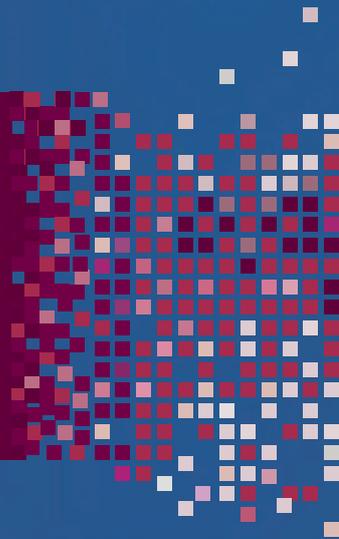


## Towards “People 2.0”

Adding Digital drivers to the People Performance



# The use of digital tools has seen a rapid spurt in recent years.

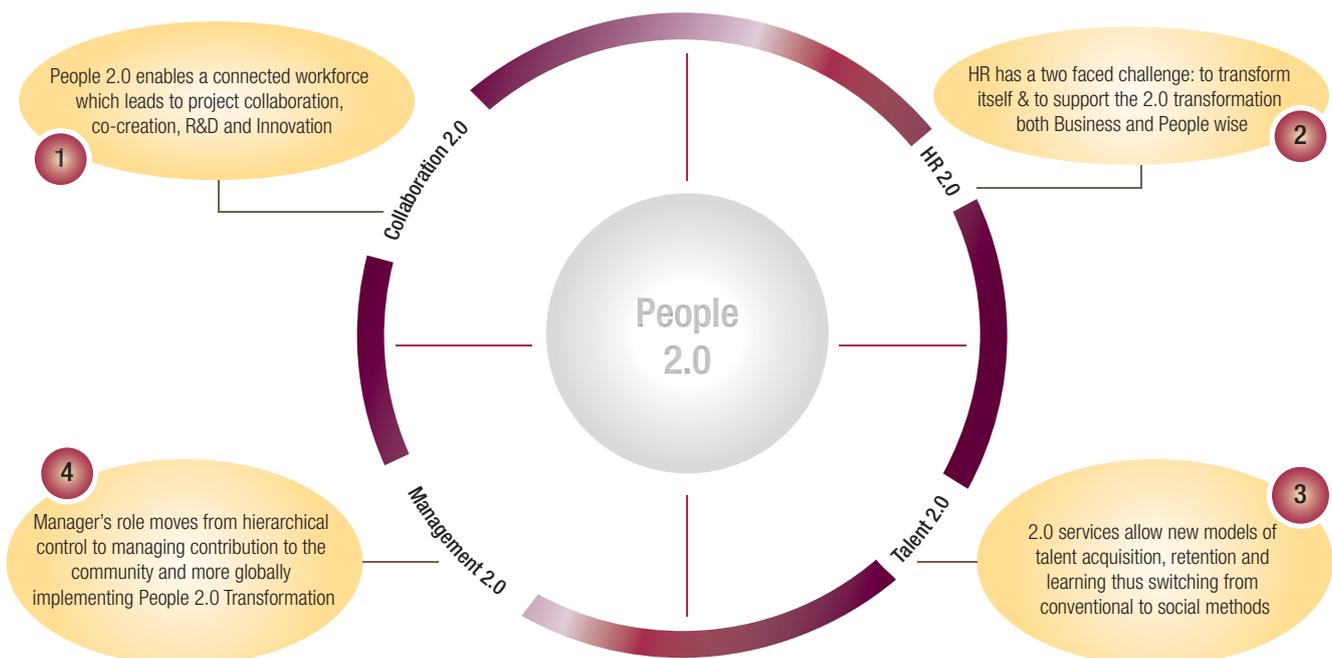
Advent of platforms such as social networks, growth in smart devices and mobile connectivity are all having significant impact on how employees work and socialize. As employees become more comfortable with technology, there is an increasing overlap in the usage of such tools across their personal and professional lives. This leads to high expectations being set on internal people organizations and systems. Such usage characteristics thereby put significant pressure on the people function to transform. Most organizations though have so far focused on addressing the impact of digital on customer-facing functions. In the process, they have not really addressed the crucial people-facet of digitization. A survey indicates that over 50% of senior executives across industries believe that their organizations have not fully leveraged the power of digitization in HR and recruitment<sup>1</sup>. This has resulted in the HR function lagging other business functions, thereby emphasizing the critical need for change.

