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HR'S ROLE IN DIGITAL TRANSFORMATION

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in
collaboration
with

HR Grapevine

INTRODUCTION

Digital is the inescapable way that businesses must operate—now and in the near future. For many firms, this means changing their fundamental business processes—from managerial structure, to transactions with customers and colleagues. Inevitably, much of the responsibility and management for change will reside with HR; so, how should HR professionals respond?

Over the last few years, the HR function has undergone rapid change in preparing to support the workforce of tomorrow. From addressing the emergence of cloud computing through an urgent reskilling of the workforce, to attempting to master big data and analytics, HR is grappling with digital transformation which is pervasive throughout the organisation.

The various elements of digital transformation are crucial considerations that the most savvy firms will face as they build tomorrow's organisational structure. Before HR can get started, it must consider what digital transformation means, how the process will change the way business works, and what the most important factors are when undertaking a transformation project.

This whitepaper explores each of those considerations.



“ACROSS THE UK, THE LAST FEW YEARS HAVE SEEN BUSINESSES IN EVERY INDUSTRY GRAPPLE WITH WHAT A DIGITAL FUTURE MIGHT MEAN FOR THEM. HR IS NO EXCEPTION. AS THE PACE OF TECHNOLOGICAL CHANGE CONTINUES TO GATHER SPEED, ORGANIZATIONS AROUND THE WORLD WANT TO MAKE THE MOST OF DIGITAL TECHNOLOGY. HOWEVER, MANY BUSINESSES ARE STRUGGLING TO TRULY MAXIMISE THE POTENTIAL OF THIS TECHNOLOGY.”

John Vickerman, HRD UK & Ireland, Fujitsu

WHAT IS DIGITAL TRANSFORMATION?

Gone are the days when digital transformation merely referred to the simple digitisation of paper-based processes.¹ Rather, personal and professional daily life, and innumerable business transactions are now driven by and conducted via digital praxis. This includes both customer expectations of digitised delivery and service and the digitisation of systems that underpin internal business processes and market-facing exchanges. From ordering goods and services on a smart device to messaging a colleague on an intra-office messenger, much of this digitisation can, and has been, taken for granted.

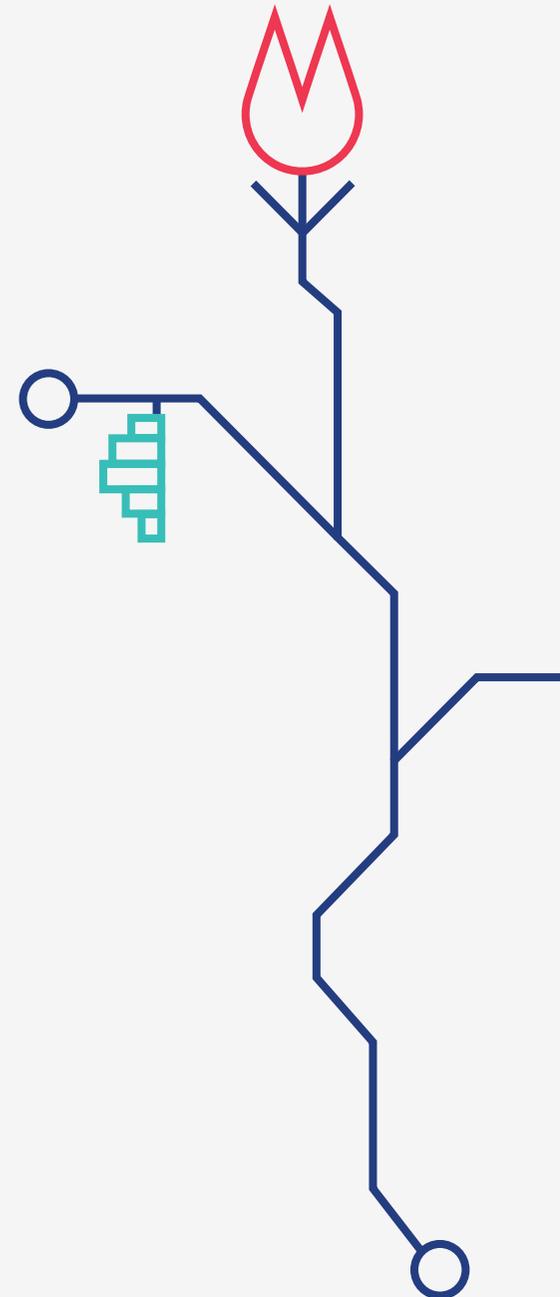
Yet the constantly evolving iterations of emerging technology and systems now available are only the start of the transformation process. Choosing, introducing and implementing new technologies, along with aligning the workforce, changing the company culture and rolling out training and development programmes, will be necessary to conquer this new digital business paradigm.

