

The Urgency of People Agility in Digital Transformation

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Volonte™

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2020 – A Year That Has Accelerated Workplace Change

In response to COVID-19, organizations rushed to figure out how to maintain operations while large portions of their workforces and customers stayed home. By forcing companies to adapt to remote work, and, in many cases, to reinvent large parts of their internal and client-facing processes, the pandemic accelerated the future of work. More people will continue working remotely, and the diversity of the workplace ecosystem overall will increase as technology and new ways of working impact many employees' daily routines.

In this way, Digital Transformation—both its necessity and its threat to work as we know it—has shot forward and isn't likely to slow down. Prominent software CEO Bill McDermott calculates that organizations will spend \$7.4 trillion globally on Digital Transformation by 2023. Yet, Accenture has found that only 13% of companies will achieve both cost savings and growth from their investment.

So, what does this all really mean for Digital Transformation?



Leaders are making significant investments in Digital Transformation—and they are expecting Real ROI.



While Digital Transformation races forward, it's still in early stages—especially when it comes to how it impacts individual workers, both in their current day-to-day tasks and in their careers overall.



Neither companies nor employees are actually prepared for the impact—yet.

1. <https://www.cnn.com/2020/04/30/7-trillion-to-be-invested-in-making-work-more-digital-service-now.html>

2. <https://www.accenture.com/hu-en/insights/industry-x-0-index>



Real ROI (RROI) in Digital Transformation

Companies can only realize real return on investment—or RROI—for their Digital Transformation initiatives when they remember to build the people side into their plans. Pair the technical portion of your initiatives with ways to mitigate any negative effects these plans may have on your employees' careers

Workplace change—and career change for employees—looms, creating a watershed moment for companies. As we move forward, organizations will separate themselves into two groups:

1

Companies that proactively approach Digital Transformation, preparing to thrive with a strong plan that takes both technology and their people into account

2

Companies that thought they could thrive due only to bottomless Digital Transformation budgets

The proactive group stands poised to rise above the rest, proving that a major ingredient in the recipe for successful Digital Transformation is caring for the very people it affects.

The latter group, unlikely to realize RROI, risks extinction. Less and less people will want to work for these businesses, whether as an employee or a nontraditional worker, and their revenue will slowly shrink.

"Digital Transformation is the process of exploiting digital technologies and supporting capabilities to create a robust new digital business model."

— Gartner

The #1 mistake companies make in Digital Transformation is the lack of focus on People Agility

Digital Transformation's Role in the Future of Work

82% of CEOs list Digital Transformation as one of their top initiatives,

And 70% of businesses already have Digital Transformation plans underway.

81% of companies report at least a moderate increase in overall performance since beginning Digital Transformation,

But only 13% achieve both cost savings and growth from their Digital Transformation initiatives.

The Future of the WorkER: Digital Transformation's Effects

80% of jobs will be transformed in some way by artificial intelligence (AI) or automation.

In fact, due to automation, 375 million workers—14% of the global workforce—will need to acquire new skills or even switch to entirely new roles by 2030.

89% of companies expect that their employees will see faster career changes,

And 50% expect automation to result in a reduction of their workforce.

Are Robots Overrated?

Businesses that have already begun investing time and money in Digital Transformation rarely provide a reliable, unequivocal example that their efforts have been worth that investment. As you consider that truth, you may ask yourself a question recently posed by Harvard Business Review: "Are Robots overrated?"³ In this case, the robots in question offer a personified version of automation, which is often central to Digital Transformation efforts.⁴

So now we ask: Is Digital Transformation overrated?

Answer: **Yes**—if you only focus on the technical side. But, it's a strong 'no' if your plan also includes a focus on the people side of Digital Transformation.

For Digital Transformation to work for your organization in the way you plan and hope for, think of people and technology as a yin-yang. You need to take care of both the technical side and the human side to create a cohesive and successful whole. Experts at global consultancy Bain & Company note that the organizations which fail to address how jobs will be impacted by their automation efforts will also fail in their automation efforts:

"The most effective change programs clearly communicate which employee populations will be affected by automation and specifically how. Open, direct and early communications about the impact of automation, together with reskilling programs, help people start thinking about or acting on new career paths. Without specificity [as to how the employee and customer experience] will improve, many employees will naturally resist."

3. <https://hbr.org/2020/04/are-robots-overrated>

4. <https://www.bain.com/insights/intelligent-automation-getting-employees-embrace-bots/>

Caring for the People Side of Digital Transformation—A Must

If you don't handle your Digital Transformation efforts correctly, which includes effective change management related to your employee experience, it will cost you.

So, what does change management look like when it comes to your employee experience? There's been a lot of talk about how upskilling and reskilling are a part of that answer, but actions speak louder than words. Companies, specifically the leaders within them, need to act.

While your organization may be spending millions of dollars on automation—and rightfully so—leaders must also show that they understand how to carry forward the human side of the equation. Here's a quick rule of thumb: Allocate at least one-fifth of your Digital Transformation budget toward change management initiatives that help your employees. This includes monitoring, maintaining, even improving your employee experience via consistent communication as well as the implementation of valuable reskilling and upskilling programs that have defined goals and outcomes.

Doubting this necessity? Consider recent research from MIT that compared organizations ranked in the top 25% for employee experience with those in the bottom 25%.⁵ It found that those in the top quartile:

- Are twice as innovative
- Achieve doubly high customer satisfaction
- Earn 25% higher profits

Remember, no one wants to be changed when they perceive it happening to them. Show your employees how they play an active role in the change—including where they might end up on the other side—if you want their buy-in. Otherwise you risk failure.



5. <https://www.avanade.com/-/media/asset/thinking/mit-research.pdf>



How to Humanize Digital Transformation

Make a plan for how you'll help your employees during career changes related to automation and other Digital Transformation initiatives.

Rather than taking a reactive approach, proactively address their concerns. Then use an empowering and proactive method to help them to discover a positive path forward—whether or not that path includes continuing to work for your company.

Achieve this and you'll build psychological safety. Why is that important? According to Harvard Business Review, multiple studies have shown that an atmosphere of psychological safety helps people feel comfortable speaking up and taking risks.⁶ Without that, your employees' strategic thinking will likely be hampered, and their collective creativity will suffer—stifling their potential to innovate.

So, approach Digital Transformations programs as a collaborator. Communicate to your employees why you're restarting the programs and get their input, seeking how you can leverage their ideas and create a win-win outcome together. If they know what's happening and understand why, they're more likely to embrace reskilling and upskilling programs rather than feel pushed into them.

6. <https://hbr.org/2017/08/high-performing-teams-need-psychological-safety-heres-how-to-create-it>

Volonte: A People-Focused Digital Transformation Solution

Companies that succeed in Digital Transformation will survive and thrive in the future of work.

To do so, they must not only discover the best uses for new technologies, like robotics process automation (RPA), but also maintain their best players while motivating them to embrace Digital Transformation.

We created Volonte to do just that. Our aim is to turn workplace and career change into positive, empowering, and data-driven experiences for employees. In doing so, we also help companies achieve faster adoption of and RROI from their Digital Transformation efforts. How? By:



Mindset

Enabling employees to be in the right mindset for change



Change

Providing employees with the tools and resources to navigate change



Data

Generating and capturing data to improve decision-making and creating Real ROI

About Volonte

Volonte is the cloud-based platform providing tools and resources to create the best experience and outstanding results in career change and skill development. Our customers are world-class organizations and thought leaders in how they care for their talent. They work with us to accelerate their success journey when others slow down. Designed and based in New York, Volonte contributes to a better world of work. Our team looks forward to learning more about your business objectives and to building People Agility together with you.

