Gartner Business Quarterly

Proven Guidance for C-Suite Action

HELP YOUR **TALENT** KEEP **TRANSFORMATION** ON TRACK

FIRST QUARTER 2023

The Transformation Deficit

5 Principles to Help Fusion Teams Power Your Digital Business

The Whiteboard: Big Questions About Digital Employee Experience in the Evolving Workplace

Gartner Business Quarterly

First Quarter 2023

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Help Your Talent Keep Transformation On Track

Letter From the Editor

Executive leaders' appetite for overhauling business and operational models continues unabated through inflation, recession, pandemic and war — in fact, global shocks reinforce the critical role of achieving digital ambitions for surviving and thriving through upheaval. There's just one problem and it's a big one: while the number of enterprise changes in a year has quintupled between 2016 and 2022, the willingness of employees to support these shifts has dropped precipitously, cut nearly in half.

If organizations want to forge ahead in 2023, they must address this crisis right away. "The irony," write Cian Ó Móráin and Peter Aykens in our lead article, "is that many of the goals of transformation — redesigning teams and structure, automation of drudge activities, reengineering corporate culture — are hugely important to bridging the gap."

So how do you get there from here? To keep ambitious initiatives on track until the long-haul shifts start paying off, you'll need, of course, to hold onto people with crucial digital skills. Now that these employees are seeded throughout the business, help them fit in with team cultures outside of IT. Within IT, matching workers with projects that will stretch their competencies serves as a tool of engagement and a way to upgrade the department's versatility.

And you should rethink old assumptions (from way back in 2019). Are you familiar with the cliché that "you can never communicate too much"? We'll explain why it's wrong and what to do about it. We'll show you how to plan faster for strategic pivots by making the process more convenient and relevant for decision makers. We'll even give you a tour of the metaverse-office frontier.

You'll learn from the real-world experience of a global group of organizations including ADT, Chevron, FedEx, NTT Data, SAGE Publishing, Sky Cable, Tetra Pak and Watercare.

GBQ helps you align with others and reach peak effectiveness, so your enterprise can achieve its goals, be bold and principled, and bring employees, investors, and the public along for the ride.

Our standing departments keep you up to speed — Cutting Edge is a look at provocative new data; Briefs offer short takes about smarter spending and planning, talent and culture, growth and innovation, and data and technology.

We welcome your feedback. Please contact me at judy.pasternak@gartner.com.

— Judy Pasternak

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The Cutting Edge: 1Q23

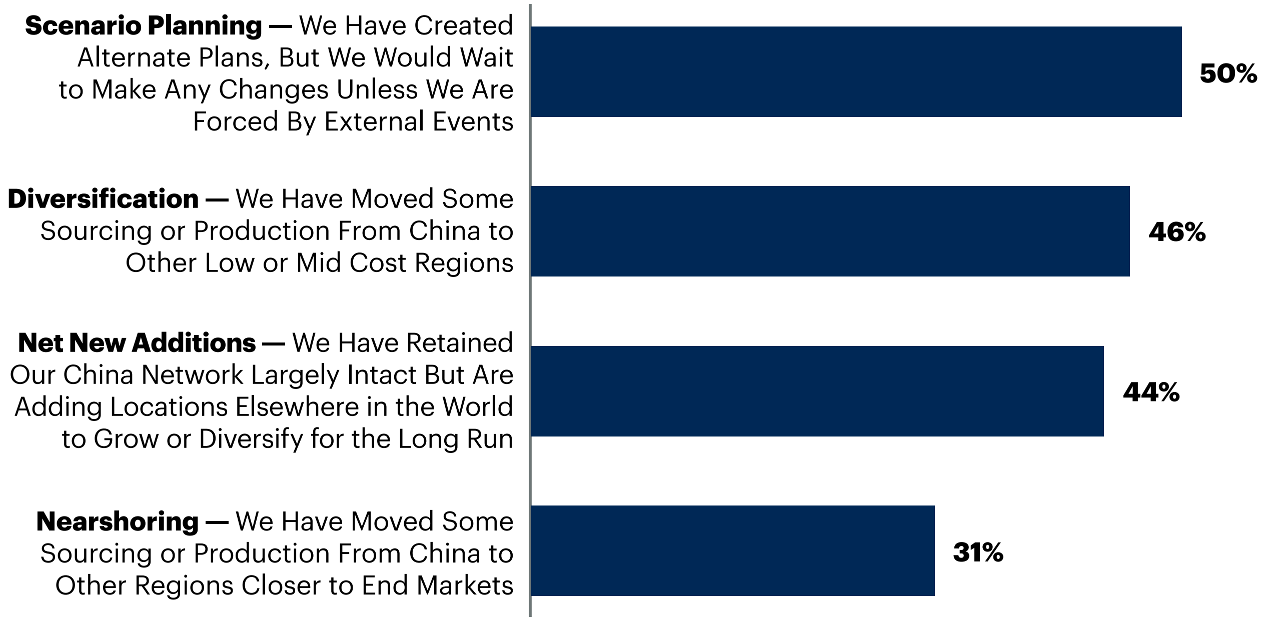
Cool New Data Points

Compiled by Laura Cohn

Supply Chain Turmoil Prompts Executives to Rethink Strategy in China

Ninety-five percent of supply-chain executives say they've shifted their strategy in China or evaluated scenarios to do so over the past two years. Among this group, half are waiting to make changes until external events force them to.

Changes to Sourcing or Manufacturing Strategy in China
Percentage of Respondents



n = 344 supply chain professionals whose organization has made changes to their sourcing or manufacturing strategy in China, excludes "Don't know/not sure"

Q: What are the key changes to your China sourcing or manufacturing strategy that have been executed/ are under execution? Multiple responses allowed.

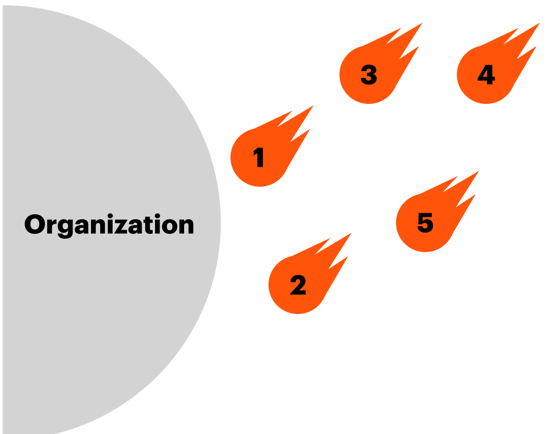
Source: 2022 Gartner Globalization Trends in Designing Supply Chain Network Survey

The Cutting Edge

Stagflation Surfaces as a Top Emerging Risk

Inflation, recession or both? The possibility that both recessionary and inflation expectations will become entrenched and unresponsive to policy is now the No. 3 worry cited by risk, audit and assurance teams. This condition, known as stagflation, hasn't hit the global economy since the 1970s — and could result in long-term pressure on margins.

Top Emerging Risks for 4Q22 by Risk Score[1]



Risk Name	Impact Score	Time Frame Score	Freq-uency
1 Escalation of Conflict in Europe	2.83	1.33	64%
2 Key Material Shortages	3.32	1.48	57%
3 Stagflation Expectations	2.87	1.77	62%
4 Critical Infrastructure Failure	3.26	1.95	59%
5 Financial Planning Uncertainty	2.90	1.69	57%

n = 335

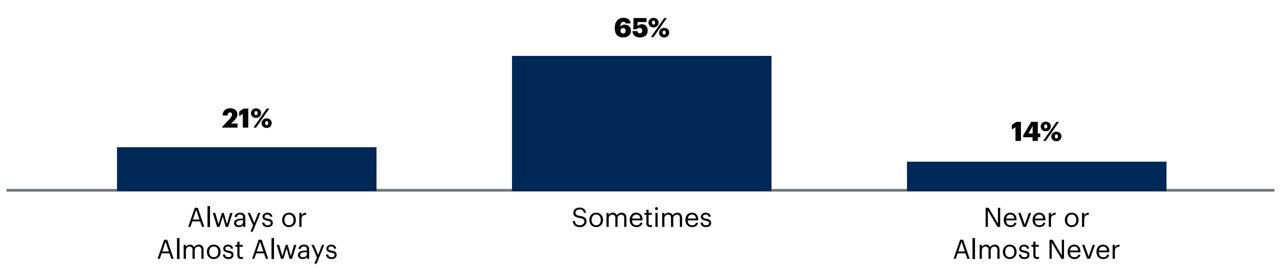
Source: 4Q22 Gartner Emerging Risks Survey

[1] Risk Score = SQRT (Impact x Inverse Time Frame) x Frequency Selected as a Top Emerging Risk

2020 Hindsight: Leaders Say Pandemic-Era Decisions Led to Avoidable Risk Events

Considering the disruptions that have occurred since January 2020, 21% of executives involved in assessing risk say their decisions always or almost always led to events that materialized but could have been avoided. Nearly two-thirds (65%) said some of their decisions led to events that could have been circumvented. The findings suggest that when it comes to risk management, there's room for improvement.

How Often Pandemic-Era Decisions Led to Events That Could Have Been Avoided



n = 295

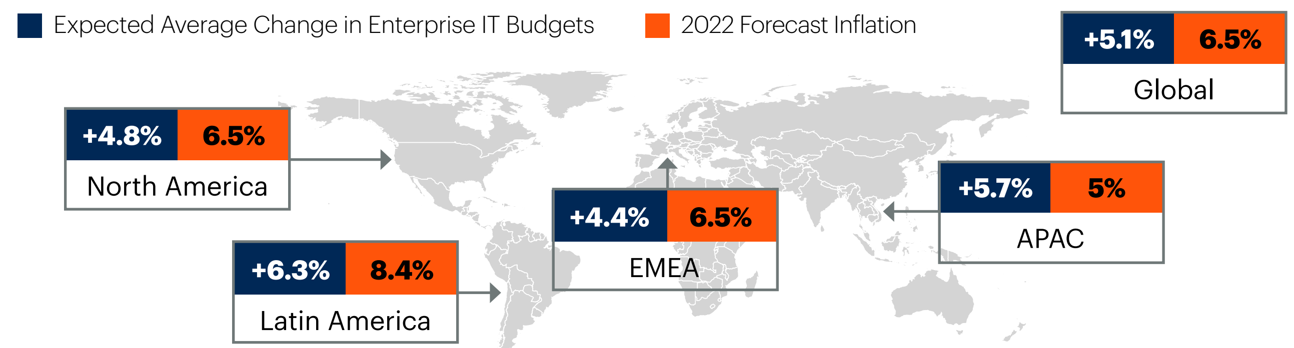
Q: How often did the following occur for your function or business unit since 1 January 2020?

Source: 2022 Gartner Risk Assessments in a Volatile World survey

Inflation Outpaces IT Budget Increases Worldwide, Except in Asia-Pacific Region

Although IT budgets will go up an average of 5.1% in 2023, that's lower than the rate of inflation in much of the world. As a result, many CIOs won't be able to hire enough workers or to pay for outsourcing required for accelerating digital initiatives.

Expected IT Budget Increases in 2023 and Inflation in 2022



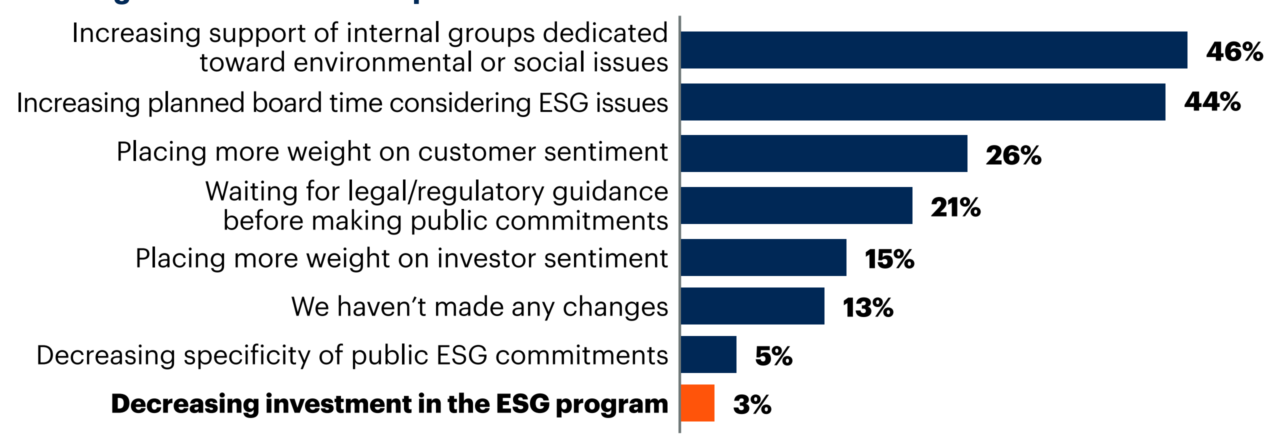
Source: 2023 Gartner CIO and Technology Executive Survey; Organization for Economic Co-operation and Development, 7 July 2022

Note: "Global" and "EMEA" Inflation rates calculated by averaging components.

