

Mastering the art of change in the digital domain

The transformation of change management

Now, an emerging business phenomenon is taking shape which could derail your market presence. In this anytime, anywhere world, the rate of change is advancing in the blink of an eye. It's no longer linear, as in point A to point B, but full of disruptive innovations powered by a digital revolution.

The traditional change curve no longer applies to an organization seeking to undertake a major transformation — and employees expect to be engaged differently, personalizing their roles in the journey.

Organizations wrestle with a variety of questions that require critical answers if they are to effect change. How does my organization engage a multi-generational workforce? How can we modernize ways of working in this age of digitalization? How do we manage change when functions and roles are quickly evolving — and when repetitive work can be performed robotically?

In today's world, transformation requires a new change management approach — one that is enabled by digital tools that can accelerate transformation and adoption in real time. Radical change requires radical thought. Employees are ready and digitally enabled to challenge the organizational *status quo*. Is your organization prepared to meet that challenge?

For decades, businesses formulated and followed change management approaches that relied on resource-heavy tools dependent on traditional methodologies and time-intensive processes. Internal practitioners and third-party consultants followed a rigorous step-by-prescribed-step, top-down approach. And often, outcomes were gleaned not from empirical data or input from listening strategies, but rather from intuition based upon the “art of change.”

But that is no longer the path organizations can follow. A 2016 IBM Institute of Business Value (IBV) Global Skills Study of nearly 6,000 executives across 47 countries found that more than 50 percent placed “willingness to be flexible, agile and adaptable to change” as a critical success factor for their workforce.¹

Figure 1

The new change delivery model



Inside out to outside in

This willingness to be adaptable is causing current organizations to become more lean, more agile and more transformational in their thinking and actions:

- Listening to and synthesizing the sentiments of their socially and digitally empowered employees, partners and customers
- Constructing new operating models and reshaping cultures to form more agile environments
- Embracing a tiered delivery model: varied resources (onsite, near shore and offshore) for greater utilization and savings (see Figure 1)
- Incorporating new user-centric design thinking into their processes, planning and product development
- Implementing learning and educational programs to rapidly build scale and change mindsets

- Continuously measuring outcomes, readjusting their plans in real time to achieve optimal results and responses.

Think about this: transformations in the past (such as large and complex ERP implementations) often required a dedicated commitment of resources, skills and investment over an extended period (two years or more). Now with an agile approach that uses digital tools and the cloud, implementations (for example, mobile sales workforce application) may take months, if not weeks, to roll out.

In this social, mobile and data-driven world, there is a paradigm shift in transformational thinking and action taking place: just the type of change for the better many will seek. Let's see how change management in the current digital environment is transforming organizations from the outside in.

First step

Amplify the employee voice through digital channels

For nearly a quarter of a century, many companies have deployed standard change management methodologies. Built on top-down approaches, these methodologies and their accompanying processes and tools offered a linear, waterfall approach that was both time- and resource-intensive.

But in today's digital world, organizations require something different. According to an IBV study that interviewed over 1,400 organizational leaders responsible for managing and implementing change, nearly two-thirds see empowered people who are passionate about change as critical to successful change management adoption.²

This amplification of the employee voice translates into more dynamic "sense and response" to what these stakeholders need and desire.

By engaging employee stakeholders and influencers at every stage in a transformation process, detailed insights and cognitive analysis can tap into the full spectrum of engagement data, such as employee-generated text (see sidebar, "Enabling continuous digital communications"). This continuous listening provides a more comprehensive understanding of how things are progressing during a transformation.

Next up

Rethink organizational and user-centric design in a digital world

For any transformative process to succeed, organizations need to possess a fully holistic understanding of the employee. This means digitally listening to what they think, examining how they communicate with others, and knowing when and why they act. User-centric design provides a framework for comprehending what employees truly want and need, versus relying on hypotheticals about how things might work after launch.

Enabling continuous digital communications

A regional financial institution based in North America is a traditional brick-and-mortar business. The company needed to alter its go-to-market model, and begin communicating and conducting business with its retail customers through digital channels.

Employee input, especially from those who interact with customers day in and day out, was critical. Mining insights about what customers wanted and the conversations they wanted to have allowed the financial institution to develop a digital strategy to accelerate the launch of new online and mobile products and services to the marketplace. The result was a digital palette that incorporated employee and customer input, social media behaviors and sentiment activity.

Developing an inspiring plan for change

A European retail and commercial banking institution envisioned a transformational roadmap that would establish an environment that stimulates fresh thinking. It began by taking employees off site, away from the constraints of daily responsibilities and tasks. Organizational participants, facilitated by expert digital change facilitators, created inspirational outputs based on a shared vision, targeted values, and collaborative tools and techniques. All outputs were ready to disseminate and use within a pre-defined, mutually agreed-to period of time.

By taking this employee- or user-centric approach, organizations can realize rapid and continuous innovation that more accurately reflects and incorporates employee experiences, preferences and sentiments (see sidebar, “Developing an inspiring plan for change”). The result? An ability to pivot and extend scope based on employee-generated data insights or new inflection points that enable significant competitive advantage.

Third step

Measure the transformative value of change management

By examining and analyzing behavioral data and performance metrics, organizations can effectively measure the impact of any transformation. These cognitive insights offer greater intelligence in enabling how to sense and respond throughout a transformation (see sidebar, “Using metrics to hit transformation goals”). Change insight dashboards, predictive intelligence insights and sentiment analysis garnered from employees’ perspectives (sensing) may be leveraged for real-time change

roadmaps that address and target critical gaps (responding). Additionally, key reflection points, such as employee readiness and motivation gaps, can provide insight into how change will be adopted throughout the transformation process.

Using metrics to hit transformation goals

A global transportation company based in the U.S. is seeking to effectively alter employee engagement behavior to achieve cost targets. With 100 percent leadership alignment, and by incorporating a change insights dashboard, enterprise diagnostics with real-time transaction analytics are enabling immediate visibility into performance and operations. The results? Customer care goals are being exceeded, customer experience is heightened and course corrections are being accelerated.

What's next? Three new directions in change management

It is an exciting time to be in business. Though change is inevitable, it also offers opportunities for addressing the challenges critical to ongoing business success. Digital change allows an organization to innovate and adapt through a combination of business expertise, neuroscience and technological advances. What could be more exciting than that?

Ben Franklin once said, "When you're finished changing, you're finished." So, to get you started, here are three immediate actions that can accelerate adoption of a new digital change management approach:

- *Personalize the change* by placing employees at the center of the change, leveraging digital and social channels to communicate and collaborate
- *Construct a sense and respond change management approach* to listen and act quickly (and accordingly) by incorporating employees' experiences into change adoption
- *Define a set of specific behaviors that can be measured* and provide guidance on the progress of the change program.

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Notes and sources

- 1 King, Michael, Anthony Marshall and Dave Zarhachuk. "Facing the storm: Navigating the global skills crisis." IBM Institute for Business Value. December 2016. <http://www-935.ibm.com/services/us/gbs/thoughtleadership/skillsstorm/>
- 2 Jorgensen, Hans-Henrik, Oliver Bruehl and Neele Franke. "Making change work... while the work keeps changing." IBM Institute for Business Value. August 2014. <https://www-935.ibm.com/services/us/gbs/bus/html/gbs-making-change-work.html>

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