These are key elements of the successful digital transformation of any business, regardless of whether the transformation is widespread, or confined to just one area or function of the company. Research shows that over half (51%) of companies are currently re-designing their organisations for digital business models.² Undeniably, many contemporary firms are gearing up to contend with a framework of business defined by an ever-faster rate of digitisation and technological evolution. The wholesale change approach makes it clear that the most digitally savvy organisations consider digital transformation to be more than just an investment in cloud technology.

To reach a company's digital goals, the transformation process cannot be just about the acquisition of new technology or systems. Over nine in ten HR and business leaders are experiencing significant changes to their management and employee structures as a result of new digital tools.³ Depending on the size of company, digital transformation likely involves more than aggressively acquiring and implementing new tech. This is why HR Grapevine asked our audience about their role in the process. We asked questions like, did HR have ownership of any part of the digital transformation process? Did they know who to contact regarding digital projects? What did they think was most necessary to a successful digital overhaul of business practices? Also, perhaps most importantly, was their voice being heard?

Digital transformation is more than just an empty watchword for superficial progress, rather it's an ongoing set of processes. These processes are successfully managed to produce a meaningful ROI, benefitting productivity, staff engagement and therefore the bottom line. With HR being crucial to human capital management, are they involved enough in the process to ensure that it is working for the people who benefit the business?

To better understand the challenges posed by digital transformation, we surveyed our readers, who represent the broadest range of HR professionals contending with these issues on an operational basis every day. In total, HR Grapevine received responses from 618 survey respondents who work in a wide range of industries and company sizes in both the public and private sector.



1. Scoop (2018). Digital transformation: online guide to digital business transformation. Available [here](#).

2. Ocean, P., Stephan, M., Volini, E & Walsh, B (2017) Rewriting the rules for the digital age 2017 Deloitte Global Human Capital Trends. Available [here](#).

3. Agarwal, D, Bersin, J, Lahiri, G, Schwartz, J & Volini E (2018) The hyper-connected workplace: Will productivity reign? 2018 Global Human Capital Trends. Available [here](#).

KEY FINDINGS FROM OUR STUDY



CEOs are taking ownership of digital transformation. Over a third of those surveyed noted that digital transformation projects were directly stewarded by the Chief Executive.

83%

83% of respondents reported that they had day-to-day exchanges, specific meetings or were involved in change management programmes about digital transformation.



Respondents overwhelmingly believe that having an excellent change management process or designing the correct learning & development programme are the most vital factors in a successful digital transformation project.



In just over one in ten organisations, HR had specific ownership of the digital transformation process.



The three areas where our respondents felt least prepared about digital transformation, from a talent perspective, were:

1. The recruitment, retention and attraction of the right talent.
2. Having the right systems in place to support staff.
3. Experiencing a dearth of the right skills in their organisation.



Those surveyed believe that Mobility Management (relating to tech distribution and management of the remote workforce) and Machine Learning were the least vital aspects of digital transformation.

DEMOGRAPHICS

Seniority of our survey participants



48%
Junior



30%
Management



22%
Director or
C-Suite

Industries represented



WHY IS COMMUNICATION STILL AN ISSUE AROUND DIGITAL TRANSFORMATION??

“To thrive in the digital economy, businesses require a digital transformation strategy that closely aligns the business and the IT and technical functions, so they can efficiently adapt to technological changes and opportunities. Of course, aligning business and IT strategies within the context of any company’s unique power structures and culture can lead to conflict or communication challenges. Successful alignment requires that leaders identify and address any conflicts. Ultimately, the benefits of strategic business-IT alignment outweigh the risks. No two companies are alike and there’s no one-size-fits-all approach for applying business-IT alignment strategy within a business. The organisation’s specific circumstances, culture, and requirements determine the best strategic fit.

One crucial aspect any company needs for effective business-IT alignment is a collaborative culture. It enables the business to adapt for the future. To facilitate collaboration, the company must establish procedures, policies, and norms that govern how the collaboration functions on a day-to-day basis. A shared understanding of these contexts enables effective collaboration, and must be communicated and reinforced or collaboration breaks down.”



Heide Abelli,
SVP Content Production
skillsoft

Digital transformation is changing basic working practises



70%
believe more time
will be spent on
collaborative platforms



67%
predict growth
in work-based
social media



44%
expect face to face
meetings to decrease



32%
expect texting to
increase at work



30%
expect
phone usage
to decrease

DO I NEED TO ENTER THE DIGITAL AGE?