We believe a radical re-think of key people functions and processes is the need of the hour. Traditional view of people drivers should be reframed for enabling a work culture reflective of the era of highly interconnected workforce. We call this new way of defining the people drivers in a digital age, People 2.0. We define People 2.0 as the behavioral, cultural, and educational transformation of employees and organizations driven by new technological paradigms.

People 2.0 is built on the four key pillars of Collaboration, HR, Talent and Management (see Figure 1). Digitization has triggered a transformation across each of these areas resulting in benefits as well as transformational challenges.

“Over 50% of senior executives across industries believe that their organizations have not fully leveraged the power of digitization in HR and recruitment”

Figure 1: Key Pillars in the People 2.0 Agenda



## Collaboration 2.0

The increasingly virtual and dispersed nature of organizations and the growing workforce of employees receptive to 2.0 technologies are two factors **redefining collaboration practices** both within the enterprise and with external stakeholders as well. For today's organizations, collaboration is less about mere information and document sharing and more about leveraging collective intelligence across multiple platforms through social features in order to facilitate interactive decision making, co-creation, and co-innovation from any location at any time.

For instance, pharmaceutical company Pfizer uses a range of collaboration solutions such as Pfizerpedia (an integrated platform including people, projects, events, blogs, and discussion groups to promote knowledge sharing) and Pfacebook (platform for employees to interact) to connect its workforce globally. This resulted in reduced redundancy in research efforts by connecting people with similar or related work to collaborate for innovation, thereby helping maximize its return on R&D<sup>2</sup>.

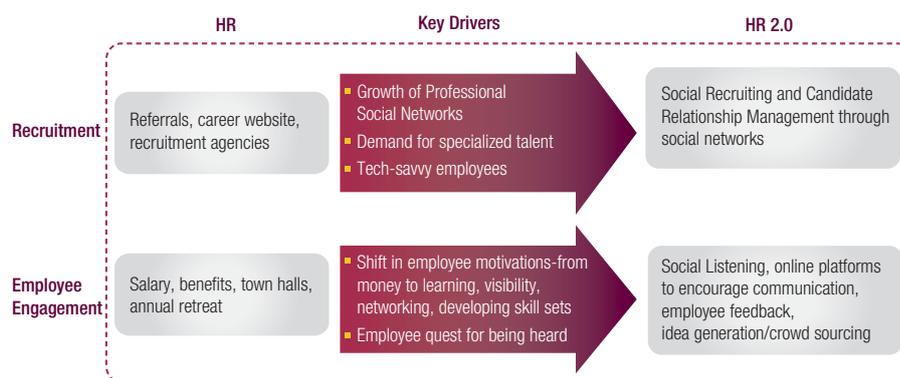
“ Collaboration, today, is less about mere information and document sharing and more about leveraging collective intelligence. ”

## HR 2.0

The HR department plays a critical role with the dual responsibility of not only transforming itself but also helping steer the transformation of work practices by leveraging technology.

Within HR, we have identified recruitment and employee engagement as key areas where digitization has a clear and significant impact (see Figure 2).