Political Pushback Doesn't Translate Into ESG Pullback

Despite backlash on environmental-social-governance (ESG) from politicians in Florida and Texas, only 3% of organizations plan to decrease their investments in ESG initiatives, according to a snap poll of general counsel. Nearly half (46%) plan to increase support of internal groups working on environmental or social issues.

How Organizations Plan to Respond to ESG Polarization



n = 39

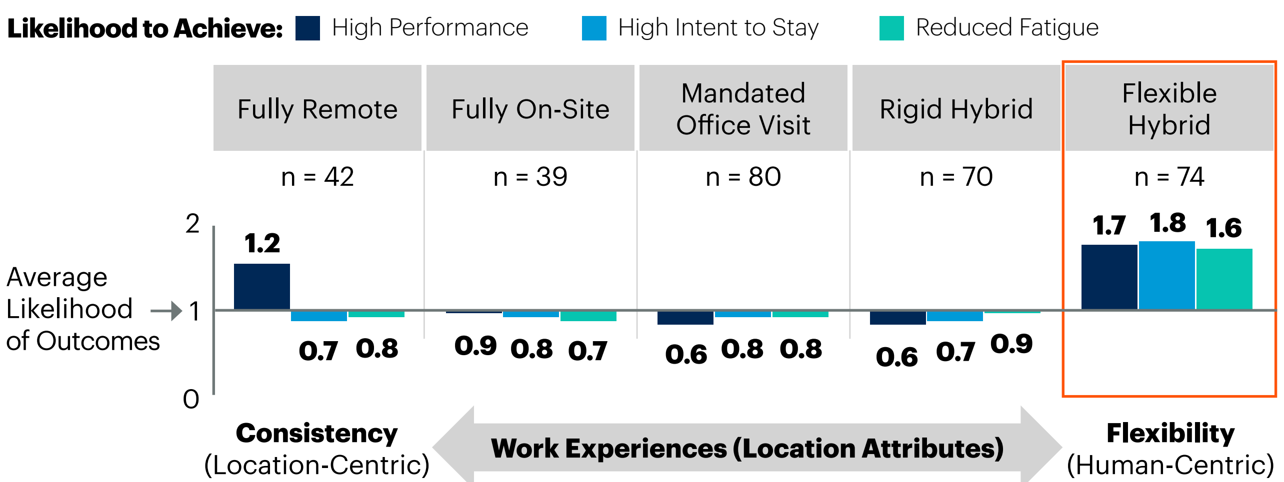
Q: How is your organization responding to ESG polarization?

Source: GC Voice Webinar on 7 December 2022

Flexible Hybrid Work Models Produce High Intent to Stay and High Performance

Look at the benefits of granting workers accountable autonomy — letting them decide how often and when they visit an office as long as they get their work done.

Effect on Employees of Work Experience (Location) Attributes

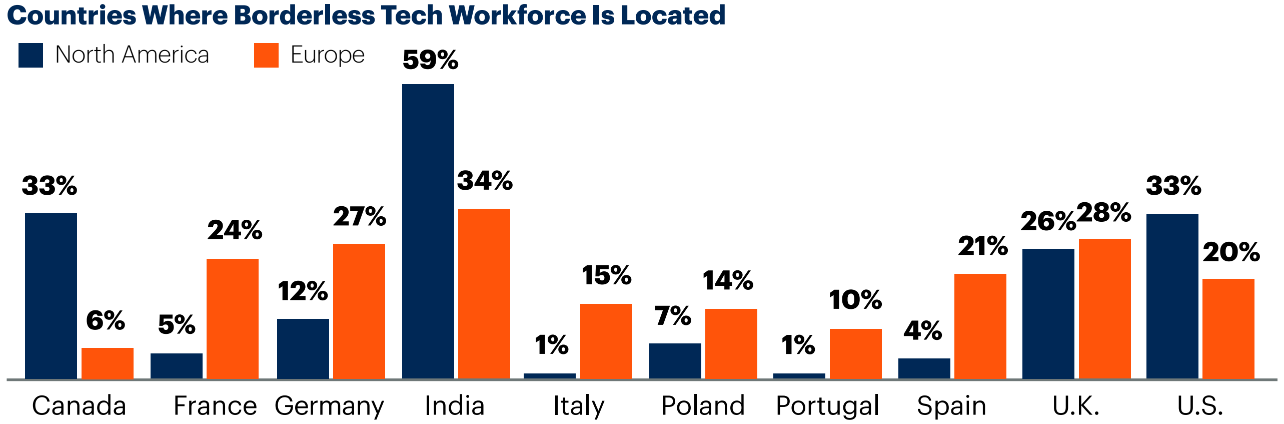


Source: 2022 Gartner FoW Reinvented Implementation to Drive Talent and Business Outcomes Survey
Note: Employee View

Nearly Six in 10 Organizations Employ Borderless Tech Talent

Fifty-eight percent of organizations have at least some tech talent working in a fully remote arrangement that crosses national boundaries. The U.K. ranks fourth as a source of labor for companies in other countries — with recruitment from Europe (28%) and North America (26%). India ranks No. 1.

Countries Where Borderless Tech Workforce Is Located



n = 230; Those Responding; Multiple Responses
Source: 2022 Gartner Borderless IT Workforce
Note: Showing attributes with 5% and above

Resources for Executives and Their Teams Amid Recession Risks

Amid a volatile global risk environment, record inflation and fiscal policy changes, warnings of a coming recession are credible.

In such a situation, functional leaders must get recession-ready with strategies that enable short-term cost optimization for continued long-term growth.

To help you win through, Gartner reveals **9 actions across 3 key areas** that will position your organization to:

- Manage resources and spend **strategically**
- Be agile in **securing talent**
- **Accelerate digital** and technology initiatives

Download your function-specific recession playbook today.

Gartner

The Transformation Deficit

by Cian Ó Móráin and Peter Aykens

Business transformation is central to the agenda for 2023: Organizations continue to refine hybrid ways of working; the urgent need to digitalize remains; inflation, a continuing talent shortage and supply chain constraints require higher levels of productivity and performance. In fact, the average employee experienced 10 planned enterprise changes in 2022, up from two in 2016.[1] And there is no reason to expect the pace to slow. But the workforce has hit the wall; willingness to support enterprise change collapsed to just 38% in 2022, compared with 74% of employees in 2016.[1,2]

Unless functional leaders steer swiftly and expertly, this transformation deficit will stymie organizations' ambitions and undermine the employee experience, fueling "quiet quitting" and attrition (see Figure 1). The irony is that many of the goals of transformation — redesigning teams and structure, automating drudge activities, reengineering corporate culture — are hugely important to bridging the gap. For these aims to flourish, leaders must fine-tune how they approach change management to keep the motor running in the meantime. Executives don't have much room for error, and they're making plenty of mistakes when they try to apply short-term fixes.

The Big Pitfall: Hitting the Accelerator

To respond to new disruptions and opportunities, leaders are trying to build momentum for transformation by hitting the accelerator — hard. Seventy-five percent of organizations are adopting a top-down approach to change.[3] Not only do leadership and transformation offices set the change strategy, they also create detailed implementation roadmaps and deploy high volumes of change communications. They want workers to buy into the new path right away and to clear the way to execution. And these groups at the center want managers throughout the enterprise to lead the charge as champions and role models for their teams.[4]

As for the workforce in general, leaders are trying to "rally employees around the flag" one more time. Many are mandating returns to the office, hoping that proximity and social cohesion will sustain engagement and a sense of purpose.[5] They will ignore the fact that employees now perform over nine hours of unpaid overtime work per week.[6] Some will go further, challenging employees to be "hardcore."[7] And in response, they hope their workforce will take paid time off or avail themselves of enhanced well-being resources afterward, to rest and recharge.

The Result: Running on Fumes

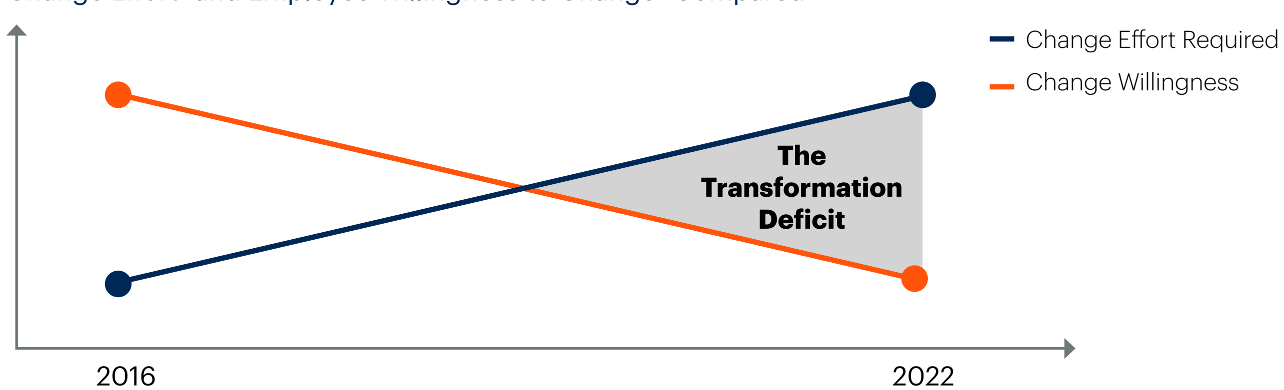
At top speed, a Bugatti Veyron (which *Car and Driver* magazine called "the greatest supercar ever") will expend its entire fuel tank in less than 11 minutes.[8] In the organizational context, relentless sprinting is a similar drain. Deep, sustained transformation needs to find its way into your culture's behavioral norms and ways of working. That means it's not a turbocharged sports car executives should have in mind, but rather the most efficient vehicle — the one that will last the journey.

The enterprise "engine" has been put under this type of strain in the past few years. Navigating the pandemic asked a lot of employees, and they delivered, but it came at a cost:

- Fully 55% of employees took a significant hit to their own health, their team relationships and their work environment to sustain high performance through the disruption.[9]
- Only 36% of employees reported high trust in their organizations, with on-site workers reporting the least trust.[10]
- And 50% of employees reported struggling to find the right information or people to do the job, or an ever-increasing volume of tasks. They are so overwhelmed, they can no longer see the bigger picture; they can't spot changes in customer needs.[11] Employees suffering from information overload tune out and check out.[12]

Executives who persist with these conditions should expect to blow their change energy and be "running on fumes" in 2023 (see Figure 2).

Figure 1. The Transformation Deficit
Change Effort[a] and Employee Willingness to Change[b] Compared



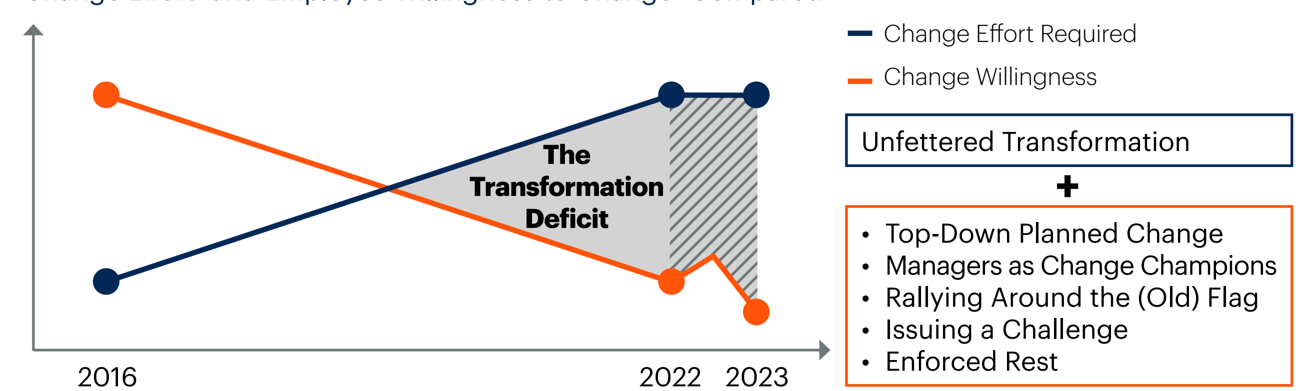
n varies; 305 organizations; 3,548 employees; 6,686 employees; 3,548 employees

Source: 2016 Gartner HR Change Readiness Survey; 2022 Gartner Workforce Change Survey; 2016 Gartner Workforce Change Survey

[a] Average Number of Enterprise Changes in Past 12 Months: 2 in 2016 and 10 in 2022.