Many firms are already using aspects of digital to change the way the company operates. Over the last five years, HR has followed suit. Prior HR efforts typically focused on personnel operations and the maintenance of employee records through integrated talent management. Today, it has shifted towards helping to build an organisation for the future.⁴ With more companies hiring digitally native and digitally savvy workers, the workforce increasingly sees digital ways of operating as an imperative. This thought extends to HR as well: 67% of UK respondents to a Deloitte survey cited digital HR as 'important' or 'very important'.⁵

Looking to the future, digital transformation will offer novel management opportunities, as well as challenges. By 2021, Artificial Intelligence is expected to add \$3 trillion to the global economy.⁶ This shows the obvious business case for going digital.



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**67% OF UK
RESPONDENTS TO A
DELOITTE
SURVEY CITED DIGITAL
HR AS 'IMPORTANT'
OR 'VERY IMPORTANT'.⁷**

4. O'cean, P., Stephan, M., Volini, E. & Walsh, B. (2017) Rewriting the rules for the digital age 2017 Deloitte Global Human Capital Trends. Available [here](#).

5. Ibid.

6. Argarwal, D., Schwartz, J., Bersin, J., Volini, E., Gaurav, L. (2018). AI, robotics, and automation: Put humans in the loop 2018 Deloitte Global Human Capital Trends. Available [here](#).

7. O'cean, P., Stephan, M., Volini, E. & Walsh, B. (2017) Rewriting the rules for the digital age 2017 Deloitte Global Human Capital Trends. Available [here](#).

FUJITSU



Case study with John Vickerman, HRD UK & Ireland

As businesses across the UK begin to understand what a digital future means for them, many are enacting transformation plans which affect all aspects of their corporate structure—both internal and customer-facing. Fujitsu is one such firm.

For John Vickerman, HRD UK&I at Fujitsu, this is a necessary reaction to customer demand.

“There is a strong demand from our customers to move quickly, be flexible and deliver fast results—we have been putting in place digital solutions to ensure our teams are able to keep up with this pace and deliver on these demands.”



For Fujitsu, this didn't only mean updating practices and technology; it also meant rolling out a portfolio of cloud services, and upskilling their staff. “We've been conducting training for approximately 10,000 employees engaged in cloud-related businesses globally on cloud-related services provided by partners,” he said. “In doing so, we are substantially increasing the number of personnel who support the building and operation of hybrid IT and multi-cloud systems to suit our customers' business requirements”.

Vickerman sees the role of HR as central to this change. He said: “HR plays a vital part of the cultural change here, as people are the lifeblood of any organisation, HR's role in digital transformation is key. But in order to bring this to life, it's important we foster a fast-paced culture, one with rapidly forming and disbanding teams, and one that looks to bring in expertise when needed. Whether it is keeping our staff up to speed with agile training or hiring in on-demand skills, we are ensuring we are proactively encouraging digital transformation at Fujitsu”.

WHAT DOES THIS MEAN FOR HR?

Although there are many different models of digital transformation, they may be inappropriate or unusable for the type of evolution and change that will be appropriate at your organisation. Affordability, scale, industry, talent availability and geographic region are all factors that can affect the feasibility of digital transformation programme. Consider also the varying business needs an organisation wants to address through its digital transformation initiatives. Together, these variables affect which digital transformation model is best for the company.

There are many predictions about what digital changes will mean for HR. One hypothesis is that, as high-performing HR departments of the future are reskilled, they will have fewer generalists, more specialists and more senior staff.⁸ However, during the transition period, the firm will have to come together to achieve the goal of increased productivity. Deloitte, in their 2017 survey on the digital age of business, argues that HR must break out of its silo and work across functions to prepare the firm for new digital practices.⁹

A previous study found that only in six percent of instances HR was the instigator of digital change. This shows there is clearly space for HR to take the lead on specific aspects of digital transformation and become influential implementers, putting people first. To do this, the HR function must become digitally adept, only then can they become digital shapers and provocateurs.¹⁰ Alistair Milnes, General Manager, Global HR and Communications at Gazprom Marketing & Trading notes, "HR needs to move quickly from being a supportive and enabling function to a leading function".

“TO DO THIS, HR ORGANISATIONS MUST WORK WITH IT TO BRING EXPERTISE IN TEAM-MANAGEMENT, GOAL-SETTING AND EMPLOYEE DEVELOPMENT TO HELP MAKE THE NEW WAVE OF CONNECTIVITY TOOLS PRODUCTIVE, SIMPLE, AND ENGAGING.”



Deloitte Global Human Capital Trends 2017

8. Ibid

9. O'cehan, P, Stephan, M, Volini, E & Walsh, B (2017) Rewriting the rules for the digital age 2017 Deloitte Global Human Capital Trends. Available here.

