THECR NETWORK

Helping Organizations Evolve: Exploring Digital Workplace Research

SNAPSHOT

SPEAKER
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COMPETENCIES
Strategy

MATURITY PHASES
CMM1, CMM2. CMM3, CMM4

SUMMARY

This call explored Jane's research in the area of digital workplaces. The highlights of the discussion are noted below:

1. Jane's digital workplace model consists of an intersect of people, organization and technology. Each of these elements has three facets – capabilities (individual, business, and enterprise), enablers (structure, process, reach) and mindset (leadership, culture and asset).

2. Rachel shared that her perspective on community management has changed over the years. Now when she talks about community management, she sees it as the "future of all management". With the move to digital workplaces, community management should actually fall under a corporate leadership role because it orchestrates and/or enables the rest of the organization. Jane and others really liked this term and perspective.

3. Along the lines of the above, Jane shared that the marketplace will see a new profession in the future, a Chief Digital Officer role. This position will be like that of a CEO because it will permeate deeply within the entire organization. This will be good news for community managers.

Overview

The highlights of the discussion are noted below:

- **Background:** Jane has been a Strategic Advisor for more than 16 years working with more than 60 large, global organizations.
  - Jane has conducted research on the internal digital environment dating back to 2006, which was then called the intranet. Already at that time, blogs and wikis were making their way onto the scene.
    - Each year that Jane conducts her research in this area, she sets up an advisory board consisting of a blend of thought leaders and practitioners to help shape the survey questions, to help structure the survey and then interpret the survey.
  - Jane has a group of practitioners in Paris called "Intranet Work".
  - Jane has lived in the South of France for the last 25 years.
- **The Four Phases of Digital Workplace Evolution:** Jane shared what she has seen as the evolution of the internal digital environment:
  - *Phase I – Authoritative, Stable, and Managed Dimension:* This started from the top-down intranet owned by communications. When it began, it was structured the way that organizations were structured. Jane still sees it that way.
  - *Phase II – Structured Collaboration Dimension:* Jane feels that this is an interesting point in time. This is when business people and IT people started to work together without necessarily waiting for or collaborating with communications. People got together to work on projects and/or to work as a team. There was a stable, managed dimension for collaboration that was often very document-based. Jane personally saw competition between the person who owned the intranet and the person who owned the collaboration platform. It was a difficult time, but a positive time in the sense that it was being used for real work.
  - *Phase III – Social Collaboration Dimension:* This was the exciting point in time when social media became more embedded into enterprises. There were a variety of different tools that people were bringing in, usually completely separate stand-alone platforms. That said, people were beginning to do what Jane calls: "social collaboration" vs. the structured collaboration that centered on teams, deadlines, deliveries, specific roles, etc.
    - The word "social" denotes more of a conversational tone. However, at this point companies tended to house these conversations in several places, meaning that

they were not well connected. The interesting point here is that people were beginning to feel empowered to some extent – to speak up, to break out of the silos and make connections across the organization. This became a challenge for the traditional roles of HR, communications and even IT.

- Most organizations are in this Phase. Jane's research has shown that a majority of companies have moved beyond Phase II, but are not yet at Phase IV.

- *Phase IV – Digital Workplace Mode:* Phase IV is the digital workplace. Some people call it "social intranet" or "collaborative intranet". The term is not important, but the idea is that these three different dimensions are where people come together and realize that something might start in social, turn into a project and then actually accomplish something worthwhile. At that stage it becomes a reference point to the rest of the organization.

  - This Phase is where the real management issues arise. It is a different world where HR, communications, IT and even senior management begin to realize it is no longer a top-down world where people are given instructions and then begin to work. In this Phase, people and communities self-organize and, in turn, influence the way work is done.

- **The Challenge:** In Jane's research and experience working directly with organizations, she has noted the following challenges in the move to a digital workplace:

  - Communication people no longer control the message completely. They no longer control the target of the message and they do not control the timing of the message because people can talk across the organization.

  - IT is no longer necessarily in control of the toolset and the timing of when technology is rolled out.

  - HR, in Jane's opinion, is at the most critical and most challenging point for most organizations, partly because HR is often the slowest to adopt new, socially collaborative ways of working. HR is concerned because they do not control the profiles of people, who can now self-declare their expertise. Enterprise and social networks and communities create visibility for people. That opens the door for internal personal branding, which is uncomfortable for traditional HR departments.