Figure 2: The HR 2.0 Journey



Source: Capgemini Consulting Analysis

## Digital Recruiting

A recent development in recruiting has been the use of social recruiting techniques to reach out to a wider talent pool in real time. Though the usage of digital channels has been largely limited to job postings on websites, some innovative companies have leveraged this medium to redefine the way they recruit and interact with potential candidates. For instance, financial software firm Intuit realized that its target hires are increasingly moving to social networking sites, away from traditional career sites. To address this, they crafted their strategy around multiple social media sites including LinkedIn, Twitter, Facebook and YouTube creating custom approaches based on the uniqueness of each platform to reach out to potential candidates<sup>3</sup>. In a recent survey, the company was ranked second in the list of most social-media-savvy companies in the US for such efforts<sup>4</sup>.

Employers need to realize the benefits and reach of the recruitment innovation initiated on social media and mobile channel. The challenge now for organizations is to most effectively communicate “what they stand for” and “what they offer” in an increasingly competitive digital landscape. The scale of the challenge can be gauged by the fact that despite the ubiquity of the mobile web, social media and apps, approximately 92%<sup>5</sup> of the Fortune 100 companies still ignore them for their recruitment initiatives. The social job seekers, on the other hand, are getting aggressive in their requirements. A survey by a leading careers portal indicated that over 42% of job seekers are likely to apply to a job at a company that has a social media presence<sup>6</sup>.

## Employee Engagement 2.0

Today compensatory benefits, monthly town halls or annual retreats and other traditional activities are no longer sufficient to keep employees satisfied and motivated. They seek more visibility and involvement in the strategic objectives of the organization to drive constant engagement.

Latest research pointed out that engaged employees put forth 57% more effort and are 87% less likely to leave their company than employees who consider themselves disengaged<sup>7</sup>. Consequently, organizations have begun to take steps to drive engagement through digital tools and platforms. For instance, Intel launched a social-publishing platform for its employees called iQ where content is curated by the employees. Stories are promoted to the homepage based on the number of recommendations that they receive from employees and by the number of shares on external social media platforms. The site, launched in May 2012, already has over 160 dedicated social-media practitioners within the company contributing to the initiative indicating Intel’s seriousness in the effort<sup>8</sup>.

Social listening within the organization is another trend which is gaining traction. Just as marketers constantly keep track of consumer sentiments online, organizations have started adopting a similar approach to gauge employee sentiments. For instance, Unilever wanted to design a new International Assignee (IA)<sup>9</sup> reward policy. In order to do so the company launched an interactive social media tool – “Opinion Space” to capture and examine employee feedback. The tool allowed participants to interact and see their relative position on the issue<sup>10,11</sup>.

“The challenge now for organizations is to most effectively communicate “what they stand for” and “what they offer” to prospective employees.”

“Engaged employees put forth 57% more effort and are 87% less likely to leave their company than employees who consider themselves disengaged.”

## Talent 2.0

We believe the role of Talent in a People 2.0 environment can be primarily seen in Learning and in Performance Management (see Figure 3).

### Learning 2.0

Learning 2.0 is about combining traditional face-to-face sequences with digital platforms to train and develop talent. Learning and development platforms with social features, for peer learning, coupled with web trainings/webcasts for diverse teams across geographies, are being increasingly adopted by companies across sectors. For example, GE launched a peer collaborative learning platform, “MarkNet”, where marketers across different divisions and geographies can share best practices, conduct and attend training sessions, and learn from each others’ experiences<sup>12</sup>.

Companies are also increasingly realizing the importance of injecting digital skills in their workforce. For instance, global consumer goods major P&G started a “digital skills” inventory of its employees to train and bring them up to speed on new digital tools. A baseline of skills includes how to connect to the Internet, usage of P&G’s internal social network and advanced tools for more technical roles<sup>13</sup>.

