aligned with their quality of life aspirations. The idea of commuting to a cube in a brick and glass building is becoming more and more undesirable to many. Modern workers have come to understand that location is not relevant; their focus is on output and value of time.

These two phenomena provide huge opportunities for companies willing to harness the power of today's technology, to leverage displaced employees and the new generation workforce in remote workplaces.

Consider the impact on employment costs when you don't need to relocate a coveted employee. Consider the reduction in office related expenses: utilities, buildings, subsidized transportation, property taxes, etc. if a percentage of your workforce is more effectively operating remotely.

In addition companies could recapture the intellectual capital and non-documented knowledge of employees lost to layoffs, retirement or personal choice (having a child) simply by enabling these individuals to work on their schedule, at a significantly reduced expense.

Business Drivers: Reduced Costs, Business Continuity, Employee Morale

Reduction of overhead costs is a significant benefit of a remote workforce. The International Telework Association and Council (ITAC), the leading authority on remote workforce, found that as much as 70% of office space is unoccupied during normal business hours¹. This unutilized office space costs organizations approximately \$10,000 annually per individual workspace. Traditional office space tends to be inflexible and expensive contradictions to the realities and desires of today's agile workforce. High rents and building costs are making companies realize

that remote workforce alternatives can help businesses grow without the acquisition of new space.

Increased business continuity is a very attractive benefit of remote working capabilities. Consider the flexibility that organizations have in cases of terrorist threats, disease breakouts, or any form of crippling natural disasters that can occurⁱⁱ. With a remote work force, an organization's knowledge base is dispersed reducing their exposure to an unforeseen unfortunate event. The internet, combined with advancements in communications and remote access technologies, enable a workforce to be more connected than ever before. Likewise, remote capabilities extended to displaced workers enables an organization to access, on demand, specialized knowledge workers who may possess unique skills in a "just in time" manner depending upon the work event requiring the displaced worker's perspective. In addition, the intellectual capital of displaced workers would be available at a significantly reduced rate of compensation, with virtually no facilities expense, and enhances the worker's sense of value, loyalty and pride in their abilities.

Finally, Work-Life Balance is here to stay. It is a business strategy that not only improves the bottom-line, but it also creates happier employees. Remote workers gain about one extra hour of productive time each day when working at home by redirecting the majority of their commuting time, an average of 80 minutes a day, to work activities. This increase in productivity is validated by ITAC research which indicates that many workers in virtual offices are higher performing than workers in traditional offices. Network-based remote workers can be expected to increase productivity, reduce facilities related costs, and strengthen staff recruitment and retention. They experience fewer disruptions from office politics, and they are able to tailor their work day more productively with more continuous work time. Remote workers experience less absenteeism since they can coordinate their work and personal responsibilities more effectively. Consider a remote worker who starts the work day an hour earlier due to a 10 AM dentist appointment. Traditionally, the employee might go directly to the dentist from home before heading into the office, thereby losing a few hours productive work. Working remote has become more than an employee benefit, it is a business strategyⁱⁱⁱ.

Implementing Technology to Enable a Remote Workforce

New technologies create the ability for organizations to become more efficient and productive than ever before. When you combine nearly seamless remote access capabilities, with advancements in software architecture enabling web portals, work flow automation, document management, ubiquitous data exchange, and a variety of security, audit and monitoring capabilities to govern and control the operations, you get a real opportunity to manage and leverage human capital in ways never before possible. These new technology capabilities promote the concept and spirit of a Balanced Organization^{iv}, which consist of the following tenets:

1. **Leadership:** Inspiring Vision; Clear Communications
2. **Culture:** Shared Values; Team Culture; Growth Attitude
3. **Employees:** Strategically Aligned; Empowered; Innovative
4. **Performance:** Motivation; Coaching; Measurement
5. **Capabilities:** Creativity; Leveraged Diversity; Leadership Development

Each of the parameters of a balanced organization comes into play to assess, plan and execute

a successful remote workforce strategy. The byproduct of this initiative is a higher performance organization better calibrated to embrace an ever changing business environment.

With an adequate technology and communications infrastructure, most organizations can leverage remote workers to perform many essential functions, and in some cases even full-scale business operations. The challenge for many executives is to understand the telecommunications and information technology (IT) requirements. The following are some factors to consider when deploying remote worker capabilities^v:

1. **Which organizational functions and positions are conducive to remote work?** Know which functions are a fit for telecommuting, and to reassess these regularly.
2. **What percentage of employees in remote-capable positions today, is equipped to work remotely?** This will define your remote workforce opportunity.
3. **How well can the telecommunications systems support a remote workforce?** Unified communications and Internet Protocol (IP) telephony technologies can extend office communications into remote locations.
4. **Will the telecommunications bandwidth be sufficient to substantially increase remote workers?** If not, an investment in extra capacity will be required.
5. **How many telecommunication access points will be required?** Redundancy will be essential to ensure fail-over operation if a connection is interrupted.
6. **What remote access technology is currently in place?** Ensure that it will scale sufficiently with an increased number of remote workers.
7. **How to deploy remote computing devices cost effectively?** This may include rapid-provisioning contracts and laptop assignments, to remote access to your network from employee-owned computers.
8. **What remote access security technology is best?** Reduce or eliminate differences between in-house and remote network security practices.

Effective internal systems are required to support remote workforce management. A company will be unable to commit to substantially deploy remote workers without systems in place to match skills its employee base with remote job functions. Without the right systems, this information can be time-consuming to gather. An employee skills inventory database maintains profiles of employees, their skills, abilities and aspirations, for use in matching to appropriate opportunities. The pace of business today calls for just-in-time staffing with the ultimate goal of aligning a productive contributor with the right internal or remote activity.