- **The Current State of Play – Internal Digital Maturity:** Jane showed a slide that compared the results of her latest survey *(see Best Practices below to understand the model and maturity grid*
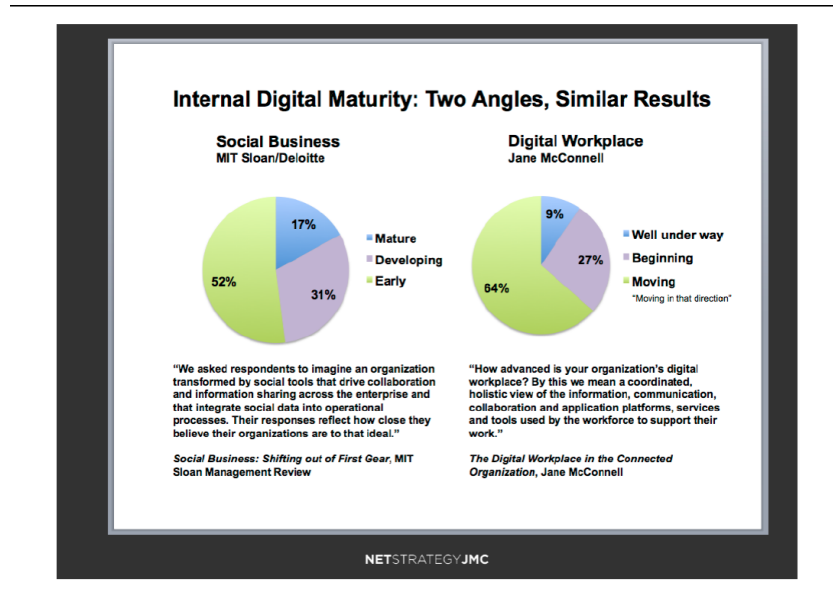
Figure 1 - Internal Digital Maturity: Two Angles, Similar Results - Slide 21[1]

- The pie chart on the right shows the results from Jane's survey. It shows that 9% of the organizations were well underway, 27% were at a beginning phase and the others in the survey could qualify as moving in that direction. The left hand pie chart shows the results from the Sloan/Deloitte Report.

- Jane was struck by the fact that the big chunks in the pie are very similar between this Report and her research. It demonstrates that this movement is just beginning.

  - Rachel shared that TheCR looks at this through the community lens, which is a little different. The work of TheCR members touches every aspect of what has been covered, not necessarily as the owner, but certainly as the facilitator of making all the connections between all of these things happen. While community managers are setting up these specific community structures, they are also thinking about the network structure and how things flow into and out of community. Rachel feels that TheCR members touch on many of these different

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[1] All slides uses with permission from Jane McConnell in her presentation to TheCR on December 18, 2014 entitled: *"The Digital Workplace in the Connected Organization"*.

aspects because communities do not work unless all of these other pieces are in place.

■ Jane replied that although she would not have expressed it quite the same way that Rachel did, she did see what she meant. Jane must have intuitively known that because of the fact that when she gave the leadership score it was based on answers to questions about the attitude of management, the attitude of the top HR people, etc. and the way the role was defined or not for community managers. For Jane, community managers have always been a part of leadership in her mind. Interestingly, Jane did ask more questions about community in this year's survey vs. last year.

Evolution of Change: Jane talked about how the industry has evolved in the last five years and the changes that it has initiated:

− **_Sharing Information and Knowledge, Co-Creating and Reacting:_** In a comparison of surveys between 2008 and 2013, people are more empowered to express themselves in the digital workplace today than five years ago.
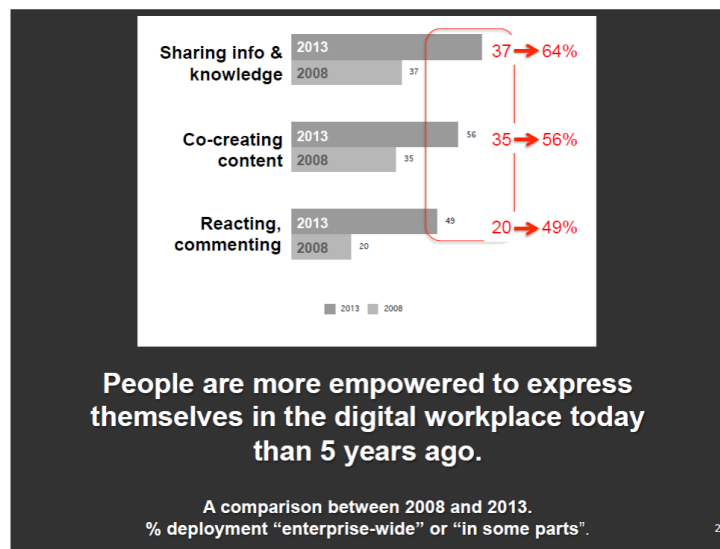

Figure 2 - Sharing Information, Co-Creating and Reacting - Slide 22

● For this data, Jane asked the same question about shared information and knowledge, i.e. how people have that capability and whether or not it is enterprise-wide, in some parts of the organization, in pilots or not at all. There

were five answers for sharing information knowledge, co-creating content, reacting and commenting. The bars shown in the slide represent the people who responded "Yes" to enterprise-wide or in some parts.

