



Connected Employee

There isn't an organization in the world today that is not being faced with the spectre of transformation. As a result of rapid advances in technology, organizations are under pressure from born-digital startups and other competitors to transform themselves to be more customer focused while improving operational efficiency.

The Digital Means Business Report 2019 highlighted the need for a proper understanding of what digitalization is and, more importantly, what it isn't. It's not simply the conversion of existing business processes onto a digital platform, but rather a reimagining of the business strategy to embrace the potential offered by advances in technology. Equally important is that this is not a journey that is led by just the IT team; it's essential that all parts of the business work together to deliver this technology enabled business strategy.

While this is at the front of everyone's mind, organizations are still struggling to get their heads around digitalization. The Digital Means Business Report discovered that the lack of appropriate strategy is one of the biggest obstacles affecting digital transformation efforts.

Meeting the expectations of both customers and employees can seem like an impossible task, as they are constantly being challenged – fairly or unfairly - to match the standards set by disruptive innovators.

This can't be achieved without a renewed focus on the employee. An organization's employees are the interface between the business and its clients. They define the sales process and handle the customer query or create the content for their online interaction. Failure to keep them focused on the larger business goals is something that can derail even the most meticulously planned business strategy.

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People are your most valuable asset

One of the fundamental differences between IT projects of the past and current digitalization efforts is the importance of marrying human capital with digital assets.

Not only has customer experience become the single most important metric when measuring the success of any project, but employee satisfaction has been recognized as a critical factor in ensuring broader business success.

The reliance on people may seem counterintuitive in a world becoming more digital every day. The rapid growth of technologies, such as artificial intelligence (AI), automation and bots, are fundamentally changing the nature of work, taking over routine tasks and freeing up people to take on more challenging work.

This shift has created completely new approaches to how organizations are staffed. As companies look to assign more high-level tasks to their employees, the skill level required from those people increases, and it becomes more challenging to attract and retain this talent.

Businesses are caught between the desire to maximize the benefits from these emerging technologies and the need to minimize the impact on their skilled workforce. Failure to keep people as part of the process will only exacerbate the skills shortage, and organizations need to place emphasis on reconstructing work, retraining people and rearranging the organization to resolve this. (Deloitte - Global Human Capital Trends 2018).

For organizations hoping to accelerate their transformation efforts, it's vital that they empower their employees to work at their highest potential and lead the process. (McKinsey - Bringing Out The Best In People 2015).

Adding complexity to the situation is the multi-generational nature of the modern workforce. The different workstyles of these groups makes it impossible to find a onsize-fits-all approach.

- **Many Baby Boomers** (1946 -1964) have reached retirement age but are still active in the workforce, with the younger part of this generation occupying many of the leadership roles in large organizations. The strong work ethic and loyalty of this generation means that they are likely to be a part of the mix for the foreseeable future and retain significant amount of intellectual property.
- **Generation X** (1965 - 1980) are primed to assume nearly all top executive roles over the next decade. (ddiworld.com/genxreport). This, often misunderstood, generation plays an essential role in digital transformation efforts, as they were at the frontlines of the PC revolution in the 1980s and remain enthusiastic adopters of technology, making them the ideal leaders in the digital era.
- **Millennials** (1980 – 1995) - with their open minded, goal oriented, and tech savvy approach - can't be ignored. Highly educated, and with a strong social and environmental conscience, their demands for flexible working conditions and a desire to feel empowered at work means they have fundamentally shifted the way companies recruit and retain their employees. (Deloitte - The Connected Employee 2017).
- **With Generation Z** (1996 -) forming the youngest parts of the modern workforce, organizations are taking a serious look at how to cater for employees who have never known a life without technology. Most of them live connected lives, seldom separated from their smartphone; something that will need to be considered as they make up a larger part of the workforce.

The nuances of accommodating these different demographics are complex, and in no area is that more apparent than learning and development. Not only has the pattern of employment shifted – from a single employer for life to multiple employers – but people are demanding more in terms of training from their employers, and will change jobs if there is no opportunity to grow professionally with their current organization. (McKinsey -The Essential Components Of A Successful L&D Strategy 2019).