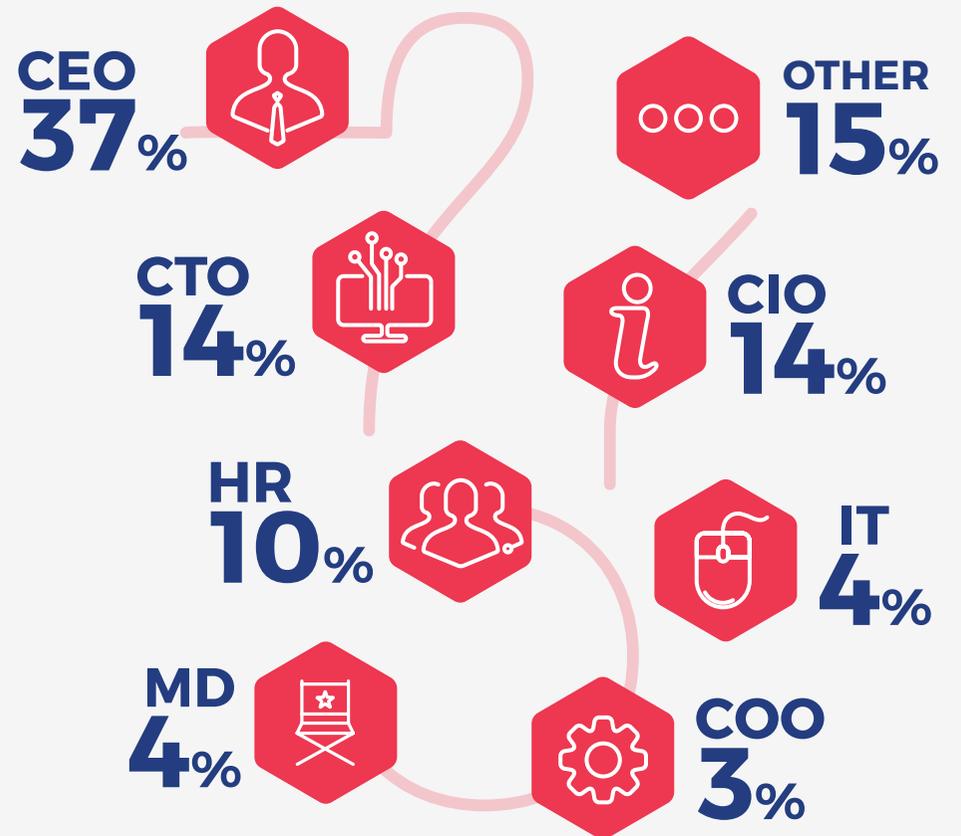
10. Rosethorn, H, Modi, D, Prophet HR as digital force for change

WHO ACTUALLY OWNS DIGITAL TRANSFORMATION?

The results of our Skillsoft and HR Grapevine survey revealed that it is the CEO who usually has control and oversight of an organisation's digital transformation process. Specifically, over a third of respondents to our survey answered that their CEO has control of the digital transformation process, with HR owning the process only one out of ten times. A separate study on HR as a force for digital change by consultancy firm Prophet corroborates these findings. It found that only in six percent of companies, HR was the provocateur of digital change, with a third of businesses simply passively implementing what business leaders had instructed.¹¹

Yet HR still has a role to play. Those who work at a senior level in HR—CHRO, HR Leaders and HRDs—are expected to assist in the digital transformation process. One study concludes that “[HR leaders] must create a deliberate study or, via collaboration, extend the tools they have to the environment they are meant to assist”.¹² In reality, this means adjusting the workspace, management techniques, and rewards and incentives to meet the new demands of the digital age—all tasks which earnest HR practitioners should be involved in regardless.

WHO HAS CONTROL OF THE DIGITAL TRANSFORMATION PROCESS?



Who should have ownership around digital transformation?

“I actually think that the responsibility for DX is cross-functional but ultimately it should be “owned” by the CEO, just as the overall strategy of the organisation (not just DX) is owned by the CEO. DX is no different. The CEO needs to articulate the vision, working closely with key stakeholders. It is the CEO’s responsibility to articulate and share this vision of the successful future digital state throughout the organisation. However, all functional areas must play a collaborative role in DX enablement and execution, including HR.”



Heide Abelli,
SVP Content Production
skillsoft

11. Ibid
12. Ibid

STARBUCKS[®]

Case study with Starbucks[®] ¹³

Starbucks is an example of a company which has facilitated meaningful digital transformation. But unbeknownst to most, their success resulted from the vision of two different CEOs. Initially, Howard Schultz, CEO and Founder, saw the business praxis was changing and aligned the firm with the right technologies.

Yet not everything worked smoothly. Digital transformation, if not done with a complete sensitivity to the minutiae of business, can go badly. Starbucks had to admit that their new mobile-order-and-collect changes resulted in long lines in outlets, thus negatively impacting the customer experience.

