Future of Work Enabler: Worker Empowerment

By breaking down workplace boundaries and empowering employees with more flexible tools and policies, organizations can tap into the full potential of their workers and foster a culture of innovation. This report is an installment in our multi-part series that explores the shifts necessary for future-proofing your company.
Executive Summary

Not long ago, it made perfect sense for businesses to make decisions at the very top of the organization and expect workers to simply carry them out. Employee performance, not to mention career trajectory, hinged on how well executive orders were met. The concept of “work” was narrowly defined as what employees did eight hours a day, five days a week, within the four walls of the office.

While corporate mantras might have touted the importance of individual contribution and promised that “employees are our greatest asset,” those values were diminished by numerous boundaries, including rigid policies, rote work, hierarchical governance structures and insufficient technology tools for working, collaborating and sharing ideas remotely.

In today’s knowledge economy, however, employees are, indeed, a business’s greatest asset. And with global events, emerging markets and empowered buyers all converging to accelerate the speed of business, compress decision-making times and demand innovation, business success increasingly depends on tapping the full potential, experience and knowledge that exists among employees. Not to mention, millennial employees – who are entering the workforce in greater numbers – expect more flexibility and input into how they work, as well as how that works get done.

For most organizations, this means dissolving the boundaries of where, when and how work gets done and moving information, processes and employee interaction outside the physical office space and into a virtual arena – often in the cloud. It also means unshackling workers from repetitive processes, low-value tasks and even the fear of not toeing the line, and empowering them to provide their own ideas and input.

The time has come for organizations to rethink their models, reinvent their business processes and rewire their operations, in order to adopt a boundaryless workplace. Fueled by social, mobile, analytic and cloud technologies, also known as the
SMAC stack, businesses are flattening once-sacrosanct hierarchies and empowering employees to circumvent physical world limits that historically constrained them and work more collaboratively and virtually.

By empowering employees with new tools and policies, organizations can tap into the full potential and capacity of their workers, freeing them to conduct business across multiple geographies, attract and retain the best workers and foster a culture of innovation. The boundaryless workplace will also enable the move toward a more asset-light physical and IT infrastructure, emphasizing more flexible Op-Ex expenditures over Cap-Ex.

Worker empowerment and the boundaryless workplace is one of the eight enablers companies need to consider when mapping their journey of reinvention for the new world of work, as described in our overview paper, “Making the Shift to the Next-Generation Enterprise.” In this installment, we will look at some of the drivers propelling companies to empower their workers, as well as the many choices and considerations they must make when transforming to a boundaryless workplace.

Mapping the Enablers to the 3 R’s

<table>
<thead>
<tr>
<th></th>
<th>1 Community Interaction</th>
<th>2 Innovation</th>
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Figure 1
What the Boundaryless Workplace Looks Like

For centuries, workers associated work with not just something they do, but somewhere they go. Today, however, even for workers at a manufacturing plant, an airline or a hospital, there are some aspects of work that can be brought to the worker or that can be performed elsewhere. Thanks to the hyperconnectivity made possible by social media, smart devices, cloud-based systems and the abundance of rich data, employees can work wherever the technology and corporate policy allow.

But a boundaryless workplace does not refer solely to remote work. Other conventional boundaries that need to be dissolved have been formed over time by hierarchy, policy, departmental siloes, technology and culture. These will dissolve as companies embrace new ideas, structures and technologies and give workers greater autonomy, improved flexibility and the ability to collaborate.

Some of the most common ways to break down these boundaries and empower workers include the following:

- **Adopt organizational structures that drive decision-making authority to the people best placed to make the decision**: Decentralized decision-making allows workers with the most knowledge and best insights to make decisions and take accountability for organizational results. This starts at the leadership level, with executives proactively listening to employees, empowering them to innovate and take ownership, as well as rewarding and compensating them based on business results.

