

Being Digital: Engaging the Organization to Accelerate Digital Transformation



Engaging Employees through Digital - A Double-Edged Sword



Ask any executive who has led an organization through a large, transformative change, and he or she will tell you that a company's strategic vision is only as good as the people behind it. Digital Transformation is no different. Making new digital ways of working stick is a matter of winning the hearts and minds of people at all levels in the organization. Instead of offering resistance, employees who are engaged and invested in a shared vision of the company's digital future help make that vision a reality.

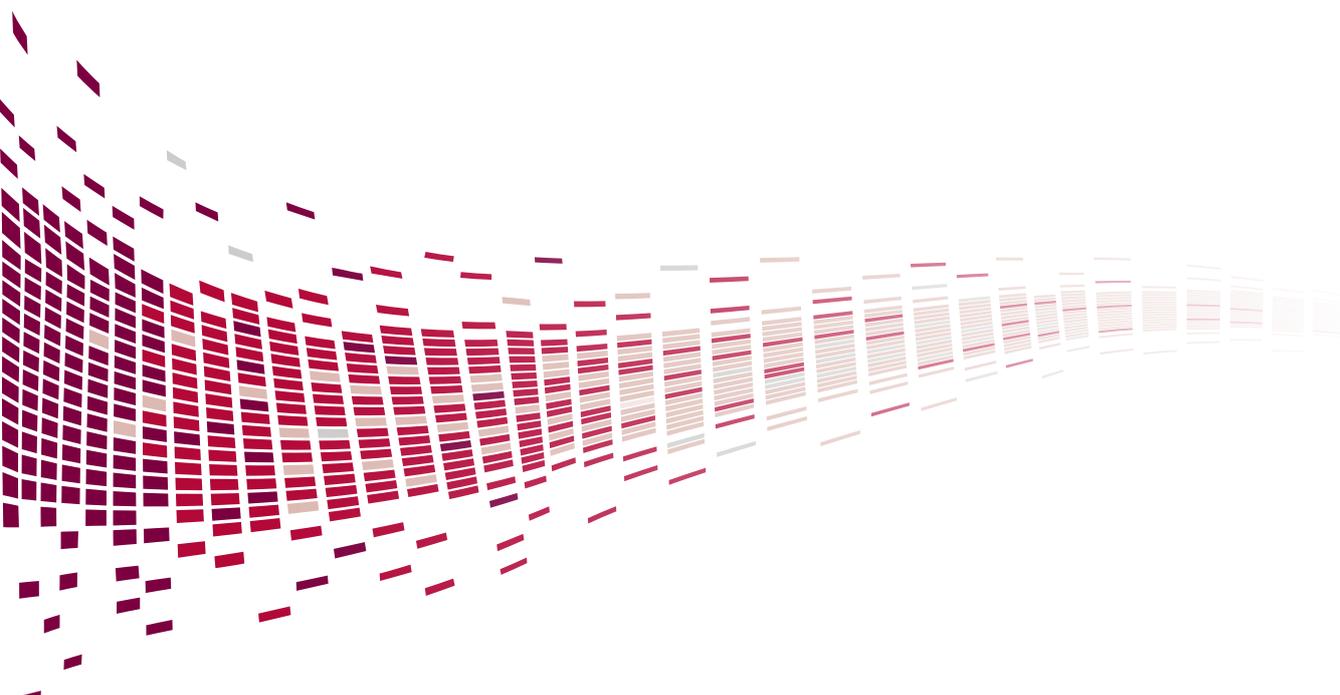
Many of the concepts in the executive's change management playbook still apply to Digital Transformation. But, *how* executives are engaging their organizations is dramatically different. Digital tools help leaders connect with employees at unprecedented scale and in new ways. Blogs provide a forum to

share regular, candid perspectives and collect feedback. Digital videos help create richer, more personal executive communications. Enterprise social platforms offer employees the opportunity to share their ideas, collaborate with colleagues and be recognized for their contributions. Simply put – the best way to become digital, is to be digital.

Yet these new digital channels are a double-edged sword; technology often poses one of the biggest hurdles when engaging employees in Digital Transformation. Where different generations of workers have different levels of familiarity with digital, executives struggle to reach everyone in the organization. Adoption of digital collaboration platforms also remains low in many companies (see infographic), despite significant investment (and considerable hype).