This left now-CEO, Kevin Johnson, with a difficult conundrum; should he roll back the digitisation of Starbucks processes or carry on digitising? Johnson took a slightly different tack, looking at the internal workplace processes aspects, rather than the external processes with which Schultz was renown.

Johnson was interested in what digital could do for internal operations, particularly how store managers could connect with each other. He said: "Just in the US we have over 9,000 company-operated stores. The question was posed: how can we better connect with our managers"?

They decided to implement Workplace by Facebook which supports live streams and live forums. Starbucks store managers were able to use this technology to create their own discussions and communities. 80% of Starbucks employees use the tool to support knowledge transfer and sharing of best practices.

As a result, on-the-ground information became immediately available to head office teams, who were then able to change official menus and offerings based on timely feedback from store managers. Johnson says that it if were not for this technology, this sort of transformation would have otherwise taken months.

13. Lauchlan S. Life after Schultz 2017 Diginomica.com. Available here.

IS HR INVOLVED IN THIS PROCESS AT ALL?



“OVER THE NEXT SEVERAL YEARS, ONE OF HR AND BUSINESS LEADERS’ GREATEST CHALLENGES WILL BE TO REDESIGN MANY OF TODAY’S WORKFORCE CONFIGURATIONS.”

Deloitte Global Human Capital Trends 2018

Our survey found that in over 85% of cases, HR was aware of the digital transformation process, even if the function was not directly in control.

Additionally, just over 26% of companies had an official change management process which they could engage to push through digital transformation. Among SMEs who responded, digital transformation came up in day-to-day exchanges, and 26% engaged with digital transformation in this manner.

Only nine percent of respondents were not aware of how to engage in digital transformation at their firm. However, this is not necessarily because of poor communication or because certain functions were being cut out of the transformation process. Despite digital transformation seemingly dominating business conversations, a recent Deloitte survey found that 49% of firms weren't planning to cultivate the digital skills needed for digital transformation.¹⁴ Is this indicative that some companies are just not planning to transform at all?

HR IS NOT DIGITAL AND REMAINS PROCESS DRIVEN

59%

HR DELIVERS BASIC NEEDS

43%

HR SPORADICALLY SUPPORTS DIGITAL

27%

Statistics from - Prophet's HR as a force for digital change

14. O'Ceann, P., Stephan, M., Volini, E. & Walsh, B. (2017) Rewriting the rules for the digital age 2017 Deloitte Global Human Capital Trends. Available here.

If you don't own the Digital Transformation process, how can you best engage with those who do?



Meetings

31%



Change management process

26%



Day-to-day exchanges

26%



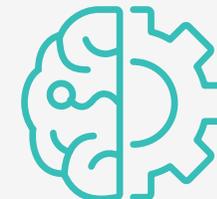
Don't know

9%



Other

7%



Learning & Development

<1%

“DX originated within and grew out of the IT and Data Science functions, not within HR. As a result, those departments became the de-facto ‘owners’ of DX. Ultimately, experience demonstrated the need to create stronger alignment between IT and the rest of the business functions, and often the CEO, ended up being the best ‘owner’ for achieving alignment across the business. No functional area has really viewed HR as a natural owner of DX, even though human capital enablement is the biggest ingredient in the recipe for DX success. HR is coming to the party late and will have to present a compelling vision for DX human capital enablement to be included in the digital conversation. The reality is that success will be a direct result of the human capital that an organisation can put into place. Capabilities cannot reside exclusively in the IT function but must be pollinated across the organisation to bring together the collective set of capabilities required to design, develop and operate the digital business. Human capital readiness for digital should be paramount for every enterprise and that is where the HR function can bring tremendous value to the picture. Digital transformation is not just about embracing new technology, it is about a change in mindsets and how the organisational culture supports innovation and HR is key there.”



Heide Abelli,
SVP Content Production
skillsoft

HOW TO PREPARE A DX PROGRAMME?

An organisation can glean much from the way that other firms implement their digital transformation projects. However, an organisation should never directly transpose another firm's action as a blueprint for their own transformation. Whilst parts may be usable, other pieces will not fit the scale, industry and expectations of another company. It's much more suitable to determine a company's own digital transformation needs and then explore what tools are needed to achieve them.

We asked our survey respondents what they thought was most vital to a successful digital transformation project. They responded that having a clear change management process, learning development opportunities around the project, and digital security were the most important aspects.

At the other end of the spectrum, machine learning and mobility management were seen as the least important aspects of successful digital transformation.

What did our respondents consider the most vital aspect of a successful digital transformation project?