[b] Percentage of Employees Willing to Change to Support Enterprise Change: 74% in 2016 and 38% in 2022.

Figure 2. Scenario 1: Maximum Effort, Minimum Buy-In
Change Effort[a] and Employee Willingness to Change[b] Compared



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Source: 2016 Gartner HR Change Readiness Survey; 2022 Gartner Workforce Change Survey; 2016 Gartner Workforce Change Survey

[a] Average Number of Enterprise Changes in Past 12 Months: 2 in 2016 and 10 in 2022.

[b] Percentage of Employees Willing to Change to Support Enterprise Change: 74% in 2016 and 38% in 2022.

The Solution: Find Your Green Speed

Fuel economy is not linear. At slow speeds, the amount of force required to get a car up to its maximum is greater and results in low fuel economy. City driving uses more fuel than highway driving. Yet, beginning around 65 km/h, resistance (in the form of air or the road surface) begins to outweigh the vehicle's inertia, and fuel economy begins to suffer again.

Organizational transformation is no different. To get the most out of the change energy in your organization, find your optimal speed, but take care not to move too fast (nor in too many directions) to maintain it.

Update the equation for successful transformation by setting priorities for change, timing it well and managing fatigue (see Figure 3).

Prioritized change has two keys:

1. Show employees where to invest most of their energy. Executives should communicate their backlog of priorities to their workers and include change initiatives on the list. Without such guidance, employees are likely to give 110% for each change, resulting in a blowout. IT leaders at The Cooperators publish their priority progress list every month. The visibility helps employees understand the mechanics of the business, informing real and important judgments about where they should focus their attention.
2. Timing also matters. IT leaders at Sky Cable created guidelines for minimizing fatigue arising from its constant flow of technology changes. In addition to adopting design principles relating to the user experience of change solutions, they also created a release calendar, synched with the changes employees were experiencing outside of IT. In doing so, IT leaders could spot the best times to deploy new improvements.

Change is inevitable. It's the one constant. But these two criteria make it simpler for employees to deploy their change energy optimally. They also have the positive byproduct of identifying any changes that are just "spinning the wheels": If a change is always at the bottom of your backlog and you continually delay it, it's probably not that important.

Fatigue management is a new change management muscle that executives must build; to do it well, think about servicing your car's engine to keep it at its best. Greasing and tuning the suspension, putting air in tires, replacing brake pads all contribute to minimizing resistance and maximizing efficiency.

In the context of organizational transformation, three actions prevent the risk of change fatigue:

1. **Sustain change energy through proactive, rather than reactive rest.** Virtual-first working has collapsed the distinction between work and life. It also threatens the balance, as employees struggle to switch off. More time working does not result in higher performance.[13] But rest does, as long as it's proactive. Elite athletes, such as American basketballer LeBron James, understand this well: "I get my sleep; I get my rest … my mindset never gets to the point where I'm exhausted."[14] In the business world, rest that is available, accessible and appropriate contributes to a 26% increase in employee performance and a 10-fold reduction in the number of employees experiencing burnout.[13] Proactive strategies range from meeting-free days and weeks all the way to the four-day week and employee health monitoring. Executives must find their strategy on this spectrum and adopt it.
2. **Adopt an open-source approach to change to protect trust.** Open-source change management involves employees as active participants in change planning and implementation. It also focuses communications on two-way dialogue that gives employees a voice in change. When employees feel they have ownership over change, they won't ignore it. And implementation plans will be more relevant and quicker, as those doing the work can spot the critical workflow adjustments needed to make a change stick. Open-source change results in 1.5 times more change willingness, a 29% reduction in change fatigue, and up to a 14 times increase in change success.[1] If you're thinking that's a large number, it says as much about how ineffective traditional top-down management is as it does about how effective open-source change is.
3. **Reimagine the role of managers in change.** Your managers are overwhelmed with change, too, so they can't possibly role model all the changes. Those who concentrate on building their teams' self-efficacy to self-navigate through change can increase employee sustainable performance by 29%, and protect their own performance at the same time.[1]

Taken together, the strategies of prioritized change and fatigue management will advance the fuel economy of your 2023 transformation efforts, reducing drag and building momentum from employee energy (see Figure 4).

Figure 3. An Updated Formula for Transformation Success
Full Speed Versus Efficient Transformation Compared

Full-Speed Transformation

? + Quality Delivery + Change Communication and Training + ? = Successful Transformation

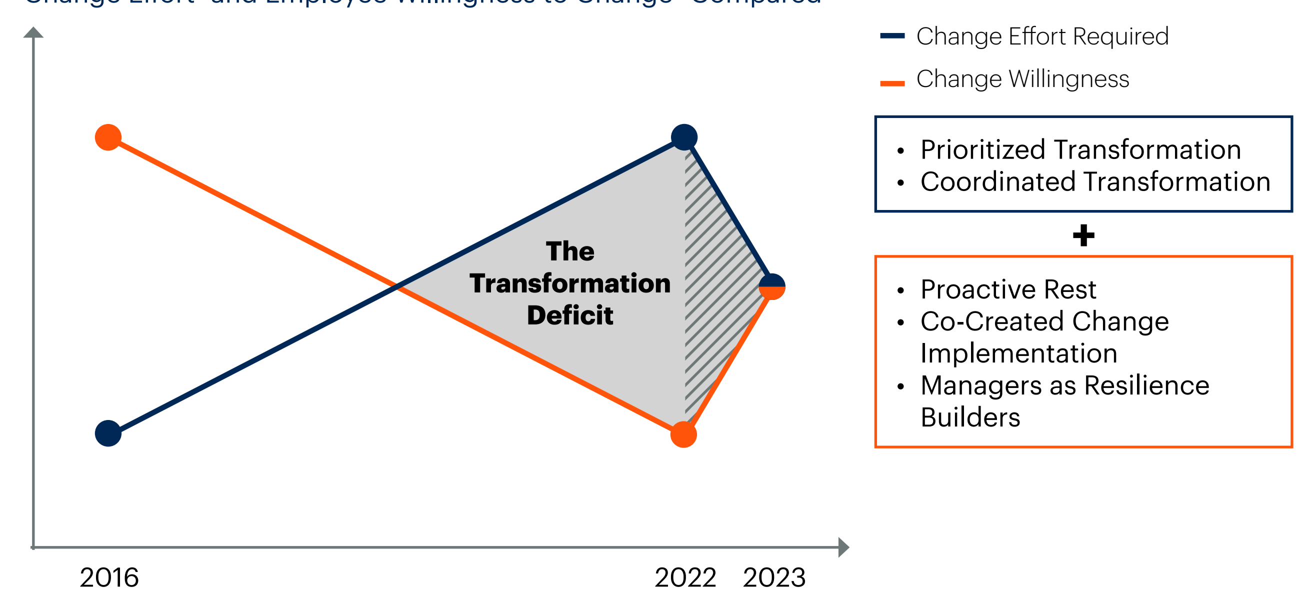
Efficient Transformation

Prioritized Change + Quality Delivery + Change Communication and Training + **Fatigue Management** = Successful Transformation

To build and maintain transformation momentum, organizations prioritize the direction and timing of the change initiative and must plan ahead for change fatigue risk.

Source: Gartner

Figure 4. Scenario 2: Prioritized Effort, Buy-In Momentum
Change Effort[a] and Employee Willingness to Change[b] Compared



n varies; 305 organizations; 3,548 employees; 6,686 employees; 3,548 employees

Source: 2016 Gartner HR Change Readiness Survey; 2022 Gartner Workforce Change Survey; 2016 Gartner Workforce Change Survey

[a] Average Number of Enterprise Changes in Past 12 Months: 2 in 2016 and 10 in 2022.

[b] Percentage of Employees Willing to Change to Support Enterprise Change: 74% in 2016 and 38% in 2022.

[1] The 2022 Gartner Workforce Change Fatigue Survey (n = 3,548 employees) was conducted to understand the levels of change fatigue in employees and the manager's role in mitigating it. The research was conducted online from 28 Feb 2022 through 16 March 2022 among 3,548 respondents from various geographies, industries and functions. The survey was designed and developed by Gartner's HR practice research team.

[2] The Gartner 2016 Workforce Change Survey (n = 6,686 employees) was conducted to understand the levels of change employees experience and the impact of different change management strategies on change success. It had respondents from various geographies, industries and functions and was designed and developed by Gartner's HR practice research team.

[3] The 2022 Gartner Q2 CHRO Survey (n = 109 HR leaders) was conducted to understand current performance management priorities and career pathing strategies of leading organizations around the world. The research was conducted online from 27 June 2022 through 29 July 2022 and had 109 HR leaders as respondents with representation from various industries across 18 countries. The survey was designed and developed by Gartner's HR practice research team.

[4] The 2022 Gartner HR Change Management Survey (n = 41 HR leaders) was conducted online from 3 March through 28 March 2022 to understand how Gartner's clients equip managers to lead their employees through change and understand their focus on change adoption versus change fatigue. In total, 42 HR Research Circle, IT & Business Leaders Research Circle and CIO Research Circle members participated. Members from North America (n = 21), EMEA Region (n = 12), Asia/Pacific (n = 7) and Latin America (n = 1) responded to the survey. The survey was developed collaboratively by Gartner's HR practice research team and Gartner's Research Data, Analytics and Tools team.

[5] Benchmark With Brian: Attracting Talent and Improving the Employee Experience Amid Uncertainty, n = 107 (28 September 2022); Benchmark With Gartner: Strategies to Attract and Retain Talent in Times of Economic Volatility, n = 90 (19 October 2022); Benchmark With Gartner: How HR Leaders Navigate Return to Workplace Pressures and Other Challenges, n = 54 (16 November 2022). Question: "What is your organization's on-site attendance requirement, if any, for employees who can work remotely?"

[6] People at Work 2021: A Global Workforce View, ADP.

[7] Elon Musk Gives Twitter Staff Deadline to Commit to Being 'Hardcore', The Guardian.

[8] 2014 Bugatti Veyron, Car and Driver.

[9] The 2021 Gartner Workforce Resilience Employee Survey was conducted to understand the impact of COVID-19-pandemic-induced disruptions on workforce health. The research was conducted online from 18 through 29 January 2021 and contains responses from 3,690 employees with representation from multiple regions, industries and functions. The survey was designed and developed by Gartner's HR practice research team. Significant damage is defined as experiencing acute decline in at least three elements or a moderate decline in at least nine elements of workforce health.

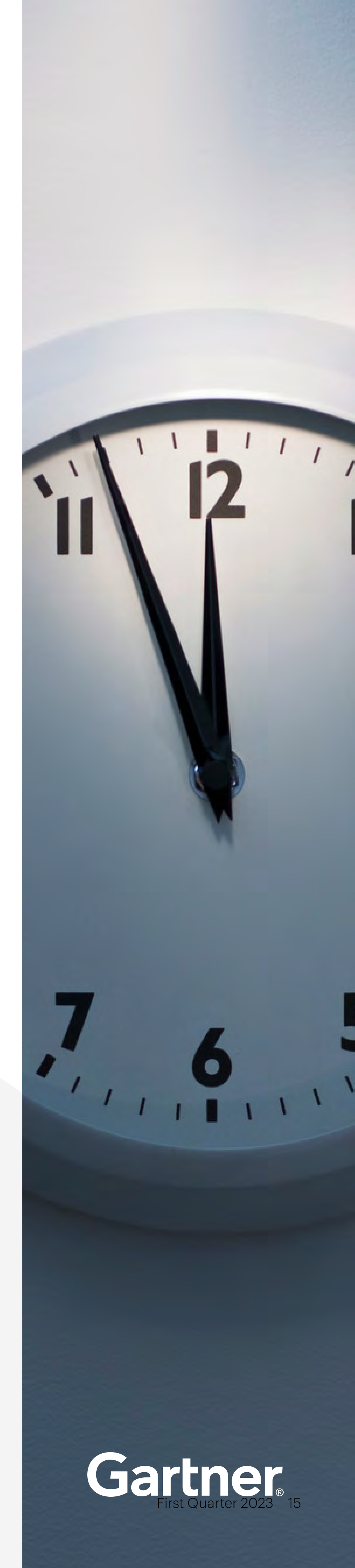
[10] 2021 Gartner Executive Leader Communications Survey, n = 1,041 employees and managers. Note: Percentages represent the proportion of respondents who scored high (at least six "agree") on the trust in company index.

