

White Paper

Leveraging Technology for Employee Knowledge and Goodwill: Organizational Agility in the Digital Age

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Big Data has radically changed the process and speed of innovation as companies leverage large datasets to create new business models, products/services, and customer insights. As companies master the art and science of Big Data, an even greater challenge looms on the horizon — learning how to use digital technology to capture, build, and broaden the knowledge and goodwill of employees. Indeed, companies' most valuable information resides within the minds of their employees and not their information systems. As such, this new challenge has the potential to achieve far greater results than what we have seen with Big Data.

In this paper we discuss two methods of using digital technology to capture and leverage resources residing within employees: Corporate Thinkbanking and Corporate Webbing. We examine how these two applications of digital technology help companies create value from one of their most untapped resources. We also discuss the organizational and management challenges that must be addressed to successfully implement the two. As Corporate Thinkbanking and Corporate Webbing require a higher level of employee engagement than Big Data to achieve a ROI, these two approaches can often necessitate a cultural transformation before yielding a return. The secret to Corporate Thinkbanking and Corporate Webbing is realizing that these approaches are a little bit about the technology and all about the people.

Creating Value by Linking Disconnected Information

Big Data involves compiling digitized information from various sources throughout a company to create extremely large datasets that can be gleaned for new insights. Value is created by “connecting the dots” and having a more comprehensive, up-to-date picture. Distributing real-time data throughout an organization provides employees a more complete picture that enables them to perform their job more effectively. For example, many large corporations use Big Data to consolidate the information that they have been routinely collecting on customers and potential customers. Previously these data resided in separate divisions throughout the corporation such as marketing, sales, customer service, and account receivables. By digitally integrating these data employees have a more complete understanding of the needs, wants, and habits of customers.

The potential for Big Data to create value for a company is substantial. Having real-time information allows employees to make decisions faster, resulting in decreased down time in supply chains and time to market for new product launches. Knowing about changing market conditions in real time means that employees can recognize and seize market opportunities quickly. Likewise, there is less likely to be redundant efforts across silos when employees are better informed about what is happening in other divisions of the company.

Creating Value by Linking Disconnected Employees

Just as corporations are gaining value by linking information that was disconnected and dispersed throughout the organization, corporations can create value by digitally linking employees. There are two types of employee-based resources that bring value to the company when connected. The first pertains to company knowledge, which is distinct from company information. Company information is the data that a company collects as part of the ongoing operations, such as financial records or sales records. Most of this information already exists in a digital form and the use of Big Data “simply” requires connecting the information. Company knowledge, on the other hand, includes the facts, skills, and practical understanding relevant to a company that resides within employees’ minds. When employees leave a company they take this knowledge with them, resulting in a learning curve for new employees as they slowly acquire company knowledge. It behooves companies to identify ways to capture this knowledge, even though there may be the added challenge of “retrieving” it from employees rather than data files.

The second resource that is just as valuable, if not more, is the goodwill of employees. If capturing company knowledge involves reaching employees’ minds, capturing goodwill involves reaching employees’ hearts. Concepts such as employee engagement, motivation, and commitment are measures of the extent to which employees’ bring their hearts to the workplace. Employee goodwill is activated when they go “above and beyond” the prescribed job requirements to assist colleagues and customers. It is also present when employees take personal responsibility to ensure the company provides superior services or products. Indeed, employee goodwill is often the defining element that differentiates exceptional companies from those that are good or average.

Many employers lament that it is difficult to find employees willing to give this level of dedication. It is common to hear statements such as: “In this day and age, employees are no longer loyal to companies, they just move from one to the next.” There is the implicit assumption underlying these statements that employees are failing short in their end of the bargain between companies and their employees. We suggest the opposite — it is companies that have failed employees.

Employees are not loyal and engaged with their work because companies have not provided a reason to do so. All too often it is assumed that employees are only interested in financial incentives or personal achievement. While these rewards are important, employees also need to feel that their work serves a higher purpose. Today most employees long to be committed to a cause that goes above their self-interests and connects them with a group of others in a meaningful way. This purpose may be closely tied to the company vision and goals, but it can be as simple as finding a way to make colleagues’ or clients’ lives better. For example, cleaning staff at a nursing home can find meaning to their work by recognizing how a clean environment cheers up the residents. A technician may be willing to take an extra shift because a colleague just lost a family member. In these instances, employees are not going above and beyond the job requirements for financial rewards. They are doing it because it serves a purpose beyond their self-interests. They see a need and proactively offer their help.

