

Reinventing Work, Reinventing Organisation

The Role of the Knowledge Worker

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The new normal-for society, people and organisations

Throughout history, people have had little need to make decisions on how, when and where they chose to work. People were born into a line of work-the son of a farmer would be a farmer, the son of a nobleman would rub shoulders with royalty. But now, people have choices-what they wish to do with their lives, how they wish to earn a living and when they plan to retire. With this plethora of options comes a new “normal”-no conventional concepts of work and worker hold good anymore.

I have had the experience of working for both a startup organisation as well as a more established firm. At the startup, I noticed that though the levels of uncertainty-about the status of a new project, the checks and balances that are taken for granted in larger firms-were higher, there was a palpable sense of excitement at the accompanying challenges. When this startup was absorbed by a significantly larger organisation, it took all of 6 months for those who were most involved in the founding of the startup to begin looking for the roads less travelled. Though it might be argued that levels of attrition are, in any case, highest after a merger or acquisition, it was striking how many of the employees who left were the ones who seemed most comfortable in the unconstrained environment of the smaller company. Not surprisingly, most of them went on to found small companies of their own.

A sign of new initiative

The rise of entrepreneurs starting SMEs (Small and Medium Enterprises) is a sign of the evolution of the employee through Maslow’s hierarchy of needs. Entrepreneurs have reached the stage of self-realisation, and consider that working for large organisations stunts their creativity and does not allow them to achieve their full potential due to the daily mundane tasks that being a small cog in the big wheel of the typical Fortune 500 organisation requires them to perform. A group of self organised people get together, set themselves in the context of what they have to offer, whether product or service, and begin work. Once the results are in and the concept is proven to be viable, most of them choose to sell the company they founded and start the next one (This is the principle of “If you fail, fail fast”).

One such entrepreneur that I know was the CEO-founder of the company that I began my career with. Having made a success of this endeavour, he founded a non profit organisation that uses the principle of “crowdfunding” for the needy. This ensures that advanced medical care, normally beyond the reach of this section of society, is financed by philanthropic individuals. This is, therefore, not an initiative restricted to a single wealthy individual. It is an opportunity for almost anyone to make a small contribution towards making a difference to society. That a person who started a viable business turned his talents towards something so different was something that I truly admired.

So until organisations can fulfil the expectations that their most talented workers have, the trend of losing their best minds is only likely to continue. The most successful organisations are ones that aim to follow quite a high-minded set of objectives: respect the power of employees and customers, share constantly to encourage trust, nurture curiosity, value openness and accountability and tolerate failure. An ideal situation would allow an individual opinion to exist and thrive, but would not compromise on the time factor, budget constraints and quality requirements on the way to delivering value to a customer.

The impact of the knowledge economy and the networked society

Society and business undergo cyclical changes. Every cycle starts with changes and allows for new innovations and conventions. Due to technology and the information age, the so-called “networked society” has made connections, both personal and professional, a strategic advantage.

The new knowledge economy has also increased the inherent power of two groups: the customers and the employees, or the “talent” of the organisation. From the customer side, the increase in customer power forces companies to become much more responsive to customer needs. Mass customization of products is no longer as important a trend as mass customization of companies.

From the talent side, the key requirement for a company to be a success is for it to move from scalable efficiency to scalable learning. Continuous innovation is the only way to respond to continuous disruption. In other words, the rate of learning, innovation, and quality improvement within the company must exceed that of the surrounding environment if the company is to survive.

Companies need talented individuals in order to monetize the intangible assets that make up the maximum share of today's corporate profits. Individuals need companies in order to accelerate and amplify their own growth, and make their impact on the world around them. As this mutual dependence becomes more apparent, individuals will focus their energy on moulding companies into platforms that can more effectively serve their needs.

As Peter Drucker proposed, a lifetime of excellence can be built by asking oneself the following questions: What are my strengths? Where do I belong? What can I contribute? How do I work? What are my values?

Success in this, the knowledge economy, comes to those who know themselves-their strengths, their values and how they best perform.

The organisation, redefined

IBM is a superb example of the “new” organisation. 50% of IBM employees have worked for the company for less than five years, 40% of its 320,000 employees are “mobile”, meaning they do not

report daily to an IBM site, and about 40% are women. An organisation that was once dominated by almost “tenured” employees selling computer products has undergone a transformation to become a conglomeration of suppliers of services. Their managers are much more given to entrepreneurial spirit than organisational red tape.