- **Improve support for collaboration**: With new tools and processes for collaboration, workers who otherwise would never encounter each other can share expertise and ideas across functions, departments and locations, improving their ability to get work done. Social business platforms such as Jive, Chatter, Yammer and Newsgator are increasingly being adopted to improve employee collaboration.

- **Empower through technology**: Social, mobile, analytics and cloud technologies can allow workers to communicate quickly and richly, enhancing their ability to access key information, collaborate, share and innovate. The SMAC stack can also provide employees with more autonomy to choose the hardware and peripherals they use to undertake work.

- **Determine where flexible work should be implemented**: Workers should no longer be forced to work from the office within set working hours, so examine models that give way to a more flexible approach that provides greater autonomy for where and when employees work. It is important for leadership and management to remove any associated stigmas with these choices.

- **Allow employees flexibility in how they spend their work time**: Boundaries can also be removed to free up time for the work that staff are best/most passionate about. Pfizer, for instance, created an online support system, pfizerWorks, that enables knowledge workers to reassign “busy work” (i.e., creating presentations and straightforward data analysis) so they can pursue more high-value tasks. In its first year, pfizerWorks delivered over 65,000 hours of productive time back to Pfizer workers and resulted in considerable cost savings.

Choices and Considerations

The workplace without boundaries is created through the alignment of people, technology, business vision, strategy, leadership and corporate culture, all of which come together to foster the environment that yields the best business results. Here is a closer look at all of those elements, as well as the top considerations, recom-
Employee Value Proposition

The boundaryless workplace can result in increased employee satisfaction, loyalty, advocacy and engagement. But organizations that are just beginning the transition to a boundaryless workplace need to ask themselves which employee benefits they are aiming for: greater autonomy, improved flexibility, better collaboration, the ability to innovate, etc.

To prioritize which benefits to target first, companies should focus on the existing areas of opportunity and concern. What are the common disablers identified by employees during employee satisfaction surveys, town hall meetings, etc.? What are the common reasons that employees leave the organization to work for companies that are more empowering and enabling?

For instance, Chegg Inc., an online textbook-rental service based in Silicon Valley, was struggling with high attrition among its millennial employees. In response, the senior management team removed some of the middle-management roles to give younger hires greater exposure and opportunity to high-profile projects, and it introduced an unlimited paid vacation policy. The company’s annual turnover rate among millennials has since declined 50% each year for the last two years, and Chegg reports that no one has abused the policy.

Successful initiatives will focus on quick-win areas that frequently cause employees to become disengaged, disempowered and disabled. This will demonstrate that the organization is actively listening to employee feedback and create the extended runway required to buy time for implementing some of the longer-term opportunities.

Boundaryless Prerequisites

<table>
<thead>
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<th>Consideration</th>
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<td>What is the employee value proposition?</td>
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<td>Rewiring the technology</td>
<td>What type of technology strategy and architecture best enables the workplace without boundaries?</td>
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<td>Alignment with business vision, strategy and customer benefits</td>
<td>Is our workplace strategy optimized to meet our business vision and strategy?</td>
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<td></td>
<td>In what ways does this benefit the consumers we serve?</td>
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<tr>
<td>Leadership/sponsorship</td>
<td>What will our leadership team need to do in order to make workplace change successful?</td>
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<tr>
<td>Culture transformation</td>
<td>How does our organizational culture need to change to support the workplace without boundaries?</td>
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Thanks to the hyperconnectivity made possible by social media, smart devices, cloud-based systems and the abundance of rich data, employees can work wherever the technology and corporate policy allow.
Rewiring Technology

Secondly, organizations need to review their existing technology capabilities in light of their ability to enable collaboration, flexibility and communication and reduce the gap between employees’ personal technology experience and what they use at work.

- **Determine the tools and processes that will improve collaboration** by offering new platforms for information exchange and rich discussion – perhaps by implementing social business technologies such as Chatter, Yammer, Jive and Newsgator. These platforms provide good user interface, knowledge sharing, gamification, blog, chat and many more features with enterprise employee collaboration at the heart of their intent.