- This slide shows the data in 2008 and the data from the end of 2013. Three is a small jump, particularly in the shared information and knowledge.
- Jane is amused by how low the numbers started. Even with an increase, it is still a low number. That reflects the traditional hierarchical organizations where management is still not comfortable with people reacting to what is being said. They might share, but the idea of putting comments on an official article that is published on the intranet by corporate communications does not yet have traction. These results are encouraging, but there is still much progress to be made.

- *Enterprise Social Networking:* According to Jane's research, enterprise social networking exists in over 40% of organizations today. The question asked was if the company has deployed social networking enterprise-wide or in some parts of the organization. In 2009 it was fewer than 10%. In the most recent data from the end of 2013, it was over 30%. *(See Slide 23 for a graphical depiction of this data).*

  - The percentages in this survey do not represent what is happening worldwide. They represent what is happening based on the survey population for Jane's survey. It ranges between 300 and 400 organizations around the world with a high percentage of organizations that return to take the survey each year. Jane compares the results of this survey with other reports and feels that it is indicative.

- *Maturing Digital Workplace:* One question that Jane has asked for years in her survey is "What is the strategic driver for your internal digital environment initiative?" This year it was interesting to see a split. The top two drivers were "increasing organizational intelligence" and "gaining efficiency and cost savings". When Jane looked at the whole group of companies, those were the top two drivers. However, when she looked at only the top 20% of organizations – those she refers to as the "maturing digital workplaces" – those organizations were clearly more focused on increasing organizational intelligence. The other 80% of organizations are more focused on gaining efficiency and cost savings. Conclusions cannot be drawn definitively, but Jane does feel that it correlates with the way the top 20% in maturity also favor increasing organizational intelligence.

- In the mature digital workplaces, the top 20% share information and knowledge, find people and perform internal crowdsourcing. The top 20% of these organizations have capabilities in place enterprise-wide or in some parts of the organization. People can share directly without going through an intermediary. They can find anyone in their organization based on a skill or a need.
- Jane showed a slide (slide 27 in the presentation) that infers, in her opinion, that having a community in place is clearly a differentiator when it comes to initiating new ways of working.

- *Four Business Scenarios:* In the survey, Jane asked about four different business scenarios:
  - Ease and efficiency for customer-facing people;
  - Organizational flexibility when facing sudden change;
  - Developing skills and knowledge as a natural part of working;
  - Retaining knowledge and know-how of older experts when they retire.
    - From this data Jane concluded that high performance on those four business scenarios corresponds to a different kind of culture within the organization. Whether the organization had this culture and therefore performed well on the business scenario or whether they performed better as a result of their culture is not known. However, Jane feels that they probably both evolved together. Needless to say, there is a correlation between organizational culture and organizational performance in these four business scenarios.

- **Toughest Challenges:** In the survey, Jane asked about several challenges and asked respondents which ones they have already dealt with, which ones were difficult but manageable and which ones were serious and, therefore, holding them back. For the respondents, a majority of the top challenges were the following:
  - Too much focus on the tool, not enough on people and change;
  - Hesitation to rethink processes and ways of working;
  - Management needs proof of quantifiable ROI
  - Decisions based on consensus are slow and long;
  - Stakeholder politics/power struggles impact decision-making.
    - For a majority of the organizations that did not fall within the maturing digital workplace, they felt that these challenges were holding them back. Jane believes this gets to the mindset of the organization. Many of these challenges have

nothing to do with digital capability, but rather the ability to work differently. That cannot happen if management requires people to work a certain way only.

> ➢ Rachel added that in order to affect change, one must believe that change is possible. Perhaps in this case a majority of people do not believe that change can occur in their current environment. Jane replied that that was why the respondents were given two possible answers – "Already dealt with it" or "It does not apply". The question was granular, but the distinction made by Rachel is important. For those that say it is holding them back, Jane can go back and correlate it to a variety of other elements in the way that these respondents answered other questions, too.