Organizations have also realised that they can no longer rely on educational institutions to prepare people for the current business environment. Businesses need people with a wide range of capabilities, including digital skills, being able to communicate effectively, and being able to identify as well as solve problems. Building up this set of skills requires a commitment to life-long learning, rather than just relying on previous educational institutions to prepare employees for the workplace. (Infosys - Workforce Development In The Age Of Digital).

Not only do organizations need to facilitate life-long learning, but they also need to take into account that employees are going to have their own personal preferences about how to access those services. These preferences are largely formed by the technologies they use in their personal lives, and that have created the expectation that learning systems in the business world will mirror the ease of use they find in their personal lives.

'Capability building involves more than just teaching people how to complete their day-today tasks. Instead, it focuses on a broader set of **skills that increase each employee's value to the organisation, such as learning to reach problems root causes, or providing effective feedback.**'

McKinsey – Bringing out the best in people 2015

'Digitalization: the use of digital technologies and capabilities to improve processes, **engage talent across the organization, and drive new and value-generating business models.**'

(Gartner - Develop a Talent Strategy the Digital Age, 2018)

Reimagining talent acquisition

For every organization, finding the appropriate workforce has evolved over the past few years from a purely administrative operation to a key strategic function. A recent McKinsey survey indicated that 60% of global executives expected that half of their workforce would either need to be replaced or retrained within 5 years (McKinsey - Are we long - or short - on talent? 2019).

This places massive pressure on HR teams to both attract employees who will be able to be productive from day one, and also retain the talent that the organization needs. This requires a holistic view of the entire employee life cycle, something that HR can't do alone, but requires the buy-in from the entire organization.

In order to attain this goal, the chief HR officers (CHROs) have to move beyond simply optimizing the existing processes, and instead focus on how HR can manage talent to deliver value to both internal and external customers. (Gartner How to Develop a Talent Strategy for the Digital Age 2018).

To achieve this, the CHRO needs to drive a number of initiatives:

- Explore innovative tools to make finding the right talent more efficient.
- Offer real-time learning opportunities to support the development of flexible career paths.

- Make employee experience a priority.
- Take a holistic approach in order to deliver an integrated employee experience

(Deloitte - The Connected Employee 2017).

The difference between a good and a great organization is its people, and training is a critical part of ensuring that their skills remain relevant to the needs of the company. To ensure that the training environment remains relevant, organizations need to take advantage of the latest advances in learning. There also needs to be a shift in the way training is delivered, moving from classroom-based, face-to-face environments to digital, ondemand and AI driven nudge learning.

The culture of learning and curiosity needs to be embedded into the organization for the true benefits of digital transformation to be realized.

The emerging trend that HR teams need to focus on over the next 12 months is workforce transformation. Just as businesses are digitally transforming their business strategy, they need to apply an equal amount of effort in transforming the workforce, bringing them up to speed with the skills needed in the modern business. (CHRO Quarterly 2018).

Why you need a strong company culture

Company culture is a concept that has come to the forefront in the past few years and its importance to the success of the organization can't be understated.

In the 2019 Customer Experience (CX) Benchmarking Report, 62.2 % of respondents said that employee satisfaction and improving CX are the main drivers of new working practices and/or organizational culture change. (CX Benchmarking Report 2019).

In the past, workforces tended to be concentrated in a few core locations, and a company culture tended to evolve naturally from this. However, as the workforce has become more dispersed, with international expansion and people working remotely, a focus on building a specific organisational culture becomes vital.

As part of this process, companies need to decide what they stand for; something that is important to potential employees - specifically digital natives - who are evaluating potential employers not just on remuneration and perks, but also on their values and approach to sustainability. (McKinsey - The Essential Components Of A Successful L&D Strategy 2019).

The real challenge facing organizations is creating a clear purpose and vision that has culture at the center; a culture that can be embraced across a diverse and inclusive organization who are looking for different things. Baby boomers need help transferring their knowledge to the rest of the organisations; Gen X and Z are looking for flexibility and global learning opportunities; and millennials want to make a difference. (2019 Deloitte Millennial Survey).

An inclusive culture is vital in driving growth and innovation – two things that are essential in attracting and retaining talent.

At the same time, the corporate culture needs to resonate with customers, as alignment between the company culture and the customer's view reinforce each other.

Your culture will build your brand.