[11] The 2022 Gartner Organization and Work Design Survey was conducted to understand various aspects of organizations' approach to work and role design and how these affect levels of innovation and creativity. The research was conducted online from 24 May 2022 through 16 June 2022 among 3,513 respondents from various geographies, industries and functions. The survey was designed and developed by Gartner's HR practice research team.

[12] The 2022 Gartner Communications Workforce Survey was conducted to explore how employees are consuming information across channels and how they are coping with the amount of information they receive as part of their jobs. The research was conducted online from August through September 2022 among 988 respondents from North America (n = 639), Western Europe (n = 149) and Asia (n = 200). Respondents were required to be full-time employees at an organization with at least 500 employees.

[13] The 2022 Gartner ReimagineHR Employee Survey was conducted to understand how employees can thrive in the changing world of work. The research was conducted online from 21 June 2022 through 18 July 2022 among 3,479 respondents from various geographies, industries and functions. The survey was designed and developed by Gartner's HR practice research team.

[14] Most HR Professionals Have Got It Wrong — Longer Hours Do Not Mean Better Performance, WorkLife.



Gartner

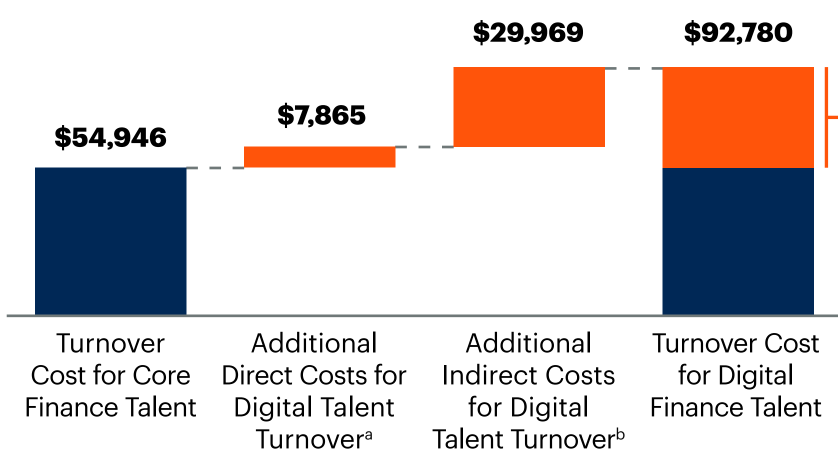
Help Digital Talent Fit Into Finance

by Marco Steecker

CFOs say lack of expertise is one of the top barriers to developing an autonomous finance function in which new technologies, such as machine learning, run many processes more or less on their own.[1] But when finance leaders hire people with the experience, skills and competencies to build and operate a digital environment, these critical workers tend to feel alienated from accountants, risk managers and regulatory experts who may not share their background and values. The solution? Rather than simply trying to empower digital staff members, you should also make them feel like they belong in your team.

Such a shift is urgently needed. Many digital finance employees face resistance from the others and see relatively limited development opportunities within the function. Little wonder, then, that 19% of them are actively looking for new jobs, compared to 11% of their nondigital colleagues.[2] What's more, losing digital finance staff is 69% more costly than having core finance employees leave (see Figure 1).

Figure 1. Model Estimate of the Cost of Turnover for One Digital Finance Talent FTE
Calculating the Cost of Turnover for One Full-Time Employee (FTE)



This **additional expense** could force CFOs to:

- Forgo hiring an additional FTE
- Significantly reduce the amount of licenses purchased for a given tool
- Reconsider the feasibility of certain digital investments.

Source: Gartner

[a] Direct costs include recruiter cost, hiring manager cost, relocation benefits, signing bonus, onboarding costs and annual leave payback.

[b] Indirect costs include lost productivity of employee, coworkers and managers during notice period, lost productivity of coworkers and managers during vacancy and onboarding, lost productivity of employee during onboarding, and cost of digital project delays (only for digital talent).

Empowering Tech Types Is Not Enough

To address these frustrations, CFOs have sought to empower their digital talent by providing executive sponsorship, better tools and the freedom to pursue projects of interest in the company. But while these steps do help, they often fail to achieve the desired retention rate. After a certain point, liberating digital finance workers isolates them from their colleagues by leading them to pursue their own pet projects and retreat to their silo.

The biggest factor making digital finance talent more likely to stay is the degree to which these workers feel a sense of belonging with the organization. With core finance employees, by contrast, empowerment has a greater effect on retention (see Figure 2).

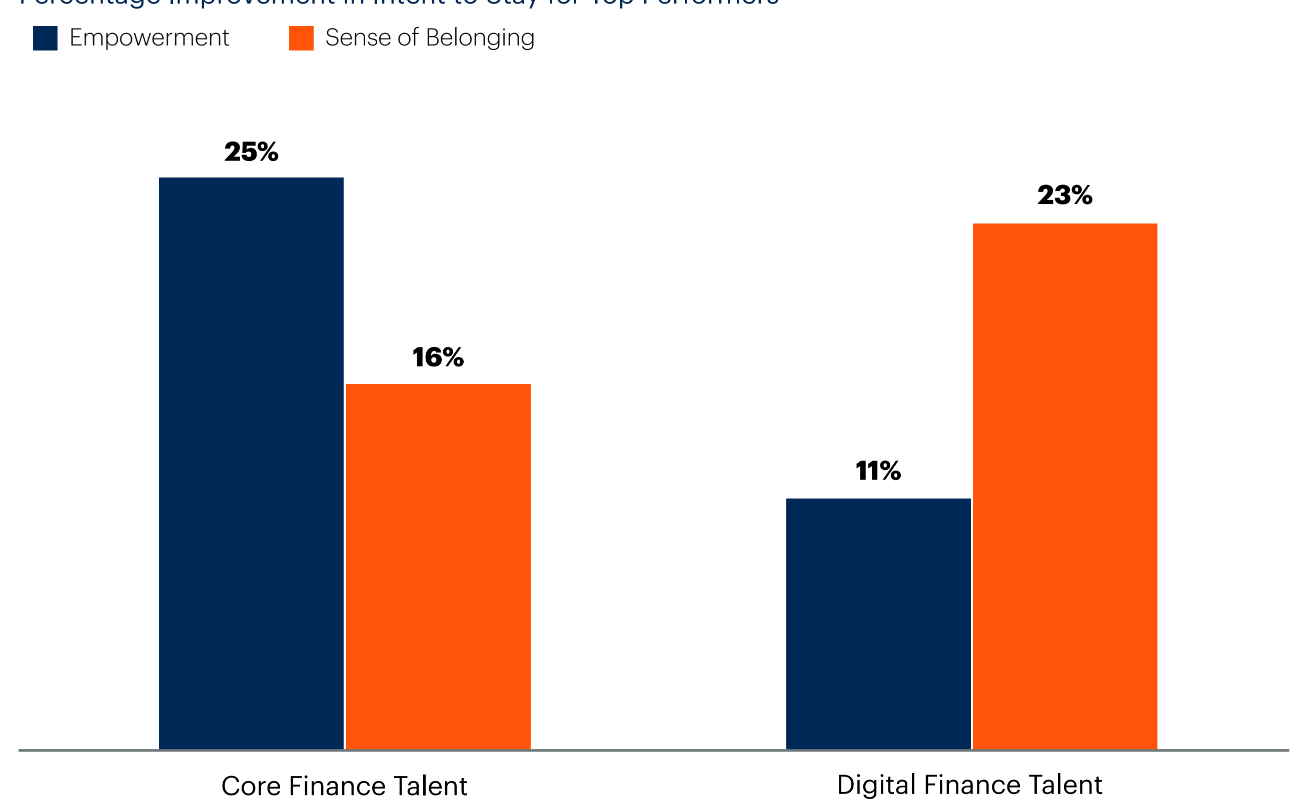
Nurturing a stronger feeling of belonging requires CFOs to bolster digital employees' connection to the finance function's purpose, possibilities and people. More specifically, finance chiefs must:

- Restructure digital initiative planning to allow for better bottom-up input (to build a shared sense of purpose).
- Develop flexible career management (to clarify job possibilities for digital employees within the function).
- Prioritize mutual learning between core and digital finance talent (to strengthen kinship between the two groups).

Give Your Digital Staff a Greater Say in Goal Setting

Digital projects require significant changes over time, as priorities shift fast. Additionally, and in contrast to core financial initiatives, individual contributors at lower levels of the organization may have much more subject matter expertise than their managers and leadership. Cumulatively, these differences require a rethink of how finance sets goals.

Figure 2. Impact of Empowerment and Belonging on Core Finance Talent and Digital Finance Talent
Percentage Improvement in Intent to Stay for Top Performers



n = 202 digital finance talent, 259 core finance talent
Source: 2022 Gartner Digital Finance Talent Survey

One way forward is to adopt a flexible objectives and key results (OKR) framework that facilitates more bottom-up goal setting, while maintaining the guardrails necessary to keep the finance organization aligned. OKR works by splitting digital goals into objectives and key results.

Objectives describe what needs to be accomplished in the future, and are framed so staff can easily know how to make progress and ultimately recognize success. They should be ambitious and push team members to stretch their capabilities.

Key Results are operational progress steps toward an objective's success. They should be quantifiable and imminently achievable.

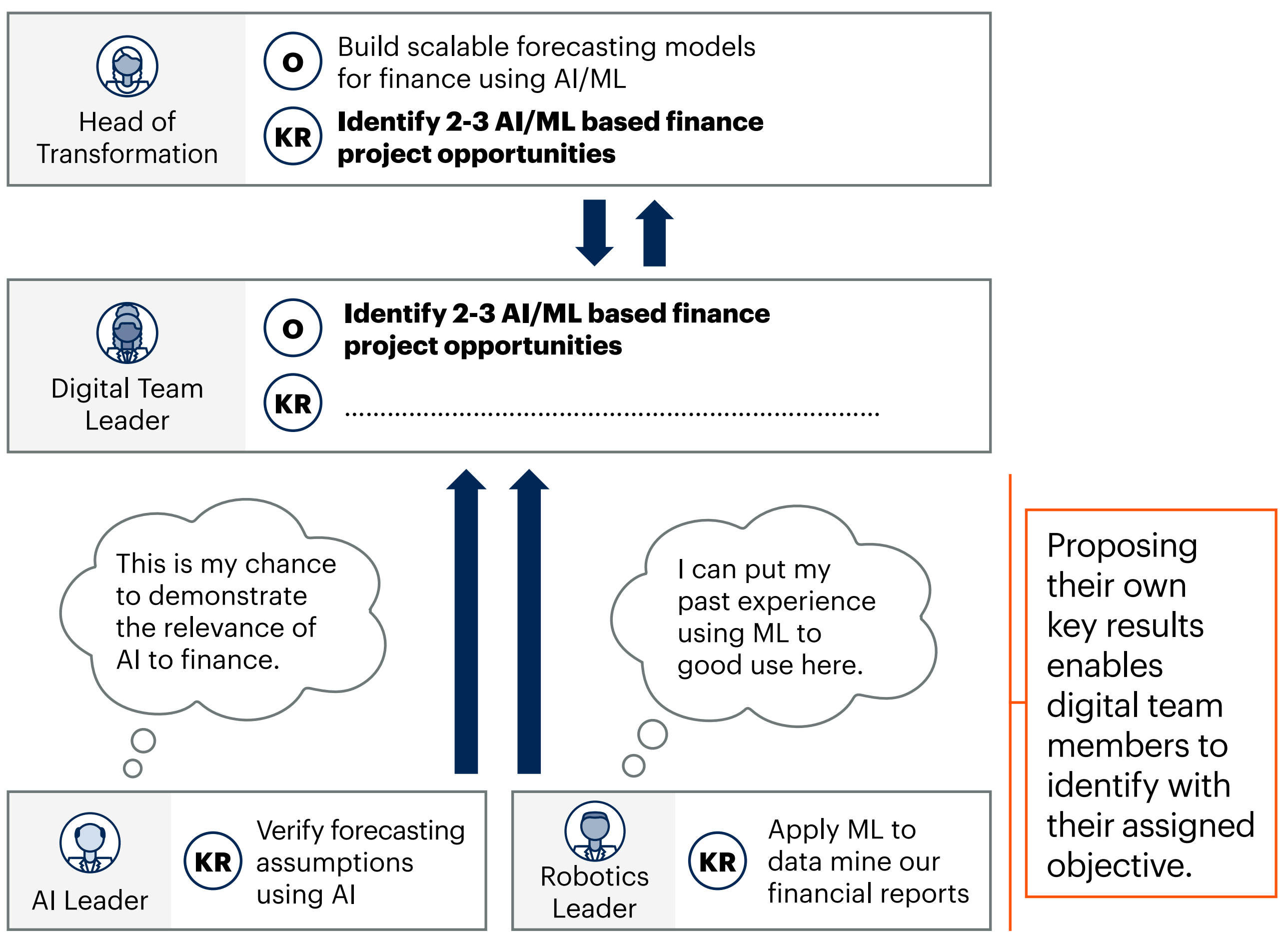
The OKR system helps cascade high-level objectives while allowing individual teams greater say in determining which outcomes will best contribute to the organization's aims (see Figure 3). This input helps digital finance team members identify more closely with the function's digital strategy.