The stakes for digital engagement are high. Capgemini Consulting's joint research with the MIT Center for Digital Business shows that digital engagement is a major driver of success in Digital Transformation.¹ Rather than jumping headfirst into digital engagement, executives need to lay the groundwork to make sure those efforts are effective. This means taking a proactive approach to many of the common challenges that organizations face, and leveraging strategies that many leading companies are already taking in their own Digital Transformations.

“
Simply put - the best way to become digital, is to be digital.
”



Digital Engagement Presents Common Challenges

Over the course of our research, we interviewed over 150 executives across a broad range of industry sectors and geographies. Many executives noted challenges that they faced in engaging their employees in Digital Transformation. Among these issues, a number of common themes emerged:

A generational divide

Younger workers today have far greater familiarity with digital tools and ways of working than their more tenured counterparts. Many executives highlighted a growing gap between older and younger workers in their expectations and work habits around technology. Where older employees face a learning curve, Generation Y workers are often underwhelmed by the digital tools available to them. One executive comments, “these people coming into the company, mid 20’s, late 20’s, even early 30’s, they do everything electronically. They say ‘Come on, I know the company is over 100 years old, but our information and IT capabilities don’t have to match the age of the company!’”

“
Come on, I know the company is over 100 years old, but our information and IT capabilities don’t have to match the age of the company!”

Executives also noted that younger workers are often frustrated by a slow pace of change. “The woman that is in charge of our social media policies is

pushing, right up to the CEO, saying, ‘We are way behind. You better move now. We are way behind. Move now.’ It’s very persistent as well. Really trying to bring the company forward.”

Finding the right communications strategy, incentives and pace of change amidst this generational divide has proven a challenge for many companies.

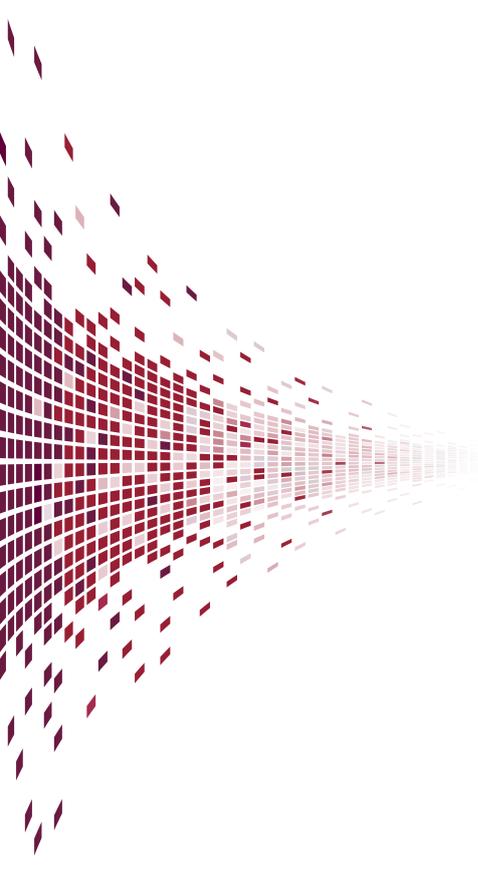
And this issue shows no signs of abating. Within just the next few years, college graduates entering the workforce will have no memory of life before the Internet. Just as a house divided cannot stand, a widening digital (and cultural) divide between employees may frustrate efforts to engage the entire organization in transformation.

The scarcity of digital talent

Digital Transformation is about turning technological potential into real business outcomes, and it demands a different mix of skills. Finding people with equal parts digital savvy and business acumen has proven a challenge for many of the executives that we interviewed. According to one executive, “I need a charismatic quant – somebody who’s an influencer and can carry their weight in a senior meeting, but at the same time, someone who could roll up their sleeves and look at data tables and build models and enjoy it.” When these skills do not already exist within an organization, executives also noted difficulty finding them externally, “Our recruiters don’t know where to go find these people, and people who are looking for [these kinds of] opportunities aren’t looking at [our company] for them.” Without the digital talent to realize them, ambitious visions for Digital Transformation may lack credibility or – worse – overreach the capabilities of the organization.

“
I need a charismatic quant – somebody who’s an influencer and can carry their weight in a senior meeting, but at the same time, someone who could roll up their sleeves and look at data tables and build models and enjoy it.”





“
Implementation goals defined in terms of active licenses or live deployment locations miss the true ROI of enterprise social platforms: actively engaged users.”

Digital platforms: high potential, low adoption

Some of the executives we interviewed reported success in using platforms such as enterprise social networks or collaboration tools; others highlighted challenges. Given the investment made in these systems, lack of adoption is a serious concern. One CFO states, “We’ve spent an awful lot of money on technology, but I still see people working in the old way.”