It is important to note, though, that in both of these examples loyalty and dedication is to another person, but not necessarily to the company. This is because companies have failed to recognize how employees can find a higher purpose in their jobs. Just consider that less than half of employees know the mission statement of the companies where they work. Consider this one step further: how many know how their job is helping the company achieve its mission? The answer is very few. Instead, employees are finding

a purpose and meaning outside of their work (aka, “the disengaged worker”) or find meaning in their work by creating it on their own.

Organizational Challenges Associated with Big Data, Corporate Thinkbanking, and Corporate Webbing

Corporate Thinkbanking and Corporate Webbing provide a means of capturing employees’ knowledge and goodwill using digital technology. In this section, we compare how these two new concepts are distinct from Big Data in terms of how they operate, their potential business value, and the management and organizational challenges associated with successfully transforming the potential of these approaches into tangible results. (See Figure 1 for a table differentiating the three).

Big Data

Big Data, depicted in the left column of Figure 1, involves collecting, compiling, and distributing company information that has already been digitized. Traditionally, information in large companies is stored within departments or regional divisions. That makes it difficult for employees in any one area to have a whole picture. Business value is created by providing employees with a more complete, timely picture of customers, financial modeling, or information on activities happening in other areas of the company.

Companies wishing to use Big Data must first develop the digital infrastructure required to link data from various areas. This challenge falls squarely within the domain of the IT leadership, yet the design requires considerable input from business leaders from all functional areas. An executive level committee of IT and business leaders is needed to create the vision for a Big Data initiative. Specifically, they need to 1) determine how the data can be used to create value in various areas of the organization (e.g., marketing, financial records), and 2) develop a high-level understanding of how cross-functional areas will coordinate information flow. Often CIOs will call upon consultants in digital architecture who understand the complexities and future trends in infrastructure platforms and who can advise on an infrastructure that best meets the company’s unique needs.

In terms of management, there are relatively few requirements when implementing a Big Data initiative. Management must create new procedures and policies that clarify any changes associated with entering and retrieving information into the new system. Likewise, demands on employees are minor yet present as they do need to learn new approaches to data entry and retrieval. However, these approaches are scripted, leaving little need for employee initiative.

Successfully implementing a Big Data initiative is highly dependent upon coordination among previously siloed divisions within the company, which in turn, requires a strong level of leadership buy-in and cooperation. However, these management and organizational challenges are relatively minor compared to the requirements imposed by Corporate Thinkbanking and Corporate Webbing.

Figure 1: Comparison of Big Data, Corporate Thinkbanking, and Corporate Webbing in terms of the business value and organizational changes needed for successful implementation.

	Big Data	Corporate Thinkbanking	Corporate Webbing Knowledge	Goodwill
	<i>Management Driven</i>		<i>Employee Driven</i>	
What is shared	Digitized information	Employees' knowledge that has been digitized	Employees' knowledge located within their minds	Employees' goodwill
How it works	A digital infrastructure collects & distributes information automatically	An online repository for employees' knowledge that already exists in a digitized form (e.g., documents)	A digital networking system enables employees to share information that is currently stored in their minds	A digital network system enables employees to share goodwill, assistance, or inspiration to others
Primary Organizational Change Required	Reconfiguration of how digital information flows; how to integrate and distribute across functional areas	Establishment of new procedures and policies regarding the uploading & retrieving of documents	Creation of a highly collaborative culture that encourages employees to proactively assist colleagues and clients by going "above and beyond" prescribed job requirements	
Primary Organizational Challenge	Technological – Designing a digital chassis that capitalizes on the corporation's unique strengths	Managerial – Redesigning how depts. and regions share, distribute, and access information	Leadership – Creating an organizational culture that minimizes departmental and regional competitiveness and fosters employees' proactive engagement	
Business Value	Increasing innovation; Providing better & more timely customer service; Decreasing time-to-market; Eliminating wasted time and effort due to redundancy	Increasing innovation; Enhancing pollination of ideas across organizational silos; Elimination of wasted time and effort due to redundancy	Capturing and leveraging employees' knowledge that currently resides within their minds	Capturing and leveraging employees' goodwill; Starting energy contagion and maximizing employee performance