### Performance Management 2.0

Digitization has a direct impact on the way companies manage talent and their performance. In today’s fast paced global and connected business environment, organizations need to assess and interact with their employees more frequently than through a traditional annual assessment. Performance management systems and processes are gradually moving away from a static, unidirectional, and time-bound

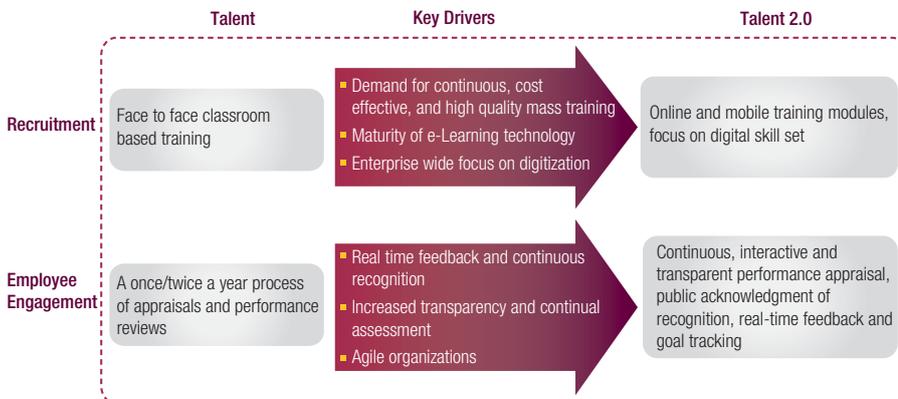
avatar to a more dynamic, continuous, and interactive state. Improved transparency, goal tracking, real-time feedback, and enterprise-wide acknowledgment/recognition of achievements are some of the key drivers, which result in the adoption of digital and social performance management systems. For instance, Gilt Groupe, an online luxury fashion brand retailer, is using a cloud-based performance management system to replace batch annual reviews with real-time feedback, coaching, and centralized performance tracking to create meaningful performance summaries when required<sup>14</sup>.

## Management 2.0

The era of face-to-face, top-down management and communication – something that is reassuring for many traditional managers – is beginning to change. The flow of information from the source to the need is not just controlled by the managers anymore but by all the stakeholders impacted. Management 2.0 is now all about transparency, active listening, trust in the wisdom of the team, giving proper credit where it is due, and constant experimentation (See Figure 4).

The adoption of a new generation of Enterprise 2.0<sup>15</sup> tools is providing organizations with potential better control over exchanged information by allowing it to be reviewed, moderated, and corrected by multiple stakeholders. Talent effectiveness means have multiplied, requesting a shift in management capabilities. However this phenomenon creates concerns for managers as the importance of middle level manager is slowly dwindling.

Figure 3: The Talent 2.0 Journey



Source: Capgemini Consulting Analysis

“ The era of face-to-face, top-down management and communication is beginning to change. ”

## Mobilization 2.0

Mobilization is all about a new kind of Change Management, one empowered by digital tools and relying on a winning combination of face-to-face and virtual initiatives. It involves the creation of an interactive multi-channel communication and sharing process to generate awareness about new digital tools and processes, help accelerate and secure workforce buy-in. Key mobilization 2.0 tools typically include blogs, wikis, online surveys, and employee portals where employees are encouraged to participate in a two-way communication, and managers to co-act.

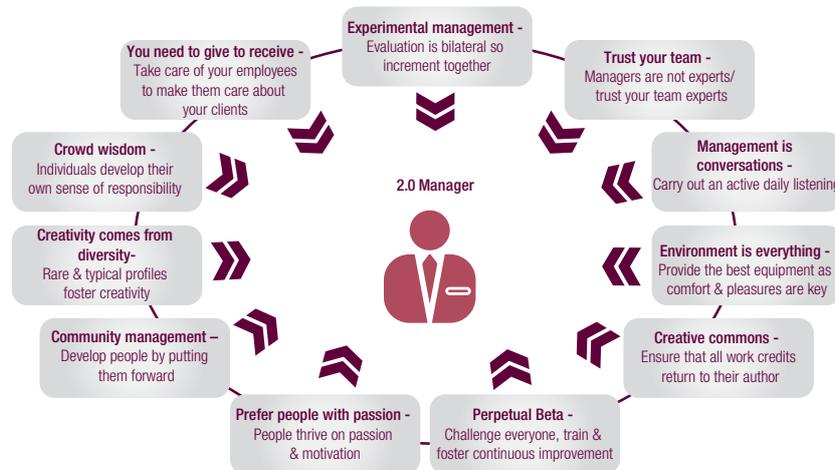
For instance, a leading French telecom player wanted to embrace a culture of performance. In doing so, they mixed top-down and digital mobilization levers to ensure they reached people at all levels. First they created video messages and launched a social network for the 15-member management board and for the 150 top managers working on the transformation program. Next, a video about the organization was simulcast with over 9,000 stakeholders. Meanwhile, they also developed e-learning videos and organized collaborative seminars for the 2000 managers in groups of 100<sup>16</sup>.