There is a need, according to Drucker, to change the command-and-control organisation of old to an information-based organisation, or alternatively, an organisation of knowledge specialists. As soon as a company takes the first tentative steps from “data” to “information”, its decision processes, management structure and the way its work gets done begins to be transformed.

Challenges with developing an information-based organisation

A primary challenge for information based companies is developing rewards and recognition. Opportunities for specialists in an information based business organisation should be more plentiful within that speciality. In other words, the specialised knowledge that an individual possessed should be valued by providing him with more opportunities to use and refine that knowledge.

Another significant challenge is giving employees a common vision to increase their sense of involvement in company decisions. Also, having to rely on task-force teams in an information-based organisation can be a paradox with no easy solutions. The toughest problem would be to ensure the supply, preparation and testing of top management. For this reason, decentralised units could be set up as separate companies with their own top management. This way, it is easier to identify, train and test the most promising professionals.

A study of more than 500 U.S. companies suggested that “organizations with more extensive work-family (policies that allow workers to balance the demands of family and career) policies have higher perceived firm-level performance” among their industry peers. Examining announcements of family-friendly policies in The Wall Street Journal, researchers found that the announcements alone significantly improved share prices. A recent study on flexibility in the workplace suggested that flexibility correlates positively with job engagement, job satisfaction, employee retention, and employee health. These studies reflect the changing priorities of the knowledge worker, and the need for companies to address them.

Defining knowledge work

During the time I spent as a software developer, I became very familiar with a method of software development called the agile development process. The process consists of a collection of stories, or situations that a project tries to deal with, and ends in a task list that can be tracked to each employee’s individual calendar. The project manager gets in touch with the client and the requirements are defined in different user stories. These are then prioritised and saved. After this, the project backlog is filled with accepted and prioritised stories and the manager looks for teams

that can be in charge of dealing with each story. By assigning complexities and priorities to each user story, the manager can create different “sprints”, or lists of prioritised tasks, as a timetable to be followed by disparate teams. This system of project planning enables working from home, working on contract rather than as a full time employee and makes the best use of the opposing concepts of collaboration within project teams and compartmentalisation of tasks to allow knowledge workers to make their contributions from geographically disparate areas.

This agile process is a complete application of all the characteristics of knowledge work, namely:

- Knowledge work consists mainly of interactions between human participants such as in collaboration and negotiation.
- Content is an integral part of knowledge work; it is both consumed and produced as part of the work process.
- The participants control the work process and change it on a case-by-case basis, often due to flow changes, participant changes, and activity changes.
- Every work process instance has an owner.
- Every work process instance has a goal, deadline and a defined work product.

The new “knowledge worker”

In his 1969 book, *The Age of Discontinuity*, Drucker differentiates knowledge workers from manual workers and insists that new industries will employ mostly knowledge workers. Drucker was clearly prescient about the expanding role of knowledge in an information-based economy.

Any employee might have information and input that can help the organization develop better products and services, manage real business performance, bridge strategy and execution, make better and faster decisions, and increase profit. So the terms "knowledge worker" and "manual worker" are no longer mutually exclusive. Blue collar workers certainly work with their hands, but they may also contribute knowledge to the business. Companies should recognize that if people understand how their actions contribute or detract from business results, they will do a better job.

The older worker was cautious about networking, believing that knowledge was power and that he needed to guard his store of it. He believed in hierarchy, as this negated the need to take risks and be self motivated. The world then was highly structured, lines of authority were drawn on organisational charts, decisions were made in the CEO's office, and knowledge could be found in books. The new “networker”, though, takes decisions on a daily basis, is guided by the knowledge base he has access to, the colleagues with whom he is constantly interacting and the corporate culture that he considers close to his personal values.

All knowledge workers need to possess factual and theoretical knowledge, find and access information, apply that information, and possess above-average communication skills, intellectual

capabilities and sense of motivation. The focus should be on what the task is, rather than how the work should be done. It would be crucial to eliminate non-value adding aspects of knowledge work such as waiting for the arrival of inputs, getting clarification about ambiguous goals or information, redoing work in response to changes in constraints or context and to account for the impacts of untimely re-prioritisation and re-identification of outcomes. They should manage their own productivity and have autonomy over their performance. Productivity is primarily about quality of output and quantity second.