Level of importance - One being the highest

1 2 3 4 5 6 7

“The most critical talent part of the DX puzzle is finding the people who have digital mindsets and the kinds of soft skill competencies that will be needed in the digital economy. By digital mindsets, we mean growth mindsets for continuous learning, agility, embracing risk and collaboration. Necessary digital age soft skill competencies include algorithmic thinking, data literacy, critical thinking, and empathy, among others. People tend to focus on the hard skill competencies like programming artificial intelligence algorithms, design thinking, network security, user interface designing, project management, etc. But it turns out that the soft skill competencies may be harder to find and develop.”



Heide Abelli,
SVP Content Production
skillsoft

WHAT IS THE BLUEPRINT FOR SUCCESS?

“People want things done quickly and done right so you need to bring expertise, but also that flexibility of thought and innovation. This is where we have been particularly in demand.”

**John Vickerman,
HRD UK&I, Fujitsu**



The process for digital transformation is a dynamic one. With an ever-changing digital economy, the skills and practices to implement and succeed with digital transformation must be deftly approached.¹⁵ Statistics from 2017 showed a variety of most-desirable skills which did not top the list the prior year, such as natural language processing. Furthermore, almost half of organisations responded to a 2018 Deloitte survey asserting that they are deeply involved in organisation-changing overhauls, such as automation.¹⁶

So, what can HR do to ensure that it is working for the benefit of the company during a period of digital transformation? Often, the answer may not be glaringly obvious, as Alessandro Di Lorenzo, Chief Commercial Officer at online travel and leisure retailer lastminute.com, explained.

He said, “Despite all sectors from banking and finance through to government, marketing and advertising benefitting from digital integration—with this comes new jobs needed to manage new tools. With the digital economy growing at such a pace, talent has become hot property, as finding and hiring the right digital talent is a key concern for many British businesses”.

Di Lorenzo recommends doing three things to ensure that businesses are keeping up with the pace of digital change: hiring for mindset, working with current staff to note gaps, and providing mentoring schemes. He further discussed the three ideas: “Firstly, hiring the right mindset rather than searching for a like-for-like match of someone who has done the job before. Businesses also need to work with their employees to pin-point where the skills gaps are, and

invest in training and development to help plug the gaps that exist. Lastly, providing mentorship programmes can help employees navigate the digital landscape – particularly in these very new jobs, where they may not have a set pathway to follow”.

Interestingly, as Generation Z, the first truly digitally native generation, enters the workspace, Di Lorenzo notes that resourcing and recruitment sections will have a different challenge on their hands.

This is a generation who have, according to a recent YouGov survey, an attention span of eight seconds—a third less than their millennial counterparts—but can hyper-process information. A generation who, on average, get their first personal digital device at age seven and of whom 97% use regularly.

Di Lorenzo, adds: “As the number of digital natives going into companies grows, we’ll start to see a wider change take root from within businesses – driven in part by [these employees] themselves”.

However, undue conclusions shouldn’t be drawn from Di Lorenzo’s comments. As lastminute.com operates solely in the digital space, they were ahead of many other firms when it came to implementing a DX project. Therefore, for firms who aren’t so digitally minded, or are much further behind in their digital transformation journey, digital transformation may not come as naturally.



15. Cave, D How to grow a digitally savvy workforce

16. AI, Robotics & Automation – Put Humans in the loop, 2018 Global Human Capital Trends. Available [here](#).



Canon



Case study, Canon's Personal Development Hub

One of the perceived benefits of new technology is that it can bring together previously siloed organisational functions by utilising new iterations of communication and data-sharing technologies.¹⁷ There is evidence to suggest that leading firms, across many industries, are now using digital design teams to create apps and platforms, enabling new intra-organisational links. Canon exemplifies this approach.

At least one of Canon's big-name competitors has ceased trading as the market in which it operates increasingly demands digital solutions; one study called this 'digital Darwinism', whereby technology evolves faster than a firm's ability to adapt.¹⁸ Conversely, the Japanese-headquartered imaging giant, Canon, has transformed its HR function, relying on a digital platform to cohere and connect disparate people management practices.

Canon did this by designing and implementing the Canon Development Hub—a platform which integrates all aspects of the employee experience, so they can break down silos and drive conversations about an individual's future. It's had remarkable results. While average UK employee tenure is circa five years, Canon boasts an average employee tenure of 13.8 years.

With the retention of staff crucial during any digital transformation process—not to mention the ability to upskill the workforce—Canon's digital hub married the HR function with digital practice. Caroline Price, Senior Vice President of HR in Canon's EMEA region, notes that this is crucial for success.

She explained that, "The core of thinking about keeping your talent is figuring out how to stimulate them, how to develop them and finding out how you can help people learn and adapt to cope with the challenges and opportunities you throw their way. Canon ensures people have opportunity to change".