Offer More Flexible Career Opportunities

CFOs should frame future job possibilities for digital finance talent in terms of experiences and knowledge gained rather than roles. This adjustment creates more resilient career possibilities that can be:

- Easily updated in response to evolving technologies.
- Customized to account for diversified interests.

Figure 3. Bottom-Up Key Result Setting Within Objective's Scope



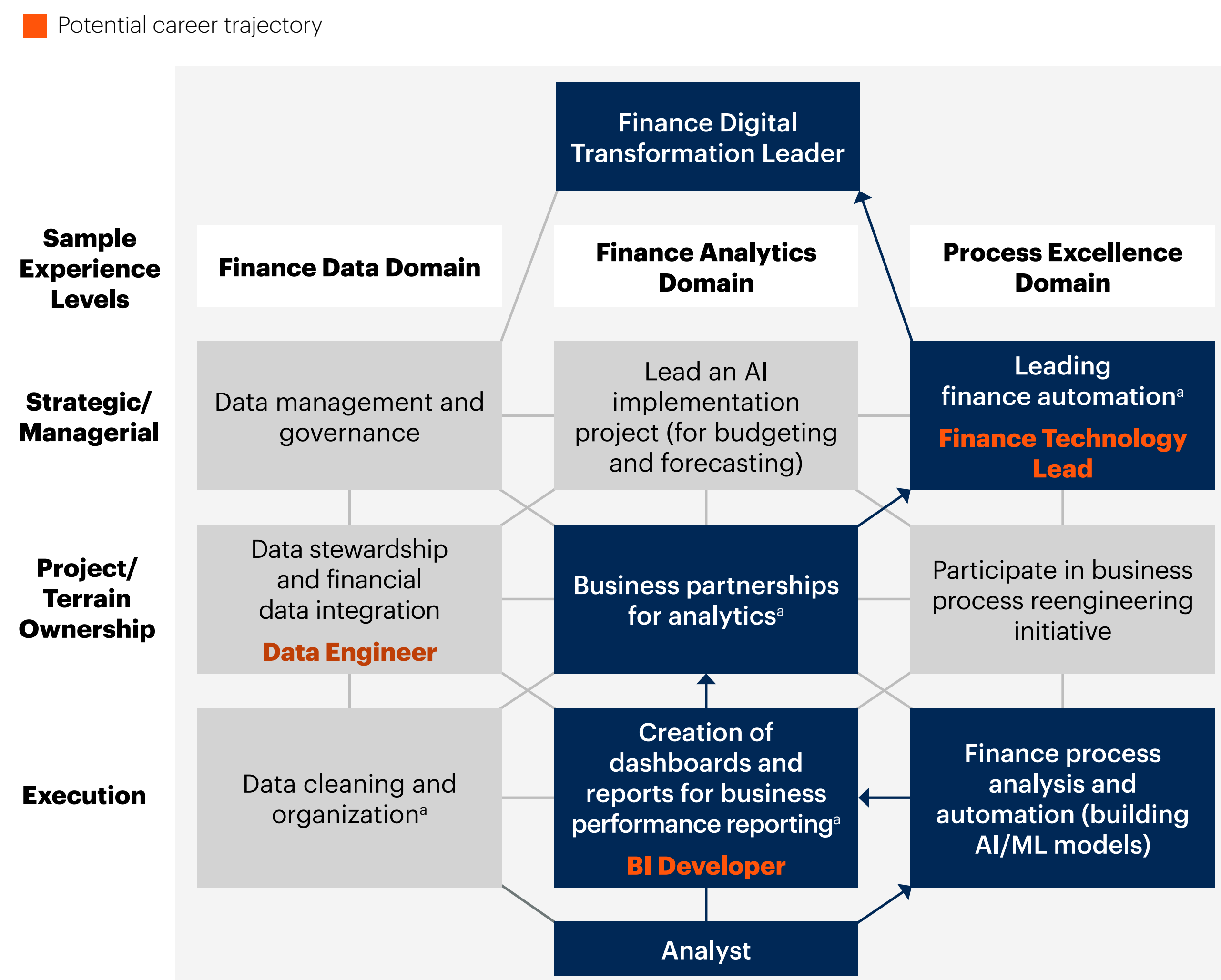
Source: Gartner

First, set up a career pathing framework that organizes the experiences available to digital finance talent within the function in a logical sequence. Digital staff members thus gain greater visibility into opportunities, while managers have a more realistic structure for showing vertical, horizontal and diagonal progression options (see Figure 4).

To build such a framework, CFOs and their leadership teams must establish which digital domains their finance organizations will prioritize; typically, these are data management, analytics and process excellence. From there, CFOs should add different levels of experience to create a matrix into which they insert their team's existing experiences and roles. Finance leaders can leave certain spots blank at this stage, filling them in later as opportunities arise or in response to digital staff's own input and ambitions.

Establishing a skeleton structure enables finance managers to have more productive conversations with digital team members, covering how experiences desired by employees might (1) contribute to finance's strategic priorities and (2) facilitate their progression within the function. Filling in the opportunities that might lead to promotion thus becomes a more customized and collaborative effort, strengthening the bond with digital workers.

Figure 4. Example of Experience-Based Career Pathing Framework



Source: Gartner

[a] Available roles

Establish Mutual Learning and "Buddy" Partnership Programs

Many core finance staff regard digital innovation as a threat as well as a boon, which often translates into uneasy feelings toward colleagues tasked with pushing such initiatives forward.

At NTT DATA, a Japan-based IT services and consulting firm, leaders in the Europe and Latin America finance team saw that interactions between digital and core talent were mostly informal and casual. While this may have worked well for certain individuals, knowledge disparities and differences in norms between the two groups often hampered peer connections and collaboration.

NTT DATA realized that bonding for digital employees needs to be connected to the transformation work they typically own. The CFO for Europe and Latin America therefore embedded bonding activities in the function's ongoing digital work.

Three principles anchored the buddy program:

- **Segmenting Digital Initiatives Into Collaboration Opportunities —** Allowing individuals to rotate across the underlying projects to maximize new connections with their peers.
- **Preparing Buddy Candidates for Effective Interactions —** Securing employee buy-in to the program by showing how partnerships between digital and core finance teams can help close knowledge gaps and achieve business goals.
- **Matching Buddies to Increase Likelihood of Equal Contributions —** Establishing pairs based on the employees' project topic experience and familiarity with each other so they add individual value to the projects and build new connections.

Leaders saw a positive change in core finance employees' attitude toward digital experts in the function and an increased willingness to work together on major digital initiatives.

Daniel Dencker,
Project Office Lead to CFO Europe and LATAM, NTT DATA

"The buddy program helped us build a platform that created a common language for digital and core finance talent and reduced the amount of friction, trouble and challenges that both sides faced earlier. It also made our buddy pairs more effective, and the buddies had more fun working with each other."

[1] 2022 Gartner Autonomous Finance Survey.

[2] 2021 Gartner Global Labor Market Survey. Responses were collected monthly across 40 countries in 15 languages and were then aggregated to generate quarterly findings. To capture the perspective of traditional finance talent, Gartner included responses from all finance roles except analytical roles within the finance function. Similarly, for responses of finance talent with digital skills, Gartner took a combination of analytical roles in finance and IT roles that clients highlighted they use for finance work. There were 733 finance employees with traditional finance skills and 1,091 finance employees with digital skills in the 4Q21 Gartner Global Labor Market Survey.

Tetra Pak's Versatile Tech Infrastructure Workforce Sparks Innovation

by Ajeeta Malhotra

Technology and workforce are among the top three strategic priorities for CEOs and executive leaders.[1] Yet, organizations still struggle to innovate quickly because staff members are tied to traditional roles, processes and ways of working. But in a tight labor market and during economic downturns, organizations looking for a path through this transformation crisis can't simply hire more people; instead, they must unleash the potential of their existing technology workforce.

Tetra Pak, a global food packaging and processing company headquartered in Switzerland, did just that for its infrastructure and operations (I&O) employees, encouraging them to explore new opportunities linked to innovation initiatives.

Within three years, attrition rates fell to 3%, repair times were reduced by a fifth and customer satisfaction increased 20%.

Two tactical shifts sparked this success story: (1) Tetra Pak rejigged I&O's structure to create agile teams devoted to innovation and (2) it carved out time for employees to try new things, truly own their career path and expand their skill base.

Create Agile Teams Devoted to Innovation

First, I&O leadership realigned its organization from a traditional model — in which operational tasks tend to crowd out everything else — to a structure that freed up teams to dedicate their time to support new innovation initiatives. Under the revamped model, a quarter of I&O employees were devoted to innovating products, and the remaining 75% concentrated on achieving service and operational excellence. Afterward, Tetra Pak saw only a temporary dip in I&O productivity because it could realign teams without sacrificing its operational goals (see Figure 1).

The dedicated agile product teams concentrated on different areas that were ripe for innovation. For team members on the reliability engineering team, for example, this meant leveraging industry best practice to provide customer value, reduce repetitive tasks and drive automation.

Craig Bierman,
Technical Infrastructure Director, Tetra Pak

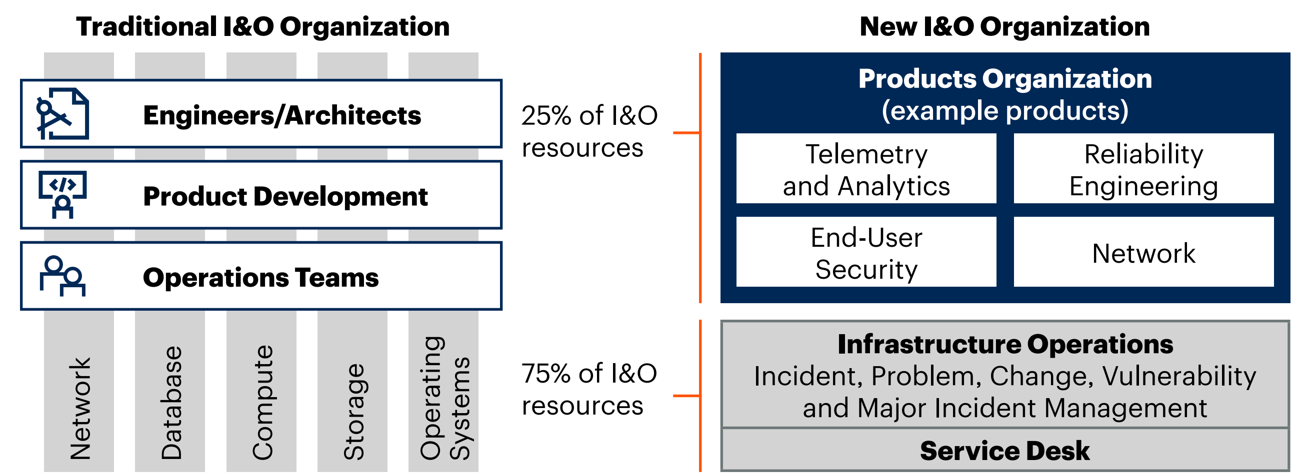
"I love to measure everything but I don't think measuring productivity is useful. I want to measure output. We see more innovation, more delivery and fewer incidents."