Leveraging Technology to Redeploy Displaced Knowledge Workers

Many companies shut down divisions and lay off workers, or force out aging more expensive workers, while starting new business ventures. There is a perception among some that internal redeployment of workers is inefficient and expensive when the workers are more senior, so organizations turn to the external job market to fill the positions. However, external hiring misses the fact that new and often times younger external hires take longer to train and become productive^{vi}. As a practical matter, companies must become more nimble to assign and reassign talent to meet rapidly changing business needs.

Companies would become more effective if they would leverage technology and creative employment agreements to retain top talent and redeploy them within the company. This practice would augment the traditional motivation to accommodate top performers by fending off competitor offers to lure them away. In periods when the company is both laying off in some divisions and hiring in others, redeploying displaced workers avoids high staffing costs, the hidden costs of lowered morale and a drain on valuable organizational knowledge.

The tacit knowledge retained by redeploying versus releasing displaced workers is extremely valuable. Tacit knowledge is knowledge that is difficult to transfer to another person by means of writing it down or verbalizing it. It is important to retain access to specialized knowledge workers since with tacit knowledge, people are sometimes unaware of the knowledge they possess or how it can be valuable to others. Only through direct contact can this valuable data be identified and leveraged. Tacit knowledge or, “know how” can only be transmitted via training or gained through personal contact and experience. It involves learning and skill but not in a way that can be written down.

The tacit knowledge available in older workers represents competitive capabilities that take years to learn. The experience, stored as tacit knowledge, often reaches consciousness in the form of insights and intuition. It is essentially the capacity of your mind to make sense of your previous collection of experiences and to connect patterns from the past to the present and future. It includes relationships, norms, values, and standard operating procedures. Because tacit knowledge is virtually impossible to record, copy, and distribute, it can be a sustainable source of competitive advantage. What sometimes differentiates success and failure is how well companies locate, leverage, and blend explicit knowledge with internally generated tacit knowledge. Tacit knowledge lives in the minds of employees protecting it from competitors.

Remote access technology offers an outstanding way to manage the tacit knowledge of displaced workers. The mechanisms by which tacit knowledge is tapped promote brainstorming, which is to gather a set of specialized resources with diverse skills to problem solve. Idea generation is also supported, where access to key former employees can provide insight to help build on the ideas of newer and often times younger employees. In many organizations, the discipline of knowledge management is premature at best. Remote access technology enables these organizations to craft ways to creatively retain displaced knowledge workers in a way that is cost effective while retaining competitive capabilities.

Many Human Resource departments quote that, “Employees are our company’s most valuable asset,” but when valuable resources are displaced, are they really treated as such? In any redeployment scenario, the displaced population will contain a variety of knowledgeable employees. With advances in information technology, it is easier than ever to tap this fleeting pool of knowledge and retain its value to the organization.

The Future

While the internet has become very pervasive as a public tool, its communication capacities are expanding from email to social networking, teleconferencing and file sharing. In concert with the maturity of the internet, some industries (i.e. insurance and finance) are equipping and deploying remote workers to reduce expenses and to lessen their impact on the environment. As technology advancements continue, more people will begin to work from any location, contributing to a growing remote workforce.

Capabilities like Enterprise Content Management (ECM) are cost effective to deploy to remote workers, and they create efficiency improvements for companies. A Gartner report titled *Telework Will Become Essential for U.S. Banking*, encourages the financial world to take advantage of the “significant cost reductions” that are readily available by utilizing remote workers. Gartner cites that these “cost reductions” include substantially reduced office related expenses including space, equipment and utilities. A different Gartner study cites Gartner’s findings as showing that 46.6 million people will work at home at least once a week by the end of 2011^{vii}.

The business model of commuting to an office for a 9-5 workday is becoming outdated and it is time for us to restructure our workplace paradigm. More and more, offices and cubicles are becoming relics of the past as they are simply underutilized and expensive to maintain.

While there will continue to be jobs that require employees to be physically present in a company facility, knowledge workers, whose job function primarily consists of writing, analyzing, designing, researching, presenting, and other intellectual activities, can do most of their work anywhere there is a computer. The IT industry is now an integral part of our culture, economy and life, and is a catalyst for economic growth. It is likely that the remote work force is more than a trend, but rather a new and evolving workforce paradigm. Companies that embrace this change will not only contribute to a healthier environment, but will reap financial benefits from significantly reduced overhead expenses, increased efficiency, improved employee morale and expedited customer service.

Conclusion

Many companies are investing heavily in new technology to address their immediate issues: constraints of legacy systems, enhanced customer service, speed to market, business analytics, product innovation and market expansion. Few are considering how technology solutions can enable the changing demands and opportunities in today’s workforce.

When looking to replace a core business system, companies must consider its’ ability to support the changing workforce demographics and employment preferences in a changing world.

About the author: Kyle Cramer is a 20 year IT veteran who has helped Fortune 500 organizations align business and IT strategy, and led major IT projects at leading Insurance companies. Kyle wishes to thank Rick Madock of Paradox Technology Solutions (PTS) for his insight in preparing this article. PTS specializes in fully integrated on-premise and SAAS based insurance technology solutions.

ⁱ AT&T survey and white paper: Remote Working in the Net-Centric Organization

ⁱⁱ Forrester Research: More Companies Put Business Continuity and Disaster Recovery First

ⁱⁱⁱ Northwestern Think Paper: Implications of the Remote Work Environment on Organizations and Employees

^{iv} Balanced Organization is defined by business coach, consultant and author Vadim Kotelnikov: 1000ventures.com

^v Homeland Security News Wire: Eleven questions to ask -- and answer -- about your organization's crisis plan

^{vi} Taleo Research Article: Redeploy for Productivity

^{vii} Gartner Report: Telework Will Become Essential for U.S. Banking