With digital business practice both a challenge and an opportunity (developing the workforce's digital skillsets is part of this), Canon has worked hard to ensure that staff feel supported in the change. Since the inception of their Development Hub, Cannon has experienced a 19% increase in employee uptake in learning. This is partly due to implementation practices: Canon doesn't force employees to use the platform, ensuring that individuals have autonomy over their learning. They can also use it to check for career options and to connect with managers.

As Price notes, "HR is simply about people, organisation and bringing everything together". This is what should result from digital transformation.

17. Deloitte 2017 Human Capital Global trends pg 89

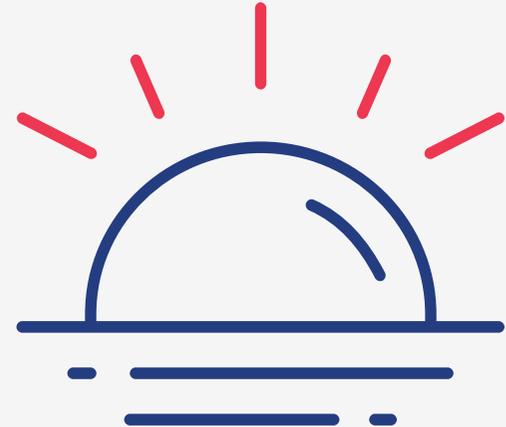
18. Prophet study HR as a force for digital change pg 2

WHERE IS DIGITAL TRANSFORMATION HAPPENING TODAY?

A simple answer to this question is that digital transformation is happening everywhere. New iterations of digital platforms, digital devices and digital practice mean that digital transformation is hard to ignore.

Findings from Skillsoft and HR Grapevine's research show that HR and L&D have their work cut out to keep pace. As new business trends emerge, HR will have to work hard to make their voice heard, ensuring that they have enough nous in digital areas to drive change for the benefit of employees. This means hiring those in-the-know.

For successful digital transformation, training and developing the workforce is key. It means being digitally ready across the entire workforce, from the C-Suite through HR, and to every employee. Learning will be part of this—whether it's enabling staff to learn the skills that allow them to become digitally fluent, encouraging leaders to have confidence to manage the change and transformation, or supporting line managers in the fluency to guide new cohorts of digitally native, or digitally upskilled, staff.



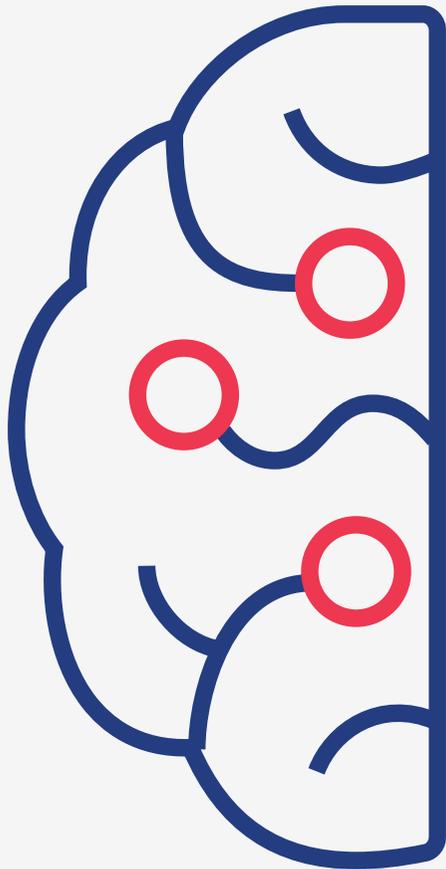
47%
of respondents to Deloitte's human capital trends survey say their organizations are involved in automation

“Over the next several years, one of HR and business leaders' greatest challenges will be to redesign many of today's work and workforce configurations. This will require them to ask fundamental questions about which work tasks and activities can be automated, what technologies to use, and what combinations of people and smart machines can effectively do the work”. Peter Evans-Greenwood, Harvey Lewis, and Jim Guszczka, “Reconstructing work: Automation, artificial intelligence, and the essential role of humans.” Deloitte Review 21, July 31, 2017

In **2017**, the Institute of the Future predicted that by **2030** **85%** of existing jobs that will have yet to be invented.