Empower Staff Members to Learn the "Next Hot Skill"

Next, Tetra Pak recognized it needed to move away from I&O's conventional way of working, which tends to prioritize team stability and technology-oriented career trajectories. The company instead allowed staff members to broaden their skill sets based on their interests and ambitions at the company.

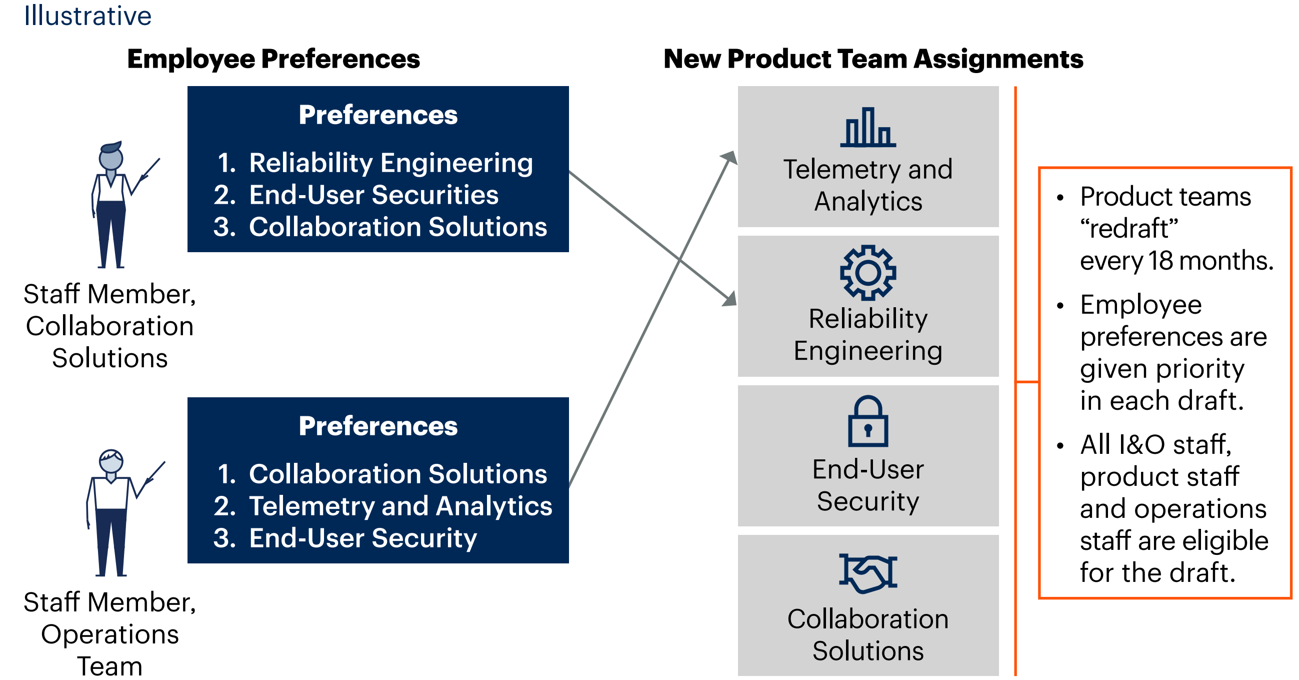
Tetra Pak empowered its staff through a system called the "draft," freeing up I&O employees to continuously explore fresh opportunities and be assigned distinct tasks in different teams. The function's leaders encouraged staff members to state their top three preferences for where they wanted to work for an 18-month stint — long enough for teams to settle in and reach a productive and sustainable level of activity (see Figure 2).

Figure 1. Realignment of Resources From Traditional to New I&O Organization



Source: Adapted From Tetra Pak

Figure 2. Using "Draft System" to Empower Staff Members to Shift Teams
Illustrative



Source: Adapted From Tetra Pak

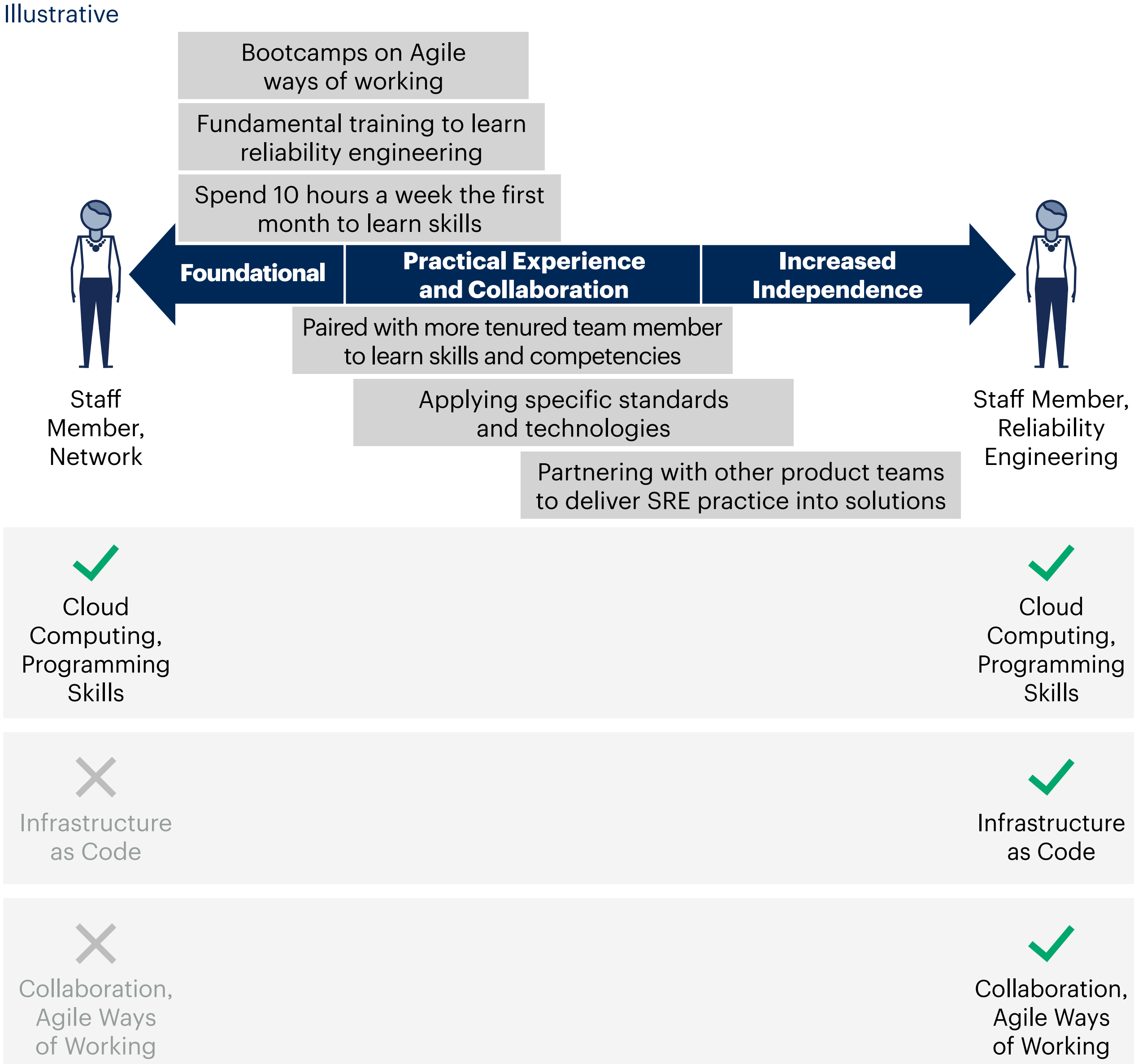
Once the 18-month "term" was up, team members reshuffled again, at which point Tetra Pak reevaluated its products and innovation team sizes based on customer demand, strategic and technology priorities and premortem analysis. Along the way, managers gave drafted team members clear expectations of the skills they would learn (see Figure 3). Managers also discussed their expectations about movement:

- Between product teams, to help build technical skills in new areas, such as agile methodology.
- From product teams to operations, to encourage understanding of different goals within the company.
- From operations to product teams, to bring in operations' knowledge of consumer pain points and opportunities to improve.

With this structure in place, leaders were confident that staff members received foundational training, hands-on experimentation and support from experienced team members — all of which enabled them to perform tasks in new fields independently. During the first two to three years of Tetra Pak bringing in this team-shifting tactic, most people got their first-choice placement and nearly one-third worked on innovation initiatives outside of their core expertise (see Figure 4).

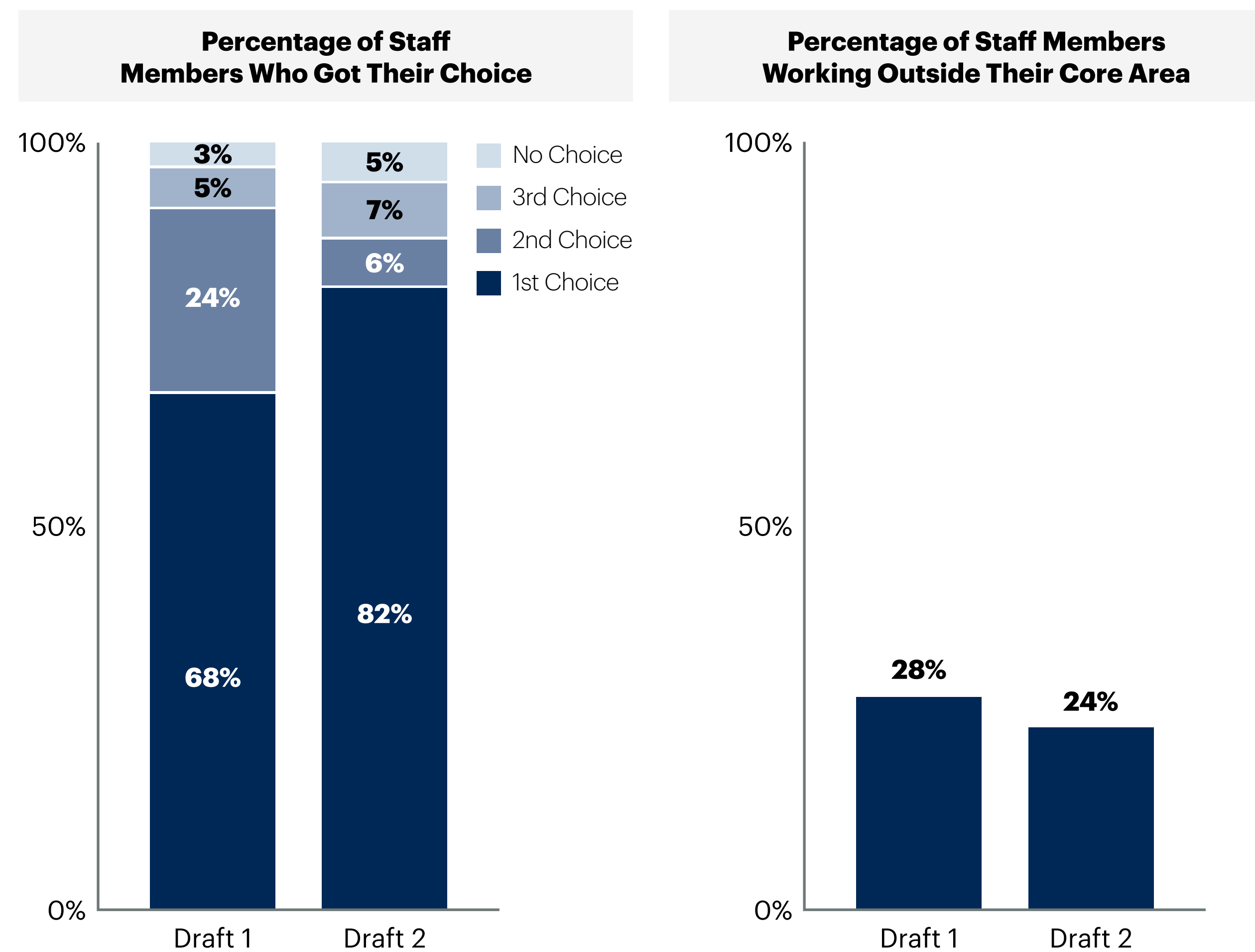
The company's transformation efforts translated into solid customer satisfaction results and an engaged workforce, where employees saw the potential for advancing their careers while also contributing to the most important and interesting innovation initiatives. As Tetra Pak's technical infrastructure director, Bierman, remarked: "Our staff are excited by the opportunities to grow and learn new skills. We pride ourselves in developing the next hot skill with our existing, ever-learning employee base, thus we have very low attrition."