'To remain relevant in this complex, changing environment you need to understand, integrate, automate, **and optimize your customer experience strategy, creating more value for your customers and your business.'**

(Dimension Data - CX Benchmarking Report 2019)

Company brand

It's clear that brand and culture are intrinsically linked. For any organization hoping to lead in the digital world, it's not enough to create a smart marketing strategy; organizations have to live the brand that they want to create.

The brand must have meaning, where it's seen to transcend its initial purpose, embrace innovation, and have social relevance. The brands that have elevated themselves today have done so on the back of this strategy, and to win tomorrow, organizations need to build themselves into future-ready objects of desire – in their products, services, people, and soul. (Deloitte - Brand Leadership Impact project).

The brand tells potential customers what they can expect from an organization. However, this promise has to be delivered on. This is the responsibility of the people working for the company.

It's important to remember that, just as the brand tells consumers who the company is, it also communicates a message about the company as an employer. The employer brand is vital in the recruitment of suitable talent, setting the expectation for the what the company will be like to work for. As such, aligning the consumer and employer brands is essential for the long-term sustainability of any organization.

Some of the most successful organizations of recent years have built themselves on the back of a superior brand experience. Research shows that consumers are willing to pay a 13% premium for higher profile brands, and those organizations with a positive brand value have a four times higher change of market share growth than their competitors.

The rise of the social enterprise is the ultimate personification of the alignment between an organization and its employees. The success of these organizations is not measured solely by turnover or profits, but by the combination of financial performance and their relationship with their workers, customers and communities. (Deloitte - Global Human Capital Trends 2018).

Transforming the employee experience

The modern employee lives in a technology empowered world, where there is little differentiation between work done in the office and work done at home. Even in the home, the level of connectivity is ramping up, with connected devices automating many routine functions, such as switching on lights and alarms. Smart technologies are providing people with more information on themselves and their surroundings. It's possible today to monitor the weather, get your car to almost drive itself, and perform self - diagnostic medical tests with devices that are available on the shelf.

The modern citizen expects quick, convenient services that are accessible anywhere, anytime. You need only look at the rise of smart devices - including speakers, phones, and watches - to understand how dependent we are on technology to live our modern lives. These technologies have evolved to a state where they are able to use the information they have gathered to predict our actions and pre-empt our desires. (Deloitte - The Connected Employee 2017). For organizations this can be used by applying machine learning and artificial intelligence to change the way their employees work.

AI, robotics, and automations are transforming the workplace, taking over tasks and changing the way customers think about how they interact with organizations.

However, visionary organizations are taking it a step further and using this opportunity to redefine the way work is done to gain maximum efficiency from both human and machine, while simultaneously ensuring customer expectations are met.

Not only does this promote efficiency but it creates opportunities for the workforce to re-examine their career paths and acquire new, more relevant skills.

The number of tools to facilitate communication among employees continues to grow and they all aim to improve employee efficiency. These gains can't be achieved in isolation and forward thinking organizations are taking them and reshaping their processes, physical workspaces, and leadership approaches to turn improved communications into greater productivity and innovation.

The use of automation, AI and machine learning has gone far beyond answering simple queries. Today, these systems can listen to conversations to analyze tone and identify when a customer is getting angry or frustrated. This intelligence can be fed to a customer service agent, allowing them to change their interaction strategy, or as an alert to a team leader or manager so that they can intervene or flag the call for follow up. At the same time, these systems can analyze how employees are using technology. By understanding this data an organization can assist in specific learning templates for each individual or team, promoting a smarter way of working.

In order to deliver an enhanced employee experience it's not enough to just provide better tools. All the different components need to be focused on delivering against the broader business strategy, in an inclusive manner.

There are a number of factors that contribute to the positive employee experience including:

- meaningful work
- supportive management
- positive work environment
- growth opportunity
- trust in leadership

(Deloitte - The Connected Employee 2017).

Organizations committed to delivering a positive employee experience need to be mindful that one element could derail the entire process. Even if they have invested in the best possible tools and streamlined all the processes, a single piece of outdated technology has the potential to ruin the good work done and put off potential employees. For people used to an always-on work experience, not being able to access files because they are away from the office, or not being able to connect to a video conference because of incompatible systems can prove to be extremely frustrating.

A holistic view of how the different elements contribute towards the employee experience is critical.

