

EMERGENCE

Estimation and
Mapping of
Employment
Relocation in a
Global
Economy in the
New
Communications
Environment



The Benelux casestudies

- 7 casestudies (5 + 2)
- Information work at distance
- Focus on delocalisation in shared office-type premises (internally and outsourced)
- Only where ICT was involved



Structure of the presentation

- Knowledge management and transfer
- Organisational issues
- The human factor
- Social and cultural challenges
- Corporate culture



Knowledge management

1. Standardisation of tasks
2. Knowledge transfer
3. Communication paradox



BIO - Belindus

- BIO metrics
- Product portfolio work
- Remote software development
- Belgium -> India (Chennai)
- Customer-related work versus technical work



BIO - Belindus

- Software-work involving close interaction with customers not relocated
- Importance of standardisation of work
- Importance of clear boundaries between activities
- Even for high skilled work like Sf-development



Credit Card

- Relocation of CRS to central call center
- Customer services and credit & collection
- Splitting up back and front office
- Brussels -> Dublin (-> Brussels?)
- Customer-oriented work became operation-oriented work



Credit Card

- The relocation = ~~h~~ success story
- Reasons ?
 - 'grey zone' between activities backoffice and front office
 - Importance of tacit knowledge
 - Poor digitalisation
 - Bottlenecks and communication bugs



E Gov - Contact

- Remote front line 'citizen infoline'
- CRM broad sense outsourcing to call centre
- Better inform the citizen
- Standardise and improve quality of information
- Gradually more CRM activities developed



Egov - Contact

- It was a decentralised organisation
- Low standardisation and digitalisation
- Development of information system necessary
- This slowed-down preparation
- Hampered a succesful kick-off



Standardisation of tasks: conclusions

- Standardisation of tasks
- interaction problems
- Codification of knowledge
- Digitalisation of information
- Strict boundaries versus
- 'Twilight zone'



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- Continuous finetuning required
 - Relocation triggers further standardisation, formalisation, codification, informatisation
 - And new division of labour



Sporty

- Global company strategy to reach economies of scale in The Netherlands
- Centralised European Services Center
- Create synergies at the European level:
 - Economies of scale
 - Process improvement
 - Corporate control through high standardisation
- concentration with relocation
- Shadow-training as preparation



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- Training & knowledge transfer
 - Redundant employees gave initial training !
 - Very high turnover -> continuous need for new information transfer
 - > "the blind leading the blind"
- Communication/co-operation Brussels/Dublin: not optimal at all !
 - Lack of job knowledge & experience in Dublin
 - Psychological elements
 - Structural understaffing



Knowledge transfer: conclusions

- Key issue: transformation of tacit experiential knowledge into explicit codified knowledge
- Knowledge transfer
- Shift to comprehensive documentation and digitalisation of all company information
- Digitalisation of information
- Importance of ICT as support



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- Training issues : formal and on the job
- Role of ICT here: shared databases for organisational learning
 - intensive electronic comm./co-operation"
- Preparation is crucial for succes



The communication paradox

- Intensified coöperation required
- Limitations of electronic co-ordination :
 - ICT can never replace face-to-face interaction -> a lot of travelling!
 - Electronic interaction improves after having met physically



The importance of space

- The "location paradox"
Although an increasing amount of activities is becoming less tied to a particular location, the actual location of activities is becoming increasingly important !
- Space-policy is becoming a necessary and explicit strategy
- In particular:
 - Skills
 - Costs: wages and grants
 - Communication facilities (also travel fac.)
 - Local infrastructure



From the case studies

- eGov: Inter-regional relocation: geographical vicinity was important!
- BIO: Making strategic use of the difference in time zone
 - Very frequent interaction in virtual teams
 - E.g. Chat engines, video-conferencing, etc.
 - Besides tele-coordination, also tele-control



Organisational issues

- Organisational support for relocation easier for big companies
- Personal contacts, social networking
- Existing organisational regulations may stimulate outsourcing



Egov

- Existing working conditions would not allow market-driven organisation
- Use flexible organisation and labour regulations from private sector
- Contractual flexibility
- Time and wage (de)regulations



The Human Factor

- ICT is only necessary but not a sufficient condition
- Workers' involvement
- Cultural differences
- Corporate culture



Workers' involvement

- in every stage
- Information and preparation
- Interaction and communication
- Accompanying measures in delocalisation of jobs
- Importance of learning process and preparation phase



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- Top down decision
- Hard negotiations on modalities
- Middle management in torned situation



Social and cultural challenges

- Next to technology and organisation, soft factors are crucial: cooperation and trust
- Cultural aspects are various
- European heterogeneity underestimated
- Subtle differences bear risk of being neglected



BIO- Belindus

- Management structure
 - Indian in charge of Belgian part of ValueSource
 - Belgian in charge of Indian part
- Cultural differences can be overcome
- Steady learning process



E gov

- Corporate culture important as well
- Even in 'not so remote' relocation
- Public administration vs. profit company:
- Client- oriented culture



E gov

- Initially a lot of resistance against change
- This required a well-considered approach



Conclusion

Technology is a **necessary**, but certainly not **sufficient condition** for a successful relocation of information activities