- **Introduce “bring your own device” policies that enable employees to choose the tools they work with.** Such policies need to be underpinned by the appropriate governance, compliance and security measures (for more insight on BYOD policies, see “Making BYOD Work for Your Organization”). This is an approach adopted by Starbucks’ CIO, who created an IT help desk modelled after Apple’s retail stores. At the “Tech Café,” employees can try out a variety of devices, such as laptops and smartphones, and once they pick out the equipment they want, they can bill it to their department.3

- **Tap non-IT staff expertise for tech know-how.** With more people using technology in their personal lives – particularly the millennial generation, which has grown up digital – it doesn’t take someone with a computer science degree to solve technology issues. At Starbucks, if employees have a technical issue, or they have meaningful ideas for software or hardware they could use on the job, they can set up an appointment with someone in the Tech Cafe and talk at the Apple Store Genius Bar look-alike front counter.

- **Explore technologies that enable better management of remote teams.** With more employees dispersed geographically, technology is needed to help managers stay updated on worker activities and provide real-time feedback. An example of this is social networking-style platforms, such as Rypple, that enable better management of remote employees. Rypple, for instance, provides incentives for workers to send frequent, informal updates, encouraging a continuous feedback loop between employees and managers. The system also creates opportunities for rewards and recognition and can be used as the basis for future career assessments. Early reports show that social network-based management systems can generate up to 10 times more feedback than a conventional approach, which feeds into millennial workers’ desire for a constant feedback loop.4

Align with Business Vision, Strategy and Customer Benefit

While worker empowerment activities are aimed at employees, such an initiative should also align with the business strategy. An example is Center Partners in Colorado, a leading provider of contact center and Web self-service solutions for Fortune 500 customers. With 4,000 employees in six locations across Colorado and Idaho, Center Partners attracts a seasonal workforce that prefers flexible work options. In support of that, the company designed its workplace and business model to enable 100% virtual work, if required. Leaders allow employees to work flexibly and remotely, using automated, paperless processes, actively pursuing their goals to go fully virtual if needed. Such a strategy provides Center Partners with more access to talent, greater flexibility and a much better operating profit to revenue ratio, due to lower fixed costs.
Key considerations and actions for the organization include:

- **Determine where empowering the workforce and creating a workplace without boundaries enables the overall business vision and strategy.** If you can track the improvements to business performance, it will create momentum for implementing additional worker empowerment initiatives.

- **Ensure that the initiative takes into account customer benefits.** The boundaryless workplace must also deliver value to the customer, such as improved engagement, faster and more flexible service and more relevant products and services. In the example above, Center Partners’ flexible approach to work enabled the company to easily meet client requests for specialized teams to provide support from a particular location at specific times.

### Leadership/Sponsorship

Senior leadership must actively buy into worker empowerment initiatives and champion these efforts. For instance, they need to grant permission for reinventing processes, allow employees to work with their own technology or remove organizational layers to drive decision-making into the company as far as possible.

The following changes in leadership approach should be considered:

- **Leadership buy-in and sponsorship must be clearly communicated and demonstrated.** Where leaders are actively engaged in the promotion of worker empowerment and enablement initiatives, the propensity for the initiative to succeed is higher.

- **More than just lip service.** Leadership needs to be visibly supporting, communicating with and encouraging their respective teams to do the same.

- **Listening to feedback.** Business leaders should create forums (in person and online) where workers can share ideas, opportunities and concerns, creating an environment that gives them a voice over and above the annual employee satisfaction survey.

### Transforming Organizational Culture

Moving from a traditional workplace — where employees are accustomed to hierarchy and rigidity — to a more fluid and collaborative one will not happen overnight. While some workers will adapt quickly, readily shouldering the new freedoms and responsibilities, others will feel threatened by the changes and — out of fear, discomfort or lack of skills — push back.