How facilities enable, engage and empower

Just as the physical design of offices has the ability to boost or restrict productivity, organizations have realized that the company is actually a living organism powered by a collection of people and not a physical structure. Once organizations accept that the place you work is more than four walls, they can start imagining how they can leverage this new reality to empower their new workforce and improve the experience for their customers.

The technologies available to employees will have a real impact on how they do their jobs in the future. While technology tended to be relatively generic in the past, we're seeing a massive change in the adoption of role-specific technology, as well as with Ambient AI; where technology enables interaction and automated action for humans in specific environments.

Wearables and technology - such as smart glasses, sensors and drones - will help field workers better understand their environments and guide them to problems. This could include helping a worker in an oil refinery locate a specific pipe that needed to be examined, or an electrician identify a specific wire in a bundle enabling them to isolate a fault much faster.

A simple example of where smart technologies can improve a more traditional office environment might be recognizing visitors automatically when they arrive for a meeting, and guiding them via an app or digital signage to the appropriate meeting room. Buildings can be made more energy efficient by using connecting sensor data to Building Management Systems (BMS) to monitor the movement of people and automatically adjust environmental factors such as lighting and temperature appropriately. While smart buildings deliver benefits because of reduced energy costs which also contribute to their sustainability goals, the real benefit comes in a more engaged workforce. We've seen companies with an engaged workforce enjoy a 37% decrease in absenteeism, 21% higher productivity, 10% rise in customer satisfaction, and a 25% drop in employee turnover.

(Deloitte - The new principles of brand leadership: The 2016 Impact Project).

These all contribute to the rising awareness around employee wellness.

Looking after the employee

Work-life balance has long been a topic of discussion in the business world, but with more people working remotely and embracing flexible working hours, the concept of employee well-being has come to the fore.

As a part of the greater employee value proposition, organizations today offer a suite of well-being programmes focused on physical, mental, financial, and spiritual health. The understanding that a healthy employee is more productive, and that this health extends beyond the physical realm, has been the difference proven by progressive companies. The scope of employee wellness programmes is also a key foundation of employee value propositions, helping recruit and retain employees.

Companies are also ensuring that their workplaces are healthy environments to work in, by investing in fitness facilities, walking trails, increased ventilation, more natural light, and access to outdoor spaces. All of these have been shown to improve productivity, cut down on absenteeism, and staff retention. (Cushman & Wakefield - Well Work Place Report).

Today, employee well-being is not seen as an optional or narrowly focused element of the greater employee value proposition; it's a core business imperative for leading companies. (Deloitte - The Rise of the Social Enterprise 2018).

The role of the Chief HR Officer

The CHRO and their team are responsible for helping acquire the connected employee; keeping them engaged, and retaining them for as long as possible. They need to drive a number of initiatives to ensure their organization's overall strategy is supported by an engaged, motivated, and skilled employee base.

- Working with the business is not negotiable. The line of business leaders have the best understanding of what skills will be needed to execute

the business's strategy. With this information, they can plan their talent acquisition strategy.

- Learning and development is going to be one of the most important functions in a world where automation technologies are taking over the routine tasks. Finding the right training to grow a new crop of critical thinkers and problem solvers will require that they look beyond their existing group of content providers, and find new service providers.
- The new breed of communication and collaboration platforms enable organizations to build virtual teams or tribes, breaking the restrictions imposed by distance and location. However, for these to be successful the work environment needs to be optimized, to take advantage of what they offer. The CHRO should look at all aspects of the work environment, including the workplace, management techniques, and incentives, to promote a way of working that takes advantage of these platforms.

(Deloitte - The Rise of the Social Enterprise 2018).

Conclusion

For companies looking to really benefit from their digital transformation efforts, it's essential that they look beyond technology and place culture, employees and customers at the center of their strategy. Technology will always be an enabler, but any organization neglecting the human factor will not see the full benefit for their business strategy. This requires that business, HR, Facilities and IT teams work together to create a new way of working.

The complexities of dealing with multiple generations within the workforce, as well as new and emerging workstyles - can only be managed by creating a clear organizational purpose. We need to promote a growth mindset where inclusivity and diversity are at the center of everything we do and where collaborative environments enable sharing of information between people and systems.



Together we do great things