Best Practices

The following is a summary of the various best practices that emerged from the discussion with members:

- **Understand Jane's Digital Workplace Model:** Jane explained that this framework was defined officially when the 2013 data was published. Jane worked for over two years on this model with the advisory board that helps her structure her surveys. The concept behind this model is that the workplace in the digital age consists of its people, its organization and its tools. However, it is not just tools, but rather the convergence of those three dimensions. Basically it comes down to the idea that the digital workplace has capabilities, enablers and what they decided to call "mindset".
    - *Survey:* The survey is a long survey, about 45 to 60 minutes to complete. Based on the answers from a selection of questions around the points within this model, organizations receive a scorecard to understand where they fare on all these different points.
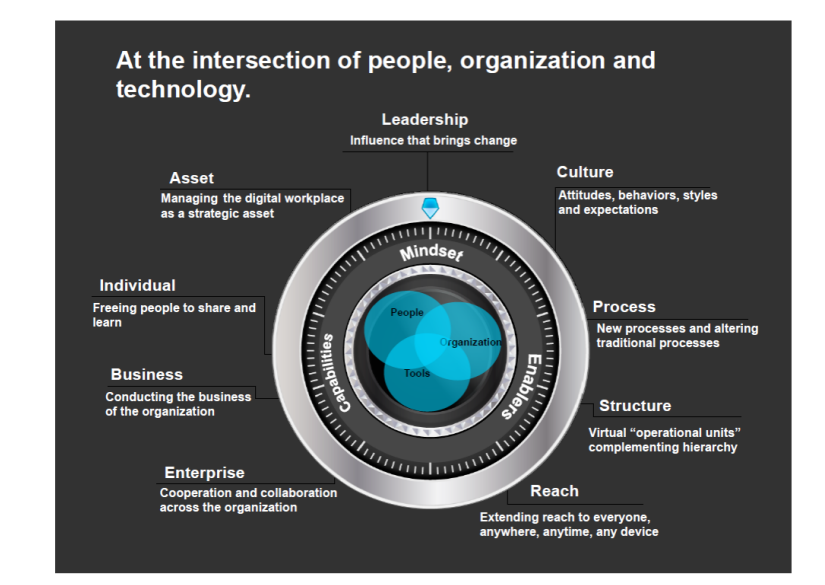
At the intersection of people, organization and technology.

Leadership
Influence that brings change

Asset
Managing the digital workplace as a strategic asset

Culture
Attitudes, behaviors, styles and expectations

Individual
Freeing people to share and learn

Process
New processes and altering traditional processes

Business
Conducting the business of the organization

Structure
Virtual "operational units" complementing hierarchy

Enterprise
Cooperation and collaboration across the organization

Reach
Extending reach to everyone, anywhere, anytime, any device

Figure 3 - Digital Workplace Model - Slide 16

- *__Capabilities:__* There are three facets of capabilities:
    - **Individual:** This looks at the capabilities of individuals, i.e. what people can do in an organization via the digital workplace. Can they share ideas, can they react, can they comment, can they start communities, etc.
    - **Business:** What capabilities does the business have? In other words, does the digital workplace help the customer-facing staff, such as a call center? Does the digital workplace support not necessarily the customers, but the customer-facing workforce in an organization?
    - **Enterprise:** The third area of capabilities is the enterprise as a whole, which examines issues across the organization. For example, can people find anyone in the organization – even if they do not know them – based on an expertise or a skill? People work together in a crowdsourcing context across the organization without knowing in advance who will be involved.
- *__Enablers:__* There are three facets of Enablers:
    - **Structure:** Structure is defined as virtual operational units that complement hierarchy. Jane believes that this is where the community comes into play for areas such as sociability, ideation, crowdsourcing, etc.

Those are all virtual spaces that people can set up like operational units, such as those found in a business division or a business unit. Since most organizations run on a hierarchical structure, these virtual units help cut across the organization. They complement the hierarchy since – in many organizations – there is usually a struggle between the hierarchical flows up and down and the horizontal flows across the organization.

➢ **Process:** The process entails new ways of working, such as co-innovation, crowdsourcing and shortening the way people work. Using an Enterprise Q&A to get an answer from anyone within the organization within minutes or hours is a new way of working.

➢ **Reach:** Reach is simply being able to reach anyone and everyone in the organization, whether it is by mobile device or access from home, etc. This is becoming more and more important because of what Jane calls "the digital divide," which still exists today. This refers to people who have access to digital resources and people who do not. It is likened to white collar and blue collar, which Jane believes are out-of-date terms. However, the idea of reach is to be able to reach everyone in the organization and vice versa.