In the next section, we conclude with broad guidelines on how organizations can put the transformation of their people drivers in motion.

## Roadmap for Successful Transformation

A transition to People 2.0 is complex, given the constantly changing number of options and the magnitude of the impact that each option has across the organization. The rapid spread of social tools across the length and breadth of organizations will also play a compounding role in this transformation (see Figure 5). A right selection of these options is key to determining ultimately how an organization performs. A successful transition to People 2.0 must be based on a well-designed plan addressing all the company's dimensions to support both business and people ambitions. While a transformation to People 2.0

Figure 4: Management 2.0 - Unleashing Your Team's Potential



Source: Capgemini Consulting Analysis

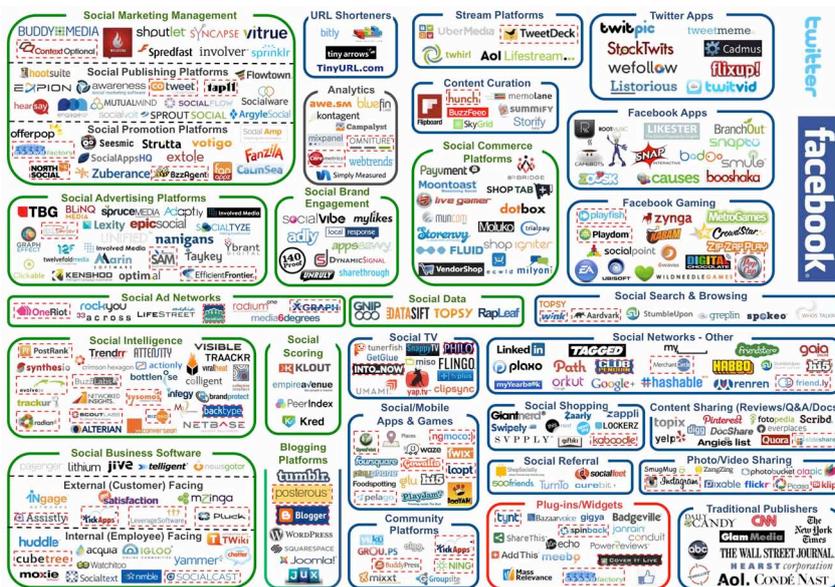
can yield significant increase in people performance, there exist multiple issues that need to be addressed beforehand in order to achieve the desired impact. A key challenge would be to ensure that implementation of the right tools to affect increase in productivity is matched by management and process change. Failing to do so creates a multilayer of tools and practices resulting in the opposite of increased productivity and effectiveness.

A related challenge with the deployment of new tools is the management of the overflow of information. Social media and

new-age tools have the ability to rapidly increase the cacophony, and subsequently becoming a source of stress and pressure to employees and management. Consequently, it is imperative that organizations see this as an opportunity to rethink how collaboration works across the length and breadth of the company's operations.

A third challenge is the potential for confrontation between the 2.0 'personal experience' and the professional environment that is offered at the workplace. Employees increasingly expect

Figure 5: Social tools cartography – 2012



Source: Luma Partners, Terry Kawaja

the user-friendliness and flexibility that they are used to in their personal social ecosystem, in both systems and processes that they use at work. Bringing the two universes in alignment is now a major challenge for any organization

With this in mind, a People 2.0 transformation should follow several steps, making progress through testing and experimentations.