Certainly, knowledge workers require knowledge managers, not bosses. These new era managers need to set and enforce on themselves exacting standards for their performance of these functions that determine ability to perform. Time and again, traditional managers exercise no leadership at all but only power bestowed on them by virtue of their position. Since the process of influencing the performance of knowledge workers is mainly developmental, they need to also hone skills in appraising, coaching, mentoring and providing feedback. One measure of their effectiveness will be the quality of the relationships they create. The knowledge economy is pruning status, power and upward mobility from the managerial role. New era managers would have to answer a simple question convincingly: why should a knowledge worker want to be managed by you?

Education for the new worker in the new organisation

Nobody expects to work in the same company or organisation throughout their careers anymore. And so grows the demand for “transferrable” skills, soft skills and “emotional quotient”; these skills are seen as applicable in any job. Technical skills required for specific jobs can be taught, not so with these seemingly inherent qualities.

But at what stage in an individual’s life do these qualities become “inherent”? If not present naturally, can they be nurtured?

Systems of education have evolved over millennia, to serve the purpose of ensuring that the wisdom of the earliest savants was not lost to future generations. As skills and indeed, jobs as we know them change, it becomes the responsibility of the education system to ensure that learning by rote dies a natural death and creativity and spontaneity are encouraged.

Space for play and imagination is what emerges when rigid work schedules and hierarchies open up. For example consider California—the center of incubation for American innovation. It is a place where people take leisure as seriously as they take work; where companies like Google deliberately encourage play, with pool tables, free food, and policies that require employees to spend one day a week working on whatever they wish. Google apparently has taken note of Charles Baudelaire’s quote: “Genius, is nothing more nor less than childhood recovered at will.”

The helping hand of technology

Mobile knowledge workers are arguably the fastest-growing segment of today's office workforce. For the most part, the adoption of mobile devices has been driven by consumers. As consumers become familiar with their personal mobile devices, they are quickly finding new ways to use them in their own business-related activities. This 'consumerization of IT' is one of the key factors helping to push mobile technology into the corporate sector, which is fueling increased numbers of mobile knowledge workers. However, highly structured business culture can hinder adoption of mobile technologies for enterprise or corporate environments. This may change with the introduction of government initiatives to promote telecommuting and other mobile working practices.

Also behind this shift to mobility in the office are numerous factors that can be grouped into two key areas: technical advancements and productivity. On the technical side, improvements in mobile technologies and device platforms, combined with advancements in operating systems and mobile network infrastructure, have introduced these devices to a whole new wave of business users. Meanwhile, businesses of all sizes are looking to leverage these technical advancements to reduce costs and improve productivity.

Being able to work from home can be the key to carrying a full workload versus letting a team down at crucial moments. State-of-the-art videoconferencing facilities can dramatically reduce the need for long business trips. Business owners tend to use technology to integrate the responsibilities of work and home; to allow employees to work off-site or to have flexible work schedules. Therefore, especially in light of technological advances, our work culture need not be as office-centered as it is currently.

In-person meetings can be far more efficient than phone or e-mail conversations; trust is much more easily built up around the same physical table; and spontaneous conversations often generate good ideas and lasting relationships. Still, armed with e-mail, instant messaging, phones, and videoconferencing technology, we should be able to move to a culture where the office is a base of operations more than the required locus of work.

Conclusion

Companies are still being held back by their addiction to hierarchy. A good alternative is one of accountable autonomy, where groups of workers decide for themselves what to do, but are held responsible for the outcome. There is a need for new kinds of organisation that are more appropriate to modern working methods.

Since the knowledge worker owns the intangible asset of knowledge itself, they need to keep it up to date and use it to deliver the greatest contribution they can. Careers will outlast most businesses, and so they cannot and should not rely on their employers for this development.

In the midst of a deeply unsettling global economic crisis, at a time when so many people have lost their jobs, many of us may feel far from newly powerful, either as employees or as consumers. But we are in fact becoming more powerful. As the big shift progresses, we're going to get only more so.

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