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## How Outsourcing is Changing Where and How People Work

*One cannot work in today's world with yesterday's concepts. Here are a few areas, which have evolved into creating today's global workforce*

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I just gave a talk at a customer event produced by Colliers International, the global real-estate firm, on the topic of “*How Outsourcing is Changing Where and How People Work.*” When I was asked by my long-time friend and Collier’s executive, John Maher, to speak on this subject, it certainly seemed like a reasonable angle, and one that could yield some interesting results. Little did I realize that it would actually open up a treasure-troth of ideas essential to truly understanding the outsourced economy of the 21st century.

Way back in 1989, in a *Wall Street Journal* article titled “*Sell the Mailroom,*” the late Peter Drucker stated, “more and more people working in and for organizations will actually be on the payroll of an independent outside contractor.” Fast-forward to today, and perhaps not even Drucker could have foreseen just how important, extensive and contentious the combination of outsourcing and globalization was to become. But here we are.

Of course, outsourcing has done far more than change where someone’s paycheck comes from — it is fundamentally transforming every aspect of how people work and of the organizations for which they work. So here are a few other ideas, which are part of a whole set of interrelated changes taking place in business. But, collectively the list provides a nice point, counter-point structure for considering some of the ways outsourcing is changing where and how people work.

**Where.** Technology and outsourcing have made much of the work of the modern organization placeless. If the work can be digitized, it can be moved and done anywhere. Same goes with the container and global transportation infrastructure that have brought millions of people into the global workforce.

**Management.** It was traditionally thought of in terms of command and control. However, in the outsourced model, people are moved outside the organizational hierarchy and then brought back together under a more networked peer-to-peer structure.

**Skills.** Organizations traditionally bred team players with generalist skills, who were capable of taking on a wide-range of assignments. In contrast, outsourcing breeds specialists who build their careers within a chosen field, and who then measure success on the results actually delivered not on being a good team player.

**Job definition.** Traditionally, a box on an organization chart of position, title or role, defines jobs. In an outsourced world, it’s the value created for customers that defines the job.

**Knowledge.** Outsourcing places greater emphasis on the global knowledge space derived from expertise in a particular field, rather than the traditional way of knowledge being localized and specific to industries.

**Workflow.** Standards, processes and continuous improvement programs drawn from best-of-breed approaches increasingly dominate today’s world.

**Resource level.** Resourcing has gone from fixed to on-demand. Workers in every field are beginning to look like those in industries like construction and entertainment where the people are assembled on a just-in-time or project-by-project basis as needed.

Thus, outsourcing and a whole host of changes are sweeping the world of business and are changing where and how people work. More and more people are embracing these changes and those that are winning in this new world order.

### How Outsourcing is Changing Where and How People Work

	Traditional	Outsourced
Where	Proximity	No boundaries ("Placeless")
Management	Command and control	Peer and networked
Skills	Team player, generalist	Result-oriented, specialist
Job definition	Position, title, role	Customer-value creation
Knowledge	Local, company	Global, field
Workflow	Company, experience	Rules, process
Resource level	Fixed	On-demand

Source: <http://www.globalservicesmedia.com/Content/general200705211428.asp>