Corporate Thinkbanking

Whereas Big Data involves compiling and distributing company information that has already been digitized, Corporate Thinkbanking does the same with employees' knowledge that also has been digitized, such as electronic documents of operational procedures, reports, etc. (See middle column of

Figure 1). Often referred to as knowledge management, this method of creating organizational agility with digital technology is not as well-known as Big Data but is quickly spreading. Creating a Corporate Thinkbank entails building a digital repository that retains employees' knowledge in a way that facilitates quick and easy retrieval for coworkers. Business value is created when knowledge is shared and applied across silos. Cross-pollination of ideas not only increases the possibility of organically grown innovation, but it also eliminates wasted effort and resources as a result of duplicated efforts.

As with Big Data initiatives, leadership must create a vision for how cross-pollination will bring tangible value for the company and how each department or division will contribute to the repository. But the primary effort and challenges to successfully implementing Corporate Thinkbanking falls on the shoulders of management. Companies need to create new procedures and policies to specify how employees will contribute and use the knowledge stored in the repository. There also needs to be monitoring and managing of the repository to ensure that it continually achieves its purpose. Without the "bird's eye" picture of how the repository is being used, it's highly likely online silos will simply mirror the offline silos. For example, departments may create their own separate folder for similar content because they are unaware of the other folders. Managers of the repository ensure that there is consolidation of material and cross-pollination of information. Management is also responsible for identifying and collecting appropriate KPIs to ensure that value is actually being created.

Corporate Thinkbanking requires a higher level of employee involvement than Big Data since employees are responsible for making contributions to the repository or for seeking information from the repository when they need it. In contrast, Big Data automates these processes so that consistency can be obtained more readily. Note that Corporate Thinkbanking assumes a higher level of employee autonomy and proactive engagement. Organizations that do not hire, encourage, or reward individual resourcefulness are unlikely to realize the full value that Corporate Thinkbanking can provide a company.

Corporate Webbing

Corporate Webbing is distinct from Big Data and Corporate Thinkbanking in that value is created by collecting, compiling, and distributing knowledge that does not exist in a digital form but resides within the minds of employees (See Figure 1, right column). Corporate Webbing also allows for the sharing of employees' goodwill, which has the potential to start a contagion of positive energy and boost employee engagement and performance. Often referred to as "online social collaboration" or "digital collaboration," these initiatives use social networking platforms to foster employee communication and collaboration. Most companies attempting Corporate Webbing fail to ever achieve the desired results. In fact, we have found that even companies manufacturing and selling the technology have been unable to create thriving online social collaboration communities, which reinforces the notion that this is not an IT challenge but a people challenge. Corporate Webbing can be far more challenging to master than Big Data and Corporate Thinkbanking, since the value is driven almost exclusively by employees. Companies that have successfully implemented Corporate Webbing simultaneously address the cultural issues that affect employees' behaviors and introduce the technology into the day-to-day fabric of the company.

Although employees hold the key to realizing the value of Corporate Webbing, the responsibility for successfully creating a thriving Corporate Web lies squarely with leadership. Leadership must create the offline workplace norms and culture that are necessary for online sharing. For example, workplace norms

that implicitly emphasize the importance of maintaining a “perception of competence” rather than appear weak, foolish, or ignorant are inadvertently stagnating online collaboration, as employees will not want to risk appearing incompetent in such a public and permanent manner. Likewise, highly political organizations in which information is used as a form of power will not have online thriving communities because employees will feel the need to strategically withhold and wield information in order to survive or progress within an organization. A thriving online community requires leadership to do more than just avoid inadvertently promoting negative employee behaviors. Leadership must also cultivate a culture that recognizes, appreciates, and rewards positive employee behaviors. The ultimate goal is to foster an environment that promotes generalized reciprocity where employees voluntarily assist and support their colleagues. Generalized reciprocity involves helping without anticipating an immediate return (“tit for tat”) but with an understanding that eventually the goodwill will be returned by someone else in the organization (“what goes around comes around.”) Creating an organizational culture offline that promotes positive employee behaviors and discourages negative ones is the hallmark of successful Corporate Webbing.

It is becoming increasingly apparent that surviving in the digital era requires the agility and speed that comes from technology. However, implementing Big Data, Corporate Thinkbanking, and Corporate Webbing will test the internal health of an organization. Companies incorporating organizational change into their digital transformation plan will be far more successful in seeing a return on their technology investment.

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