Figure 3. A Staff Member's 18-Month Journey on a New Product Team
Illustrative



Source: Adapted From Tetra Pak

Figure 4. Advantages to Employees at Tetra Pak



n = 113 (Term 1); 200 (Term 2)
Source: Adapted From Tetra Pak

[1] 2022 Gartner CEO and Senior Business Executive Survey: This survey was conducted to examine CEO and senior business executive views on current business issues, as well as some areas of technology agenda impact. The survey was conducted from July 2021 through December 2021, with questions about the period from 2021 through 2023. One-quarter of the survey sample was collected in July and August 2021, and three-quarters was collected from October through December 2021. In total, 410 actively employed CEOs, and other senior executive business leaders qualified and participated. The research was collected via 382 online surveys and 28 telephone interviews.

5 Principles to Help Fusion Teams Power Your Digital Business

by Sneha Ayyar, Raf Gelders and Jamie Heyes

Enterprises should build and manage digital business capabilities as close as possible to their customers, products or operations. That's why many leading companies are trying to become faster and more agile by launching multiple, crosscutting fusion teams that blend technology and business domain expertise and whose members share accountability for outcomes. For example, TD, a Canadian financial services firm, has set up "pods" to deliver market-leading personal banking services. Watercare, a New Zealand-based utility, built "squads" that manage and improve its business capabilities. And Chevron, a U.S. oil and gas company, has created "digital business platform" teams to encourage innovation throughout the organization.

Building effective fusion teams is vital for digital transformations, but it's easy — and costly — for C-suite executives to get things wrong. Stifle these teams with bureaucracy and red tape, and they might fail to achieve the outcomes you want. Give them too much independence, however, and they could expose the enterprise to unnecessary risks. Fortunately, leaders can avoid these pitfalls by adopting a smart governance playbook.

Top Performers Get Governance Right

We surveyed more than 1,200 fusion team leaders to identify the teams that achieved the best results while avoiding downsides such as cybersecurity incidents and data breaches. Studying how those top performers operate enabled us to distill five governance principles that executive leaders must adopt to boost their digital business:

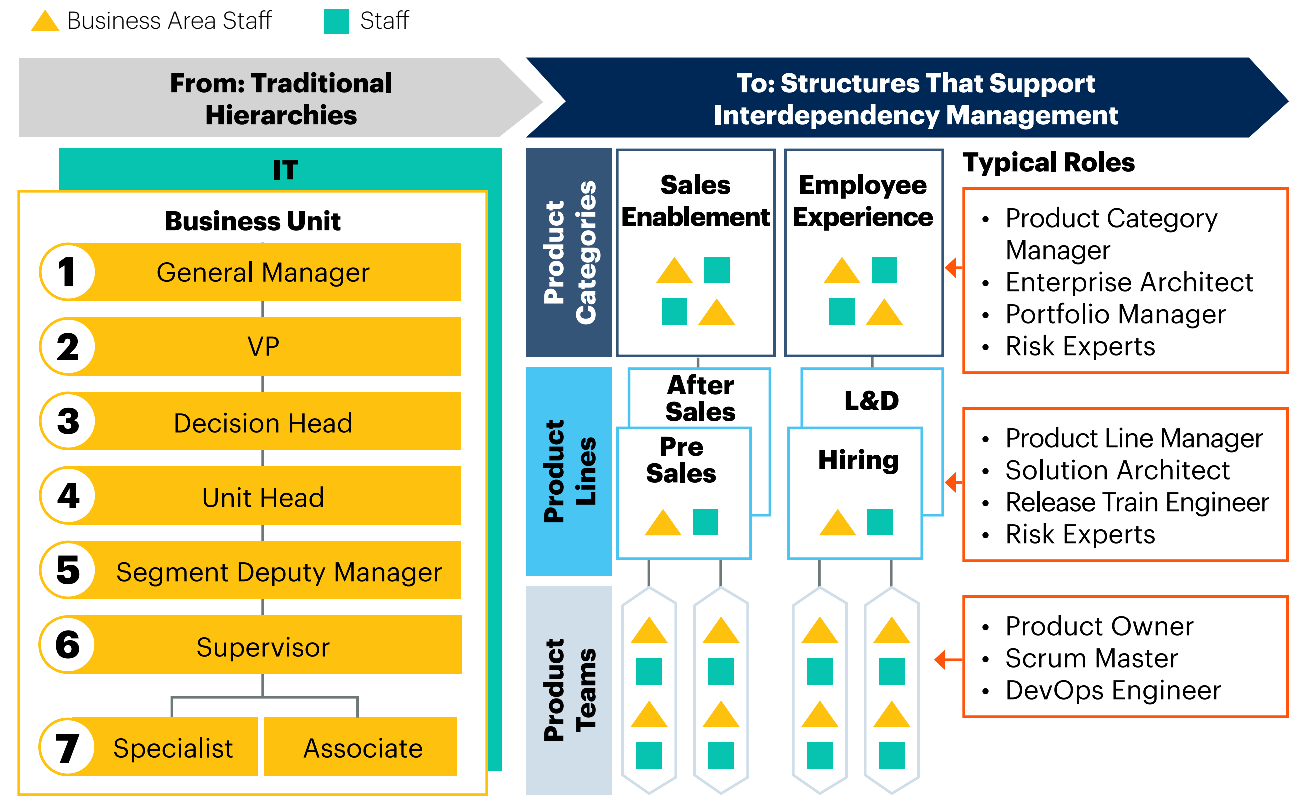
- Managing interdependencies
- Supporting agile working
- Managing risk
- Co-creating standards
- Breaking rigid talent structures

Organize for Interdependence, Not Autonomy

The best fusion teams are highly interconnected with each other, with core IT units that provide foundational technology tools and infrastructure, and with decision makers in the corporate center. This finding runs counter to conventional wisdom that fusion teams should operate autonomously. Instead, enterprise leaders need to help such teams manage these interdependencies by structuring their work around interconnected business capabilities, value streams, strategic outcomes, or employee or customer experiences (see Figure 1).

Leading enterprises organize fusion teams into "product lines" or "product groups" that work toward common business outcomes or customer experiences. They then group interrelated product lines into product categories (also known as "customer journeys," "experiences" or "platforms") that reflect higher-level business priorities, experiences or segments. At each level, roles requiring deep technical, architecture or security expertise are crucial for effective governance.

Figure 1. Delayering and Breaking Silos for Interdependency Management

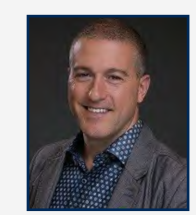


Source: Gartner

Product leaders should align business strategy and coordinate resources, roadmaps and releases of applications or features between the product teams to support good decision making. Meanwhile, senior leadership and governance committees should act as orchestrators and refrain from command-and-control. They must guide these networks of teams, communicate expectations and help them manage their interconnectedness.

Redirect the Corporate Center to Agility, Not Just Control

Fusion teams are 12 times more likely to be top performers when the decision makers and teams in the corporate center with whom they work adopt agile mindsets and ways of working.[1] Organizations such as Nationwide Building Society (a mutual financial institution based in the U.K.), TD and Watercare have established dedicated transformation management offices (TMOs) to co-create and drive the adoption of new work patterns across functions. The collaboration aspect is critical.



Ian Laliberte,
VP Next Evolution of Work, TD

"The Next Evolution of Work team [transformation management office] does not have the accountabilities to redesign functional processes. We augment our team with experts from business areas to co-create changes and support implementation. We are not doing this to them, but with them."

Enterprise leaders must co-describe these new ways of working and desired leadership behaviors themselves rather than adopt a preexisting template. The TMO at Watercare, for instance, worked with senior executives to produce a shared leadership manifesto, committing to be more open and responsive to agile work patterns within and beyond their fusion teams (see Figure 2).

Manage Risk at the Edges

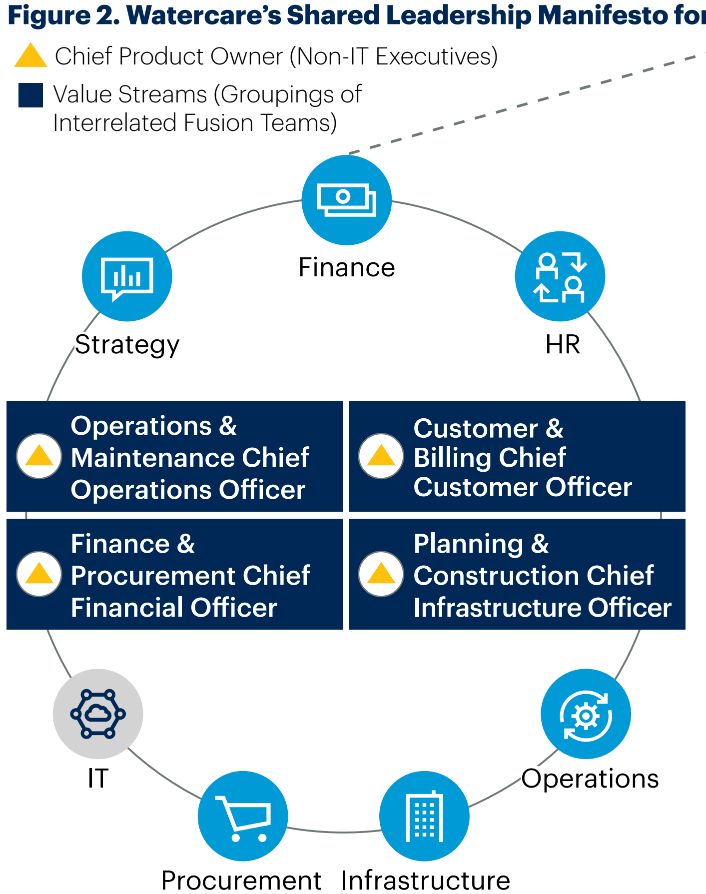
Top fusion teams can seamlessly access the risk management expertise they need, including on cybersecurity and enterprise architecture. Leading organizations provide them with in-the-moment, tailored support, reducing subsequent handoffs and escalations. One way of doing this is to embed risk management experts within groupings of fusion teams, so they can share both business and risk outcomes with the teams. These changes in how central risk and control functions engage with fusion teams may lead to broad transformations in risk operating models.

TD's Next Evolution of Work team collaborated with risk management executives to set up a "Risk Marketplace" that assigns versatile risk practitioners to provide in-the-moment support for customer journeys and platforms (groupings of fusion teams). These practitioners also partner with their respective functional risk areas (including technology, operations and fraud) to establish an integrated view of risk across fusion teams and escalate decisions when needed.

Co-Create Standards Instead of Dictating Them

Superior fusion teams also provide continuous feedback on standards that pertain to their work (and when needed, shape them). Collaboration on design and revision requires risk management experts to be open to feedback, which helps both them and the fusion teams understand and better articulate trade-offs. Co-creation helps fusion teams make better risk-related decisions.

Figure 2. Watercare's Shared Leadership Manifesto for Executive Behaviors Enterprisewide



Leadership Manifesto for New Ways of Working

1. **Behaving Over Instructing**
   Become role models to demonstrate commitment to change
2. **Openness Over Fixed Mindsets**
   Encourage employees to challenge policies and procedures
3. **Outcomes Over Rules**
   Enable principled exceptions to respond to change
4. **Transparency Over Opaque, Siloed Decisions**
   Be transparent in decisions to reinforce trust
5. **Encouragement Over Condemnation**
   Foster a no-blame culture and encourage learning
6. **Learning Over Perfection**
   Allow imperfections and iterations to learn and adapt
7. **Innovation Over Risk Aversion**
   Show genuine passion and excitement for new ideas
8. **Agility Over Control**
   Reduce gatekeepers for decisions and decision cycles

Source: Adapted From Watercare

Fusion teams at Nationwide Building Society previously had to take 26 risk assessments (one for each risk function, including cyber, privacy and legal) whenever they started an initiative, overburdening the teams and the risk organizations evaluating them. To remedy the problem, the building society's Intelligent Control team collaborated with fusion teams to spot overlaps among the multiple assessments. Based on the teams' feedback, the Intelligent Control team worked with different risk functions to create a single evaluation that covers all the risk domains and takes 50% less time (see Figure 3).