On the user side, executives reported a lack of understanding and unclear business value as major issues. A leader in the food service industry explains, “I think people are apprehensive about new technologies. They don’t understand them, there is a fear of unknown. They don’t really fully understand how they’re going to drive business outcomes.”

Executives also pointed out challenges in managing the implementation of these platforms. When success criteria are focused on IT deployment, actual user adoption can take a back seat to tactical milestones. Implementation goals defined in terms of active licenses or live deployment locations miss the true ROI of enterprise social platforms: actively engaged users. The result is a widely deployed system that no one actually uses.

One hospitality industry executive also voiced challenges in shifting technology strategies: “We were looking at one tool. We got a decent user base in it. And then we found out that we didn’t like their pricing model... And so, we said, ‘OK, we’re going in another direction now, we’re trying a different tool,’ and [we had to] regain the momentum that we had with the previous one.” When employees haven’t adopted new digital

tools, they often cannot contribute to an improved business process, much less a successful Digital Transformation.

Management roles in a digital organization

New digital tools, automation of business processes and an increasing role of data in decision-making can increase transparency in an organization. But, as conversations move online and information is more freely available, some executives noted resistance from management employees. Managers may view these trends as a threat to their autonomy or influence. Explaining sales managers’ reactions to the introduction of a real-time reporting platform, one executive comments, “That kind of transparency, they’re not used to, so there’s an initial pushback.”

Middle managers are often the front lines of introducing change to an organization, as they have the important task of translating a strategic vision into everyday operations. Where engaged managers can be a cornerstone of cultural change, resistant managers can stop Digital Transformation in its tracks.

“
Where engaged managers can be a cornerstone of cultural change, resistant managers can stop Digital Transformation in its tracks.”

Successful Companies are Mobilizing their Organizations through Digital

Faced with common challenges in engaging their organizations, many companies are leveraging similar strategies to mitigate them. Our recent report, *The Digital Advantage* highlighted specific areas where digital leaders (the “Digirati”) are focusing their engagement efforts (see infographic on Page 6).

Taking leadership online

Gone are the days of executives having assistants print out emails for them to read. Today, many digital-savvy CEOs are active bloggers, podcasters and Twitter users. Many of the executives we interviewed are using similar digital platforms to communicate with their organizations around Digital Transformation. In doing so, they are leading by example and setting expectations for the rest of the organization. A medical technology company we interviewed used digital video broadcasts to report the progress of a multi-day executive strategy workshop (see Broadcasting accountability). Kraft Foods’ employees can access podcasts (dubbed “Kraft casts”) from the CEO and other executives to stay on top of the latest corporate strategies and branding initiatives. According to one executive, this allows the company to “communicate with our employees in a way that is more visual than having them sit and read text.”²

“
Gone are the days of executives having assistants print out emails for them to read. Today, many digital-savvy CEOs are active bloggers, podcasters and Twitter users.
”

Inviting contribution

According to our research, the strategic vision for Digital Transformation must be led from the top. However, the collective ingenuity of the “crowd,” can be an insightful source of feedback as well as a powerful tool to engage employees.

Online innovation contests or award programs give employees the opportunity to contribute feedback or

new ideas; they also give leaders the opportunity to publicly recognize and reward engagement. For example, Codelco engaged its employees early through innovation contests to foster a culture of change.³ Similarly, 3M leveraged Enterprise 2.0 technologies to “crowdsource” ideas for new market strategies from thousands of its employees (see Crowdsourcing engagement).

Broadcasting accountability

A medical technology company we interviewed hosted close to 300 executives and senior managers in a multi-day strategy workshop. Each afternoon, the company recorded digital video debriefs from executives sharing what was discussed and what decisions were made. These videos were then broadcast to the rest of the organization so employees could follow the progress of the workshop. Moreover, the broadcasts helped hold the attendees accountable for the decisions and actions that were taken in the session. According to one attendee, “You’re broadcasting, ‘Here’s what we’re working on, day one’ back to their organizations. So when [executives] walk out of the meeting, people know that they were there and what they were working on. And all of a sudden the organization has an expectation of follow-up. It’s really interesting.”⁴