▪ *Mindset:* There are three facets within the mindset capability:

➢ **Leadership:** Leadership is defined as "influence brings change". Jane did not want leadership to include just top management in an organization. As such, the criteria that were factored into leadership were whether or not the organization has community managers, whether or not they are full time and if they are recognized by the organization. It is a leadership role in an organization that is in addition to the traditional leadership roles.

➢ **Culture:** This consists of the behaviors, the styles and the underlying knowhow of the inner workings of the organization.

➢ **Asset:** This refers to whether or not the company's strategic assets are considered assets within the organization. If they are, then the questions are whether or not it is managed, measured and reported like a strategic asset.

- *Maturity Grid:* The Enablers, the Capabilities and the Mindset are each broken down into the three pieces. It is then based on a traditional five-level maturity scale going from ad hoc to beginning to organized to operational to embedded in the way you work.
  - Responses to 100 online questions generate data points which are scored and mapped to the nine dimensions:
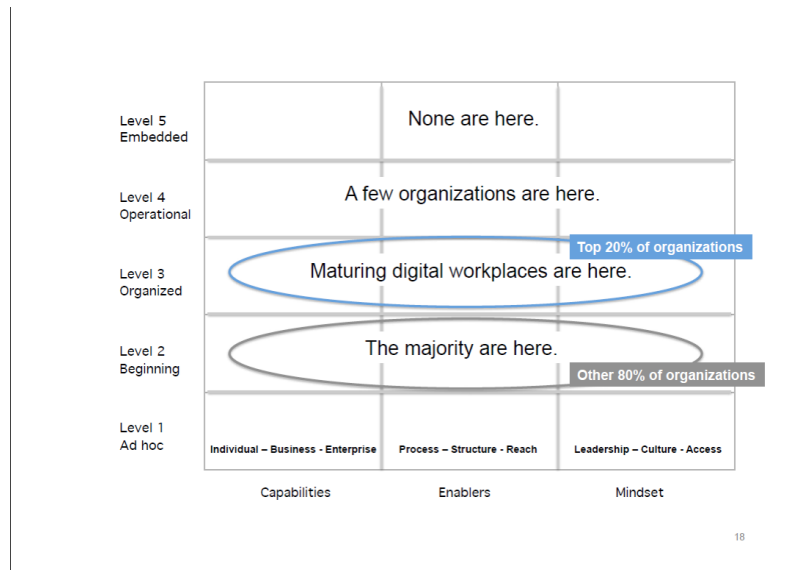

Figure 4 - Digital Workplace Maturity Grid - Slide 18

> This is data comes from the end of 2013. There were 314 organizations of all sizes from around the world. The top 20% of them were roughly at Level 3. A majority – roughly 80% - was at Level 2. There were a number of laggards at Level 1. This is important to understand because this model has been defined from a subjective viewpoint of a mature digital workplace that has certain requirements.

Lessons Learned

The following is a summary of lessons learned as shared by participants within the discussion:

- One participant shared that when it comes to roadblocks for the digital workplace within his organization, the protagonists are more risk and legal vs. HR. Jane replied that that is not unusual. In Jane's experience, some HR people are purely administrative. However, Jane has also seen HR administrators who see themselves working for senior management only. On the opposite end of the spectrum, Jane has also seen HR people who are very dynamic and very creative. For example, one HR practitioner who works for Nokia in Helsinki as the head of HR

can be credited for creating what he called the "Jazz Café" in the Nokia intranet 15 years ago. In this "café" HR answered questions openly in discussion forums from anyone in the organization. Jane has not seen this since. However, HR is key to fostering change and must be brought on board.

- Rachel added that she has had an AHA moment about HR. In many organizations, HR is a hidden control function. Their predominant role is managing risk around people, not enabling people. In many cases, they do not have the philosophical orientation to see how management is changing. Rachel feels that it is a huge risk for not only them, but the rest of the organization. John Stepper at Deutsche Bank coined the term: "Grass Ceiling". Basically, it refers to the grassroots efforts in an organization that move forward only to hit a "grass" ceiling because they cannot help the control functions evolve. This is usually due to the structure of the organization that ultimately drives behavior. Practitioners need to think about and treat HR as a control function and prioritize educating them on what is happening in order to avoid hitting that ceiling. If HR is not on your side, they will work against you.

