

Organizational Change in the Era of Digital Transformation



Managing Change Needs a New Approach

Change has always been hard to effect, and today the problem is acute. Gone is the reasonably comfortable era of discrete, incremental organization, process, and technology-based change, replaced now by one of rapid, continuous, and profoundly disruptive digital transformation.

A feature of today's world is the sheer volume of activity and its disruption: digital and business transformation, innovation programs, and other change initiatives are dispersed across large organizations, with little or no coordination strategically or operationally.

By this we mean that they are not generally coordinated and managed as closely related enterprise capabilities united in common purpose and execution (that is, they are bottom-up in nature, lacking an enterprise view). This limits their business impact and increases costs as initiatives collide in the space of employee and management attention.

More fundamentally, often the tie to business strategy is not strong. Strategy is not systematically translated into explicit organizational elements needed, and leaders therefore must extrapolate appropriate actions, often haphazardly.

Just as bad, change goals are not made actionable, not translated into a new set of processes, work practices, culture, and behaviors. Specifically, companies are seeking to build capability without establishing a clear tie to the desired work of employees in specific business contexts.

Finally, and historically, change is often addressed as a last step in a process of technology-centric redesign and not as an active part of the design process itself.

The bottom-line impact is that desired change is not discretely defined and therefore does not occur. More fundamentally, companies fail to remain competitive, leading to decline.



The Nature of the Solution

In our conversations with a wide range of organizations, we hear about the pressing need for mechanisms that translate operationally-oriented change goals (as new methodologies, new ways of work, new programs and systems) into the practices of workers – to communicate the why, what, and how of the change and to drive the desired behaviors explicitly.

This requires a systematic, methodology-based approach that acts as follows:

- Provides a structure for a common, shared perspective on the specific changes of business transformation needed, which is tied to business strategy
- Translates change into individual scenarios/practices
- Demonstrates awareness of the end user (i.e., perspectives, needs) and the perception of a singular employment experience by the worker
- Boils down various change goals into a unified definition of culture that can be made actionable in daily activities
- Rationalizes the business ecosystem and the technological ecosystem over time.

There is only one employee experience in the eyes of the worker – it can be either a coherent, engaging, and effective one or an incoherent, frustrating, and counterproductive one.



A New Approach Described

We recommend an approach for evaluating and planning for change that introduces several new ways of thinking:

Apply a mechanism to translate strategy into organizational elements that can be acted upon.

Think in terms of clarifying business strategy and its key business drivers, naming and prioritizing organizational capabilities and their enablers that serve to put strategy into action, and creating a unified definition of how the employee experience shapes behavior in service of realizing capabilities.

Identify and act on “enterprise common” capabilities that serve the organization broadly.

Often this emerges from key enterprise management systems associated with change, such as LEAN, digital product lifecycle, design thinking, responsive organizations, and others. Building on the first point, this element provides a point of leverage and value creation and allows one to build an employee experience based on common, relevant requirements.

Take a “bottom-up” view as well.

Examine the various digital/change projects and programs underway to identify common goals as well as gaps in coordination and missed opportunities to leverage projects more broadly in the organization.

Understand how people work today and then how they need to work in the future.

Change in the digital world is continuous and centered in work practices and the culture that surrounds them. Identify what needs to move regarding the worker’s mindset and behaviors through the redesign of work activity and creation of new work practices in concert with technology. This includes defining, communicating, and supporting the development of forward-looking skills (such as working with data, collaborating, working mobile).

Leverage the digital Employee Experience as a place where activity is shaped through digital interactions.

This is done first by building in workers an awareness and understanding of rationale, goals, and process. Typically, this involves explaining the reasons for change and providing context regarding how to think about it.

Then the experience should drive the new work practices. Design should inform workers about situations that may require action, actively facilitate tasks and cognitive thinking, and shape behaviors through the design of the human/machine interaction.

Build a roadmap for the evolution of the experience.

A roadmap will align actions to strategy and communicate what elements of business, technology, and experience move over time. It is guided by principles and negotiates tradeoffs to deliver desired business outcomes. It incorporates a view of major business capabilities, common user experience elements, and technologies that collectively realize business goals, defined over time, and balances business/user outcomes sought, technology readiness, and operational impacts.