Crowdsourcing engagement

To innovate the way it conducted strategic planning and engage workers, 3M turned to Enterprise 2.0 tools and crowdsourcing. The company hosted an online innovation jam, dubbed “InnovationLive,” and invited over 20,000 employees from its Sales, Marketing and R&D units. Over the course of the two-week event, 3M collected 736 ideas, 6,799 votes and 1,084 comments from more than 1,200 participants in over 40 countries. By the end of the event, the company had identified nine new strategic opportunities and made a significant impact on employee engagement. In fact, the InnovationLive format itself was the most discussed “idea” of the event. Reflecting on the event, one participant stated, “... This has been an absolutely amazing exercise. For one thing, it certainly made me feel part of the global 3M and showed me that one’s ideas, comments, vote is important to the potential solutions that could affect in a POSITIVE WAY our economics, people, lifestyles, planet and urbanization...Thank you ever so much for the opportunity to express my view, comments and ideas.”⁵

“ We are investing in the necessary digital skills ”

Digirati

All others

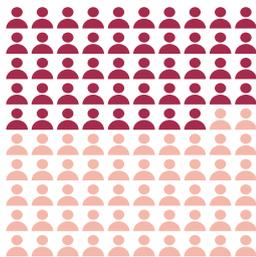
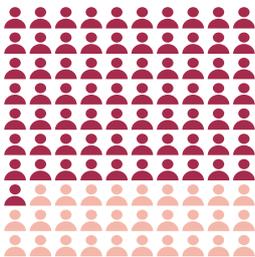


82% of respondents from Digirati agreed, compared to 40% in other firms

Digital leaders are supporting open conversations around Digital Transformation

Digirati

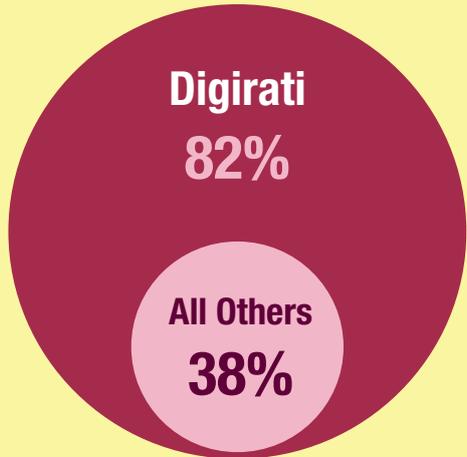
All others



71% of respondents from leading companies agreed that there are opportunities for everyone in the company to take part in conversations around Digital Transformation. A majority disagreed in other firms.

Digital leaders are proactively communicating the cultural changes required in Digital Transformation

82% of respondents in leading companies agreed that their company is promoting the necessary culture changes for **Digital Transformation.**



Driving change with new roles and relationships

One of the most effective vehicles of change in an organization can be employees themselves. Companies are leveraging their digital “champions” through both informal and formal roles to facilitate skills transfer and engage the rest of the organization. A medical device company paired Generation Y team members with more tenured managers and executives to trade digital know-how for career coaching (see Bridging the Generational Divide). L’Oreal, a global cosmetics firm, also launched its own “Digital Reverse Mentoring” program. As part of its “Digital” campaign to raise “digital IQ” across all employees and brands, the company paired 120 younger workers with management committee members. The pairs worked together to identify trends and understand new customer behaviors.⁶

Formal, dedicated roles can also help drive engagement in Digital Transformation. Prisa – a major Spanish media company – unified different regional operations under a common strategy and platform by formally naming a Chief Digital Officer in each region. These individuals liaise with the company’s central digital unit to align top-down digital strategies with regional requirements. In doing so, they also ensure that regional operations remain engaged and that their needs

and contributions are represented at the corporate level.

Honing the organization’s digital skill set

To meet the growing need for technical and managerial skills in new digital disciplines, many companies are making significant investments in digital skills. Procter & Gamble established a baseline for all its employees through a “digital skills inventory,” and set proficiency expectations for specific roles and career progression.⁷ Similarly, Pepsi launched its “digital fitness” program to keep its marketers’ digital skills up to par. According to one executive, “There’s a gap, and we have to work relentlessly to close that gap. We’ve looked for a way to describe it, and that’s fitness. You can’t just work out once.”⁸