### Assess the People 2.0 readiness

A company's culture is as important to the success of a People 2.0 endeavour as the business issues driving it. Companies should first assess their **digital maturity** before building their readiness to change by creating an environment where **continuous talent development** and **collaborative values** are encouraged. While 2.0 tools enable sharing and cross-fertilization, it will accelerate such existing behaviours and needs. However it is pertinent to note that they will not solve issues around silos or that of entrenched management.

### Build Digital Capabilities

A starting point for designing a People 2.0 roadmap is to ensure that the organization has a strong platform for building digital capabilities. **Leadership involvement** and activity on social media will impact the brand image, increase trust and perception of leadership and to some extent enhance the consumer likelihood to buy for that organization<sup>17</sup>. The other component of building capability is to ensure focus on digital innovations for overall organizational benefit. More organizations are training employees on how to use social media for business. For instance, Intel created a training program called Digital IQ for its employees to become an expert in social media and be listed in an internal database of social media practitioners at the firm<sup>18</sup>.

Such initiatives accelerate **digital literacy** at all levels in an organization. Success is determined by the extent to which the organization proposes and implements a digital vision that is geared towards supporting its core business.

### Redefine the People Function Mission

In the digital age, organizations need to re-define and re-invent their HR missions. They need to understand the extent to which digital technologies enable the people function to manage an integrated ecosystem of stakeholders and operate as an efficient and effective Strategic Business Partner. This redefinition needs to occur by visualizing the function as a *people supply chain*, as a *people marketer* and as a *thought leader*. As a **people supply chain**, the function has to streamline both the inward and outward flow of talent within an organization. As **people marketers**, they will effectively segment employees, create a coherent value proposition as an employer, gather employee feedback and build the overall brand of the organization as a great place to work. And finally, as a **thought leader**, HR teams will focus more on people intelligence capabilities through internal assessment and benchmarking.

### Digitize the HR infrastructure

The digitization of the people function brings with it the **dual challenge** of the HR delivering on its traditional administrative role, while **simultaneously** transitioning to a more strategic role requested by the new ecosystem. In such a situation, organizations transitioning to People 2.0 should, as a first step, focus on digitizing their existing HR infrastructure. A coherent HR IT and sourcing strategy creates an HR IT architecture strategy for the future and a renewed commitment to data analytics – enabling each employee's personal interactions – as the foundation of future people decisions.

### Sustainably engage workforce hearts & minds

While there are several milestones in the roadmap to transformation to People 2.0, organizations need to bear a critical point in mind that a sustainable transformation cannot be achieved without the whole-hearted support of the key stakeholders that it impacts - employees. In achieving the desired impact, engaging talent in the midst of this transformation is critical. **Encouraging employees** to use internal social media tools by championing them

through a careful identification of change agents and/or community managers **is a must**. Offering visually rich, natural and intuitive environments – *close to what employees use during their personal time* – can also drive adoption of virtual teaming in a more proactive manner. However, such initiatives have to go beyond the initial interest generated by a new tool and be sustainable through the course of the transformation.

Most importantly, **HR together with Management** should build a bottom-up culture where employees feel free to **share their practices, knowledge and honest feedback** through multiple digital channels, thus reshaping the organization as exchanges go on. These channels can also ideally act as a strong means for communicating employee innovations both internally and externally.

In summary, the question is no longer “if” but “when” your organization will move towards the People 2.0 dimension. This transition represents a transformation that, even for the most agile organizations, is a **significant challenge**. **How fast and effective is this transformation will determine whether organizations can (or cannot) be talent magnets**.

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The People function should redefine itself by visualizing itself as a people supply chain, as a people marketer and as a thought leader.  
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