This is where business leaders must really come into play, with all their change management skills intact. Here are a few recommendations for nurturing the new culture that is needed in the boundaryless workplace and encouraging workers to move into their empowered roles:

- **Foster an environment of trust.** For traditional organizations, worker empowerment initiatives naturally raise issues of trust. Typical concerns include whether employees will share negative sentiments on social media, be careless about carrying sensitive corporate data on their personal mobile devices or abuse flexible work schedules. To counteract this, companies need to engage in trust-building exercises that create a more open and sharing culture. For instance, Microsoft boosted morale, productivity and idea-sharing by creating a wiki in which workers recorded trust-building behaviors and incorporated Web-based tools for sharing ideas and discussing problems.²
• **Break down silos.** Organizations need to remove departmental and geographical silos that inhibit cross-functional communications. For example, Center Partners removed the functional walls between business functions with its “Silo Busters” initiative. Rather than have HR drive the company’s talent management transformation initiatives, finance, payroll, IT and the business unit teams worked together. The collaborative effort has resulted in increased process automation and an almost 100% paperless office.

• **Democratize decision-making.** Look at where you can drive down decision-making to the right parts of the organization. At a U.S.-based telecommunications client, for instance, senior leadership has given customer service employees permission to bypass standard documented processes and use work-arounds and other nonstandard means that the workers themselves deem more effective. It was very important for leadership to openly provide that permission and acknowledge that those on the ground are in many instances better placed to develop more relevant, productive and customer-pleasing ways of working.

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**Transformation to a Boundaryless Workplace**

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<th>3 Implementation and Benefits Realization</th>
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<td><strong>Key Activities</strong></td>
<td><strong>Key Deliverables</strong></td>
<td><strong>Key Activities</strong></td>
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<tr>
<td>- Understand business vision</td>
<td>- Current-state review</td>
<td>- Pilot results</td>
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<tr>
<td>- Technology enablement current-state review</td>
<td>- High-level future-state scenarios</td>
<td>- Detailed implementation plan(s)</td>
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<tr>
<td>- Employee value proposition review</td>
<td>- Gap identification against desired future state</td>
<td>- Training, communications and change management</td>
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<tr>
<td>- Assess leadership approach and organizational culture</td>
<td>- Ideation and future-state scenarios</td>
<td>- Program governance charter</td>
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<td>- Gap identification against desired future state</td>
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<td>- Technology enablement</td>
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**Key Activities**

- Finalize workplace without boundaries vision and strategy
- Initiative prioritization
- Finalize future-state scenarios
- Confirm implementation roadmap and business case

**Key Deliverables**

- Vision and strategy
- Prioritization matrix
- Final future-state scenarios
- Implementation roadmap and business case

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*Figure 3*
Another example is National Australia Bank, which transferred control from headquarters and regional executives to branch managers, essentially removing an entire layer of organizational hierarchy. This move empowered front-line workers who have day-to-day interactions with customers, promoting innovative thinking and reinforcing the focus on customer relationships.6

Call to Action

The move to empower workers in a boundaryless environment is a game-changing transformation that will require new mindsets, behaviors, organizational structures, business models, technologies and investments. The change can seem overwhelming, but when you map out what needs to happen, you can more clearly focus on the key choices and considerations you need to make.

The first step is to understand how prepared you are in the areas that matter most: employee value proposition, technologies, aligning with the business model and customer needs, leadership approach and cultural change. At that point, you can identify your strengths and weaknesses as they relate to your strategic business priorities, and target specific areas where improvement is necessary. From there, you can build a strategic roadmap to drive necessary change in a purposeful, effective manner. Additionally, establishing metrics can guide decision-makers on where to build out the boundaryless workplace and the obstacles to avoid.

In the future of work, employees must be empowered to operate at their full potential, and this requires a workplace that has freed itself of unnecessary and debilitating boundaries. It is only then that companies can hope to meet the business challenges of the fast-changing global economy.

Footnotes

3 Chris Murphy, “The IT Helpdesk, Apple Store Style,” Information Week, December 2011.
6 Ibid.
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