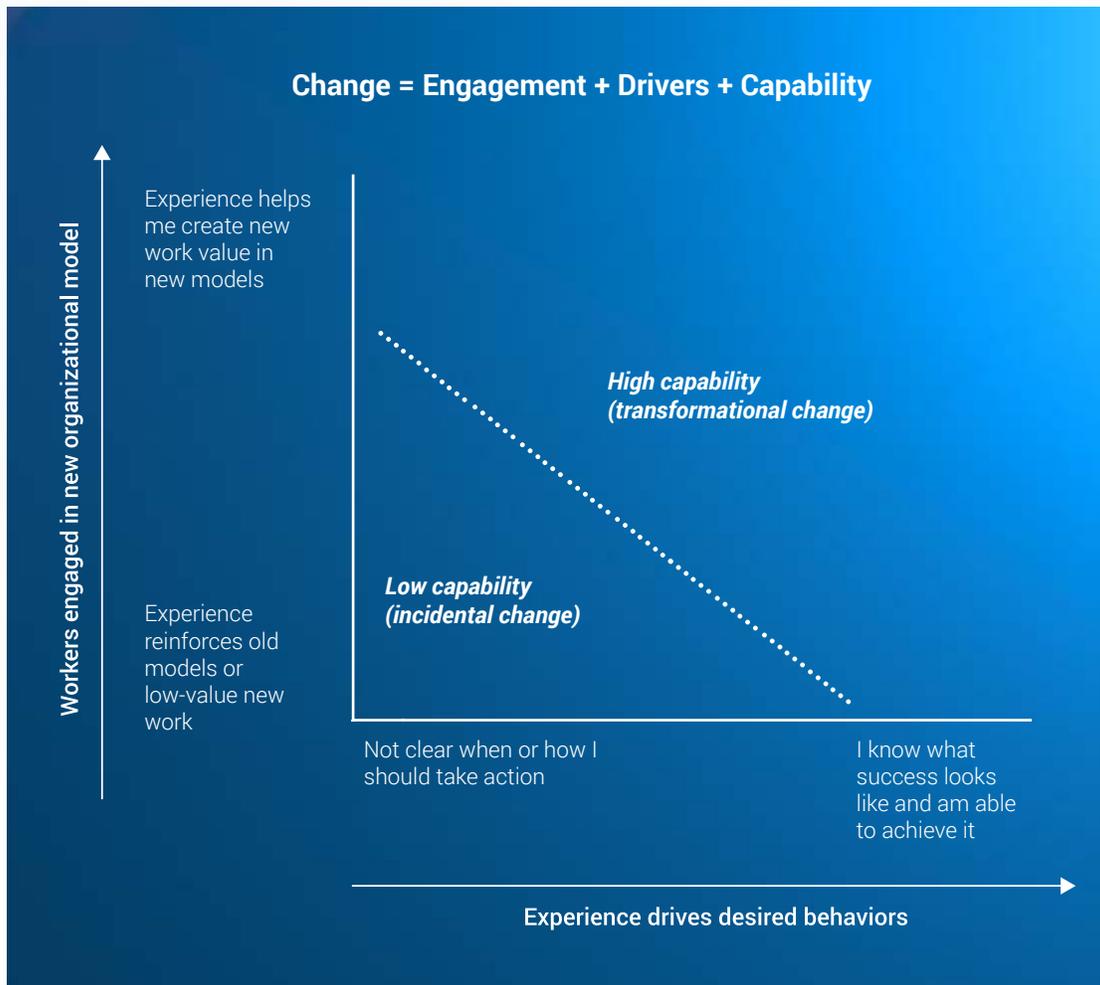
The Worker’s Perspective

Organizational change efforts inevitably introduce disruption into individuals’ day-to-day experiences of work. Workers experience change – no matter how well-coordinated or strategic – as a multitude of shifts happening across the business and sometimes all at once.

So how can business leaders focus attention, foster understanding, and ensure that transformation and change initiatives are resonating with workers?

Change occurs through an evolving relationship between workers and the organizational model – one that is unique, dynamic, and evolving over time. New outcomes can be subtle and diffuse, but are measurable.

Adapting the Fogg model, we have created a new approach to enabling and measuring individual behavior change in the enterprise:



Effective digital employee experiences create individual capability for change by:

- Creating digital moments that feel personal, meaningful, and relevant
- Reflecting a compelling story about my relationship with the organization (and the organization's relationship with me)
- Empowering people in new ways of working
- Defining common attitudes and behaviors against organizational capabilities to measure desired business and people outcomes
- Mapping the course of change to the experience roadmap ensuring workers can adapt seamlessly over time.

Digitalization provides opportunities to develop point-in-time interactions with perceived value to workers, which drive actions that support business goals. Organizations need to leverage the employee experience to develop and evolve these dynamic relationships and become a channel of change for the business.