

The Impact of Technological Developments on The Workplace

Part Two of a Two-Part Article

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The first part of this article discussed several different contexts in which changing technology is affecting the workplace and presenting new, and sometimes unique, challenges to Human Resources professionals. The conclusion herein discusses ways to protect a company's assets.

PROTECTING A COMPANY'S ASSETS

In a 2003 piece on the CBS News program, "60 Minutes," Jim Goodnight, CEO of software giant SAS Corporation, remarked, "Ninety-five percent of my assets drive out the front gate every evening. It's my job to bring them back." Changes in technology have perhaps altered that equation slightly in the last five years. Not only do the company's most important human resources leave the building every evening, so too may highly valuable confidential, proprietary and trade secret information. Here, too, it is critically important that the data comes back the next day.

The information may be contained on laptop computers employees routinely take out of the office. Or the information may be downloaded in a matter of seconds onto a 50-Gig jump (or thumb) drive, which derives its nickname because it is approximately the size of a person's thumb. Moreover, as referenced above, even without leaving the office,

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employees can transfer vast quantities of data from one computer to another outside the office or outside the country. It is crucial for a company to ensure that it has developed sensible policies regarding who has access to company data and how that data is maintained.

Just as employers need to monitor carefully what information employees take from the company, employers need to regulate the information brought into the company. An employee who joins a firm after working at the competition and brings with him confidential or proprietary information belonging to his former employer is not helping his new company — he is merely increasing the likelihood of litigation and liability. Newly hired employees need to understand clearly that they are not to bring competitive data with them, and they are not to introduce any such information into their new employer's computer systems.

Even the issue of access to and use of a company's computerized data can be critical. This point was vividly illustrated by the recent experience of the French financial firm, Societe Generale, where a single employee manipulated his way through the firm's security system to engage in trades resulting in \$7.5 billion in losses and then covered up his actions for months.

Although most firms need not be unduly anxious about the corrupt employee who single-handedly undermines the financial stability of the institution, there are various contexts where accessing confidential, proprietary and trade secret data is too common. Most often, this involves employees who are lured away by the competition or who leave to start their own competitive organization. Changes in technology have

made it easier for such employees to take vast quantities of information and to do so without easy detection. Technological change has increased employer risk in this context.

SUMMARY

In sum, although corporations and individuals alike are reaping benefits attributable to technological change, our society's new tools and methods of communication (computers, e-mails, PDAs, text messages, text messages with pictures, social networking sites, blogs, etc.) raise intriguing new issues for the HR professional and the employment law counsel. Internet connectivity, increasingly wireless, also raises difficult issues. Similarly, technological developments revolving around ever-increasing miniaturization, data compression, and both new hardware and software tools have created new challenges for corporate America. As suggested above, many of these "new" problems can be assessed and resolved based on well-established practices, procedures and principles. Others, however, will require some creative thought and the establishment of new policies to address these novel situations. Companies that thoughtfully evaluate these contexts before being confronted with a particular problem will position themselves far better than those that attempt to fashion an appropriate response to a difficult situation on an ad hoc basis.