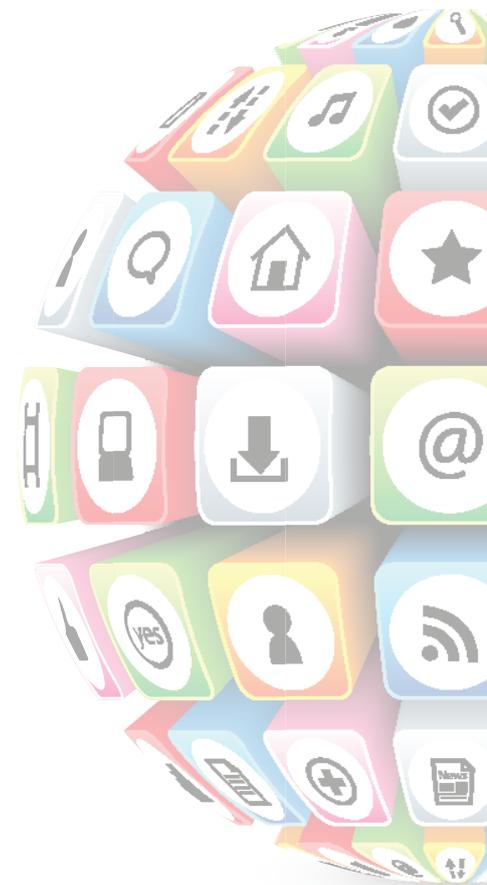
“
Prisa – a major Spanish media company – unified different regional operations under a common strategy and platform by formally naming a Chief Digital Officer in each region.

”

“

There’s a gap, and we have to work relentlessly to close that gap. We’ve looked for a way to describe it, and that’s fitness. You can’t just work out once.

”



Kick-starting Digital Engagement

Digital Transformation is often a multi-year journey, and building employee engagement behind it takes time. Winning employees hearts and minds will not happen overnight. Once executives have defined a vision for leading Digital Transformation, they should be proactive about engaging employees. The following checklist includes actions that executives can take tomorrow morning, as well as others to think about within the next six months:

Tomorrow morning:

Start (and sustain) a two-way conversation

Blogs, internal social networks, and streaming video represent more than just a bigger megaphone. The real value of these platforms is in their ability to capture feedback and facilitate discussion with employees. Executives should leverage one or more of these channels to foster an open, online conversation. Not only is this “leadership by example” good practice, it engages employees and can help leaders maintain a finger on the pulse of the organization as the transformation progresses.

Be upfront about required cultural changes

There is no way around it: new digital ways of working will require cultural changes in many organizations. According to an executive at Prisa, “If there’s any one thing that’s going to accelerate the change in this organization and develop a one-team culture, it is the degree of transparency.” Address required cultural changes head-on and discuss expectations with managers and other affected groups.

Identify your digital champions

Digital Transformation should be driven top-down, but its strongest ambassadors

will often not come from senior ranks in the organization. Identify the team members with digital acumen and position them to share their knowledge and enthusiasm with colleagues. Where new formal roles (e.g. Digital Liaisons) are needed, understand how these individuals can contribute to your digital governance strategy, in addition to being agents of change.⁹

Over the next month:

Create opportunities for people to contribute

Tap into employees’ innovative potential, and simultaneously provide them an

opportunity to become invested in Digital Transformation. Launch an innovation contest or award program to recognize and reward engagement in your Digital Transformation.

Raise the bar for digital skills

Employees can only engage in Digital Transformation if they have the right digital skills. Raise the expectations for all employees around digital skills – not just those whose roles will be most impacted. Identify where digital skill gaps exist and make the necessary investments in training, internal support communities or external hires.

Bridging the generational divide

To bridge the generational divide between employees, the same medical technology company introduced an informal “XYZ network.” Within this network, employees pair with colleagues from different generations to share their respective experiences with one another; senior employees provide career coaching, while younger employees contribute digital skills and perspectives on how to leverage technology better. Describing the junior members of the group, one executive says, “We’re really attempting to be responsive to that group. They have a whole different set of expectations about what information they need to do their job, how they want that information, and just as importantly, how they want to communicate with others in the company.”¹⁰

Keeping (digitally) fit

Acknowledging a widening gap between society’s use of digital technology and the digital skills inside the organization, Pepsi has instituted a “Digital Fitness” program for its marketing teams. The program leverages online learning courses and hands-on “experimental” sessions to keep Pepsi’s marketers up-to-date on the latest digital tools. According to one executive, “As we look at where our customers are going in the future, [we realize] everything from supply chain to sales needs to understand how to operate in this digital world. And it’s going to happen really quickly. It’s not 20 years out, it’s four years out.”¹¹

Within the next six months:

Provide the right incentives

Organizational culture and individual behaviors are difficult to change without the right incentives in place. Identify which levers are the most effective, adapt reward systems, and communicate changes openly. At senior levels, tying personal performance KPIs to Digital Transformation milestones can help focus executive attention.