- Rachel added that with the more regulated industries that she has worked with, some of the very smart leaders spend a great deal of time with all their control functions – legal, finance, IT, HR, compliance – to make sure that they understand what is happening around the organization. This way, when they begin to hit those organizational structure issues, they can at least have a constructive conversation vs. combative conversation.

- Jane also added that she has some clients that make a conscious decision not to involve those control functions until they get the project well designed. Jane believes that that is a risky game to play. It is a balancing act. You do need to get it defined enough and have champions for it, but it is very dangerous to wait too long. The challenge with HR in particular is to try to figure out how moving to a digital workplace mode will benefit them. Unfortunately, that is difficult to do with a function that is defensive and nervous.

  - One possibility is to bring in an HR person from an outside organization that will be listened to with respect by your HR people. Choose an organization that really gets it, is working effectively with digital in their HR function and who can relay their successes in a trusted, non-threatening manner.

- Rachel shared that her perspective on community management has changed over the years. Now when she talks about community management, she sees it as the "future of all

management". With the move to digital workplaces, community management should actually fall under a corporate leadership role because it orchestrates and/or enables the rest of the organization.

- – Jane really liked that term "the future of management". Some organizations today organize their ex-intranets or digital workplaces primarily through communities. The entry point is really by community. Therefore, this term corroborates what Jane is seeing in the marketplace today. Organizations are changing the way they design their digital workplaces to reflect communities.
- – Rachel is also seeing this change. Many of TheCR clients say that this is a strategic skill set for transitioning to the future of work or digital transformation.

- One participant asked Jane's opinion on whether or not community management will be a part of the scope of knowledge management or if knowledge management will fall within community management's scope. Jane replied that a few organizations are implementing a "Chief Digital Officer" or CDO role. Jane is in the process of writing an article about this very topic. For Jane, the CDO is not a technology function or even a marketing function. It needs to be a function that permeates deeply within the entire organization. A CDO is practically like a CEO. The reason she says this is because she feels that there is a potential for knowledge management to move in that direction. Knowledge is more than documents. It is connection of people, ideas and innovation. It will be interesting to see if this function evolves in this direction to some extent. Jane believes that it is a possibility.

Case Studies

Jane shared two brief case studies from two of last year's survey participants:

- **Lexmark:** Lexmark has a flexible BYOD (Bring your own Device) policy involving the Cloud so that it is easy for people to work wherever they are located at any given time. However, what has had even more of an impact is the fact that Lexmark enjoys flexible HR policies. People themselves can decide when to work from home and when to work in the office. They have a social platform and they are pushing the concept of working in an enterprise social network to share thoughts and share what is happening and see what others in the group are doing. Lexmark made this move in order to help their organization to become more collaborative.
- **Arup:** A clear way to get senior management attention is to share a client success story that has occurred because of a community or social network. This was just such the case for Arup.

When Hurricane Sandy hit New York, a client had a problem with flooding in the subways. They asked Arup for help. The problem was posted across Arup's enterprise social network and within 24 hours they were able to collect detailed explanations and photos from cities that had dealt with similar situations – London, Dublin, Tokyo, etc.

- One participant added that Arup believes in this concept so much that they use it to win work.
- Rachel added that Arup does not quote on the stock market as they are employee-owned. That may help to relieve some pressure to be able to follow this type of philosophy so wholeheartedly.

Additional Insights

Hillary asked participants how familiar they were with Jane's research. Of the eight participants that replied, five were familiar with the research. It was brand new to three participants.

Resources

- As mentioned in the discussion – John Stepper, Grass Ceiling: http://johnstepper.com/2011/07/30/the-grass-ceiling-limits-to-grass-roots-initiatives-and-what-to-do-about-them/
- As mentioned in the chat: http://www.amazon.com/Mastering-Organizational-Knowledge-Flow-Sharing/dp/047055990X
- As mentioned in the chat: http://www.ka-connect.com/books.php
- As mentioned in the chat: http://www.pinterest.com/thecr/thecr-reading-list/
- As mentioned in the chat: http://sloanreview.mit.edu/reports/shifting-social-business/shifting-social-biz-3/
- As mentioned in the chat: http://www.idc.com/getdoc.jsp?containerId=prUS25297714
- As mentioned in the chat: http://www.digital-workplace-trends.com/participate-in-the-digital-workplace-survey
- As mentioned in the chat: http://publications.arup.com/Publications/O/Ove_Arups_Key_Speech.aspx
- As mentioned in the chat: http://ka-connect.com/talks.php?vdx=0&vct=0&vcf=5