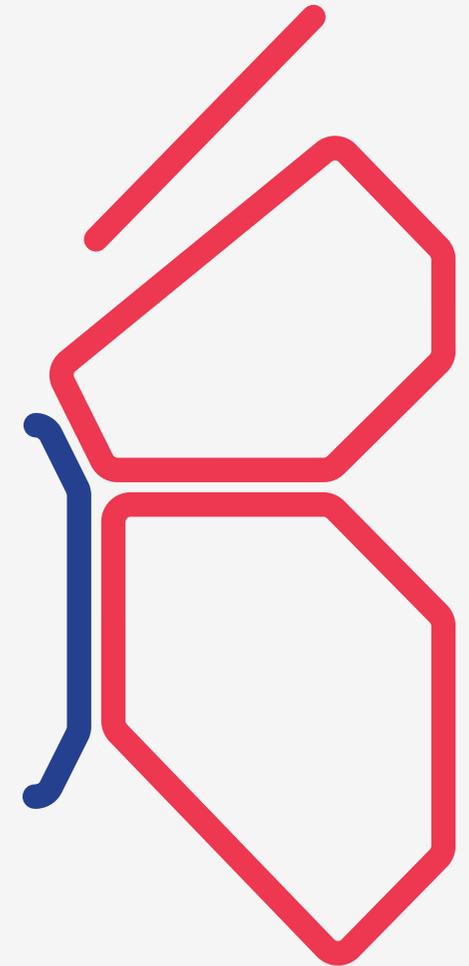
DIGITAL TRANSFORMATION CONCLUSION



Digital transformation is the continuous approach to organisational practices, workflows, and services in the modern era. Much more than the transferral of paper-based practices to “on-line” ones, digital transformation allows organisations to drive real business impact while preparing themselves to face the changing needs of the workforce. HR has a pivotal role in shaping the digitally literate company necessary to succeed now and in the future by managing the company’s most important capital—human.

The effects of digital transformation are everywhere; it’s been the driving principle behind everything from virtual communication like email and workplace instant messaging to the modern-day customer expectations of digitised service and delivery. Digital transformation has allowed companies like Fujitsu and Starbucks to harness HR practices and employee insight and produce meaningful, company-wide results.

While external firms can provide meaningful insight on successful digital transformation projects, be wary of transposing other companies’ experiences as the blueprint for your own. The processes and solutions of every project are unique to individual organisations and their business needs. Carefully analyse your organisation and clarify the change management process, establish opportunities for learning and development, and place a strong emphasis on digital security. Lastly, equip your organisation with individuals who have the skills necessary to succeed in the digital economy, including an agile mindset, critical thinking, and excellent communication skills. Lean on HR to help ensure the digital transformation is working for those who make the business run.



DIGITAL TRANSFORMATION CONCLUSIONS FROM OUR EXPERTS

What's the biggest challenge for HR regarding digital transformation?

“One of the biggest challenges for HR will be the digital transformation of its own functional area. If it wants to have a seat at the table, HR should be seen within the organisation as the poster child for effective digital optimisation and transformation, but it will be challenging for most HR functions to move quickly and aggressively towards digital transformation. Also, HR will have the challenge of addressing the growing skills gap—the gap between skills in demand and skills available. This will be an enormous task for HR going forward.”



Heide Abelli,
SVP Content Production
skillsoft

What should HR be doing regarding digital transformation?

“Foremost, HR needs to get the environment right and work hard to keep the Employee Value Proposition front of mind. Employees now are much more intolerant of old ways and expect an employer to stay current and innovative at all times. You can't stay relevant by sitting back and waiting; it's vital organisational leaders get involved and lead the change.

It's then about not being afraid to bring in new skills and embrace change. For instance, one way of embracing change is by partnering and collaborating with customers and suppliers – no one person has all the answers and 'co-creative' efforts provide a more social and collaborative

approach in which innovative ideas, business models, products and services emerge from a broad ecosystem of partners.

At the end of the day, it's important to remember that employees expect HR to move with the times and deliver great service digitally—and not rely on the old 'log in and hope' model of HR. Whilst cloud services give HR flexibility, for example, the downside is that you need to change too—what I mean by this is when a new software release comes out you have to be able to quickly adapt.”

John Vickerman, HRD UK&I, Fujitsu

Why is change management so important to digital transformation?

“It's important because it takes care of the people side of Digital Transformation. If you are introducing new digital technology to employees, it will undoubtedly involve a change in the way they are working and perhaps typically involve new habits or behaviours. Too often in digital transformation, the focus is solely on Project Management. Whilst this is critical, project management focuses on tasks, whereas change management focuses on behaviours.

Having a process, set of tools and techniques to help employees and leaders through that change is therefore really critical if you want to achieve your desired business outcomes. Slack has always recognised and understood this, which is why we invested very early (and continue to invest heavily) in our Customer Success function.”

Rav Dhaliwal, Head of Customer Success (EMEA), Slack

About Skillsoft

Skillsoft is the global leader in corporate learning, delivering beautiful technology and engaging content that drives business impact for modern enterprises. Skillsoft comprises three award-winning solutions that support learning, performance and success: Skillsoft learning content, the Percipio intelligent learning platform and the SumTotal suite for Human Capital Management.

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