Focus on behavior change, not tools

Introducing digital collaboration platforms needs to focus on using the tools, not having them. Measure success and frame KPIs in terms of actual user adoption and activity on the platform, not in terms of how widely available or feature-rich the tool is. Executives can also leverage creative new solutions to sustain adoption. For example, “gamifying” new digital tools by

embedding rewards, achievements and recognition can create a more engaging user experience.¹²



Winning the adoption game

High-tech company EMC had implemented an enterprise social platform, called the EMC Community Network (ECN), to connect its ecosystem of employees, partners and customers. But, getting users to adopt and use the platform proved a challenge. EMC embedded game mechanics through a program it called “RAMP” (Reward Awards and Motivation Program) to increase overall activity on the platform and reward desired user behaviors.

The company piloted this “gamification” strategy during its annual EMC World conference, with the goal of making the event “a more interesting, more engaging, online-connected-to-offline experience than it’s ever been before.”¹³ To do this, the RAMP team prioritized the real-world attendee behaviors they wanted to promote, and designed corresponding game mechanics and rewards into the ECN. For example, the team designed check-in “missions” to encourage attendees to visit multiple event booths. By the end of the event, more than 350 attendees had earned ECN profile achievements for checking-in at fifteen or more booths.

Since the integration of RAMP into the EMC Community Network, the company has seen a nearly 20% increase in community interactions and profile page views have more than quintupled.¹⁴ It has also extended RAMP integration to EMC|One, its internal employee community, as well as external social media channels.

References

- 1 Digital Transformation: a roadmap for billion-dollar organizations, MIT-CDB and Capgemini Consulting 2011
The Digital Advantage: how digital leaders outperform their peers in every industry, MIT-CDB and Capgemini Consulting 2012
 - 2 <http://www.apple.com/iphone/business/profiles/kraft-foods/>
 - 3 Capgemini Consulting and MIT-CDB, The Digital Advantage: how digital leaders outperform their peers in every industry, 2012
 - 4 MIT-CDB and Capgemini Consulting research
 - 5 Management Exchange, InnovationLive: Engaging 3M's Global Employees in Creating an Exciting, Growth-Focused Future, 2011
 - 6 Digital for all, L'Oreal website
 - 7 Forbes, The Matrix of Soap, 2011
 - 8 AdAge, Digital Fitness Is Latest Craze in Building up Your Marketing Ranks, 2011
 - 9 MIT-CDB and Capgemini Consulting, For more information on formal digital leadership roles, see "*Governance: a central component of successful Digital Transformation*," 2012
 - 10 MIT-CDB and Capgemini Consulting research
 - 11 AdAge, Digital Fitness Is Latest Craze in Building up Your Marketing Ranks, 2011
 - 12 Capgemini Consulting, For more information on the potential of game mechanics to accelerate user adoption, see "*Let the Games Begin: Using Game Mechanics to Drive Digital Transformation*," 2013
 - 13 Case Study: EMC Drives Employee and Customer Engagement with Badgeville, Presentation by Tyler Altrup
 - 14 Case Study: EMC Drives Employee and Customer Engagement with Badgeville, Presentation by Tyler Altrup
-

Authors

Michael Welch
Visiting Scientist
MIT Center for Digital Business
michael.welch@capgemini.com

Andrew McAfee
Principal Research Scientist
MIT Center for Digital Business
amcafee@mit.edu

For more information contact:

Didier Bonnet
Global Head of Practices at Capgemini Consulting
didier.bonnet@capgemini.com

Patrick Ferraris
Head of Customer Experience Practice, France
patrick.ferraris@capgemini.com



Capgemini Consulting is the global strategy and transformation consulting organization of the Capgemini Group, specializing in advising and supporting enterprises in significant transformation, from innovative strategy to execution and with an unstinting focus on results. With the new digital economy creating significant disruptions and opportunities, our global team of over 3,600 talented individuals work with leading companies and governments to master Digital Transformation, drawing on our understanding of the digital economy and our leadership in business transformation and organizational change.

Find out more at:
<http://www.capgemini-consulting.com/>

Rightshore® is a trademark belonging to Capgemini



About Capgemini and the Collaborative Business Experience

With more than 125,000 people in 44 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2012 global revenues of EUR 10.3 billion. Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organisation, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

Learn more about us at www.uk.capgemini.com