Break, Don't Create, Talent Siloes

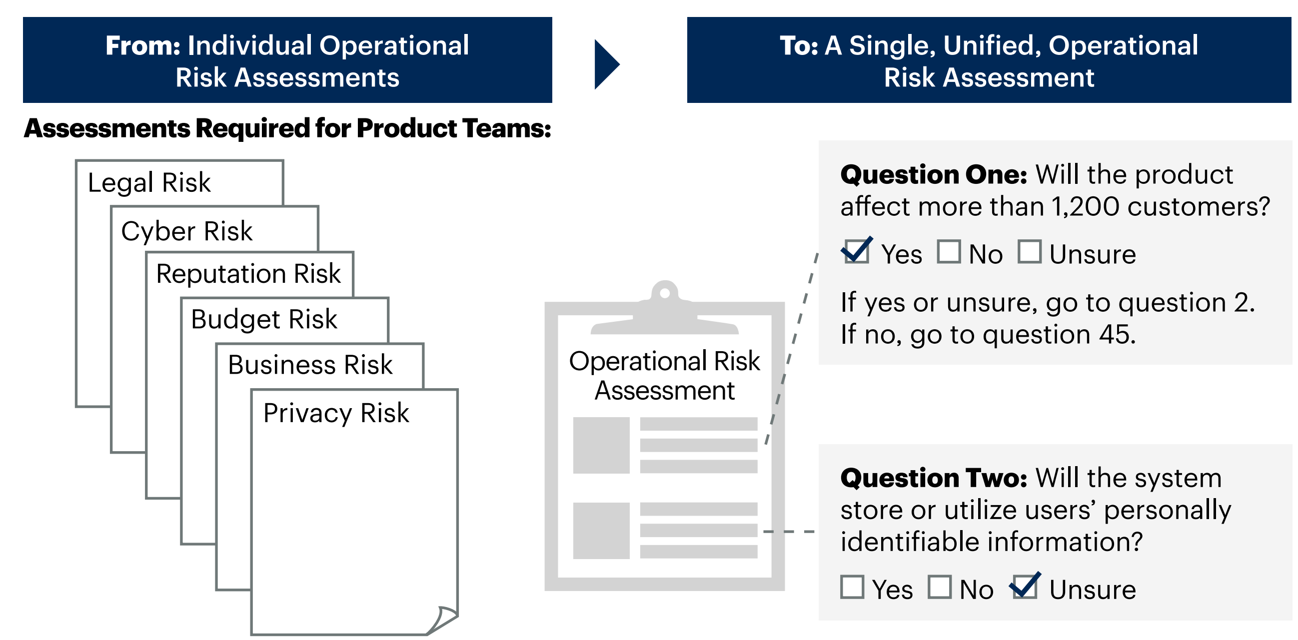
Access to versatile and specialized technology workers is critical to fusion teams' performance. Senior leaders therefore need to establish dynamic and integrated talent management structures that allow for role mobility, economies of intellect and the efficient allocation of scarce tech skills in the enterprise. One way of doing this is by centrally managing and incubating standing groups of tech experts in areas such as cloud, artificial intelligence (AI), user experience or design thinking, and making them available to individual fusion teams or other parts of the business for a limited duration.

Business unit leaders at Repsol (a Spanish energy and petrochemical company) lacked the resources to pursue innovations using technologies such as AI, blockchain and software robotics. In response, Repsol's CIO/chief digital officer (now its executive managing director of client) created "digital hubs" to serve as centers of excellence in software and hardware robotics, agile, cybersecurity, user interface/experience, blockchain, and omnichannel. Repsol allocated specialized technology talent from the central hubs to fusion teams, depending on their requirements. These experts also coached and mentored fusion team members on important digital competencies and shared best practices among fusion teams and business units.

As executive leaders adopt these five principles, they should instill an enterprise perspective in their fusion teams (while embedding agile work patterns elsewhere throughout the business). The wider lens is vital to providing accountability for managing risks and interdependencies, avoiding tunnel vision, and adopting sound and secure ways of working. The reward will be a competitive advantage and digitally driven top-line growth.

[1] 2022 Gartner Fusion Teams Survey; n = 1,219 fusion team leaders.

Figure 3. Streamline Risk Assessments for Product Teams
Illustrative



Source: Adapted From Nationwide Building Society

The Payoff From Improving Workplace Technology UX

by Alec Pallin and Brian Minning

Providing your workforce with user-friendly technology sounds like a no-brainer, but C-suites have typically not made it a priority because they struggle to understand the business impact. True, executive leaders are beginning to recognize that investing more to improve employees' user experience (UX) with work applications or tools can help spur engagement and productivity. Fifty-one percent of employees recently rated their UX as high-quality,[1] compared with just 31% two years earlier. That represents major progress — but it also highlights the large scope for further improvement.

Heightened economic uncertainty and continued remote working make effective use of technology ever more critical. C-level executives and IT leaders should understand that:

- A great UX can pay quantifiable dividends
- They may be neglecting important design priorities
- Accessibility features are even more valuable than they think
- Employee UX varies by industry, work location and function

A Great UX Can Pay Quantifiable Dividends

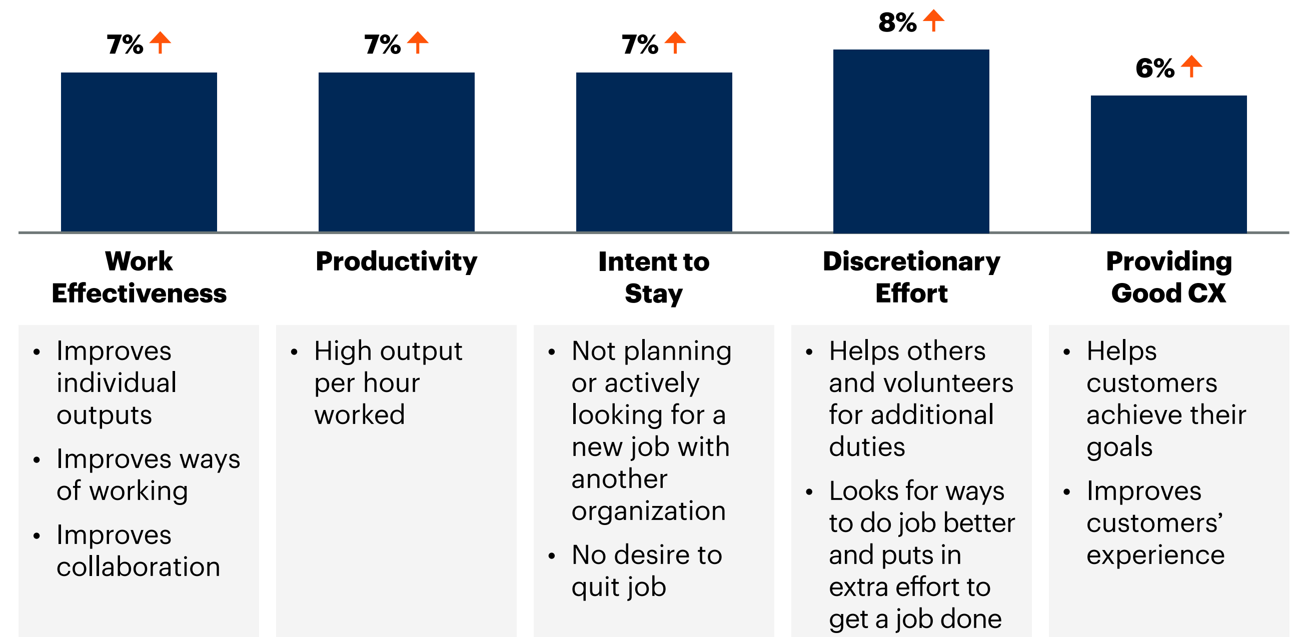
Employee UX has a positive impact on a range of important business outcomes related to productivity, retention and engagement (see Figure 1). Employees with a high-quality UX are:

- 8% more likely to have high levels of discretionary effort, which includes willingness to help colleagues and take on additional responsibilities
- 7% more likely to have high levels of productivity
- 7% more likely to have high levels of work effectiveness, which includes on-time task completion, work quality and effective collaboration
- 7% more likely to have a high intent to stay, as indicated by a lack of interest in leaving their current employer and not actively searching for a new job
- 6% more likely to be able to provide a good customer experience, which includes helping customers achieve their goals [1]

You May Be Neglecting Important Design Priorities

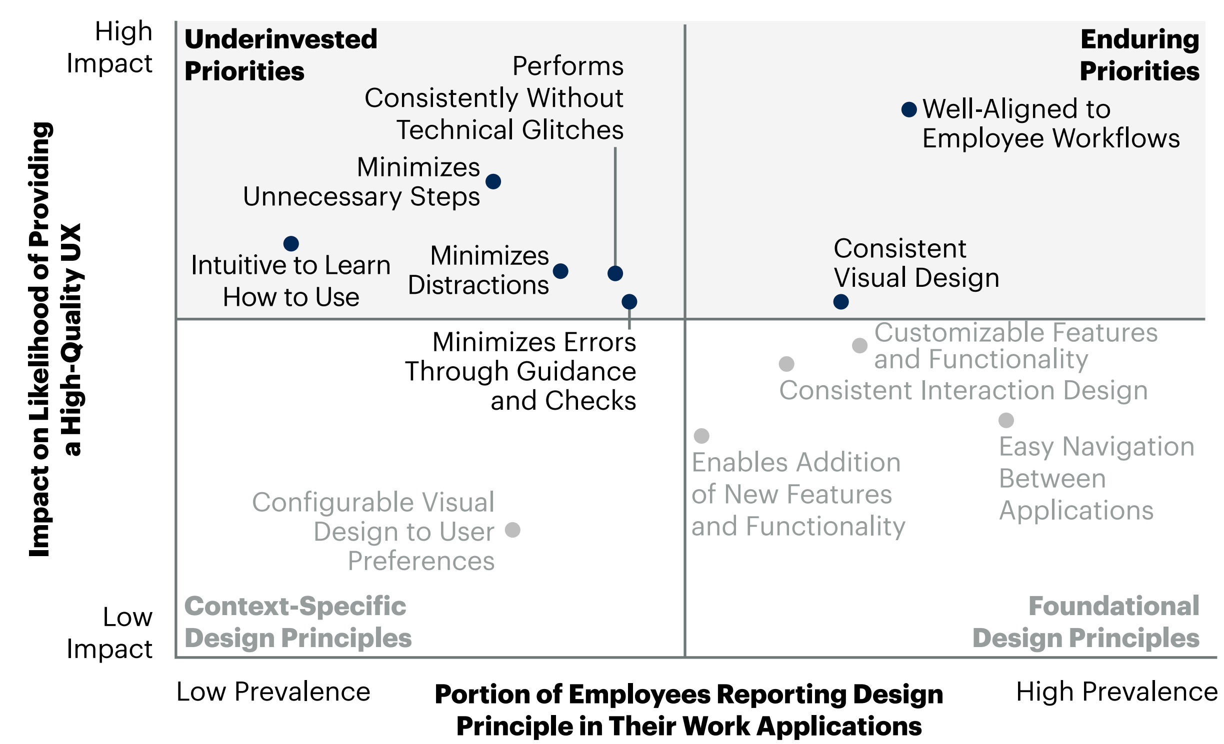
Many design principles help shape the experience employees have when using work applications or tools. We examined 12 of them — such as visual consistency, alignment with workflows and navigability between applications — to determine their prevalence and impact on overall UX quality (see Figure 2).

Figure 1. Impact of Employee UX on Key Business Outcomes
Increase in Likelihood of Key Business Outcomes From High-Quality UX



n = 2,244 employees
Source: 2021 Gartner Employee UX Survey

Figure 2. Prevalence of Application Design Principles and Their Impact on Overall Employee UX Quality



n = 2,244 employees
Source: 2021 Gartner Employee UX Survey

Organizations should of course concentrate on high-impact improvements in employee UX that reduce the effort needed to complete work (the priorities shown in the upper two quadrants). But some of these design principles are relatively less common, including: minimal unnecessary steps and distractions, consistent performance and ease of learning how to use.

Design principles fall into four categories based on their relative prevalence and impact on UX quality:

- **Underinvested priorities** are less widespread but have a higher impact on UX quality; executive leaders should emphasize them more in application design.
- **Enduring priorities** are highly prevalent and have a large impact on UX quality. Organizations should continue to accentuate these.
- **Foundational design principles** also are highly prevalent but have a lower impact. While these principles are essential parts of the experience employees expect, companies should not overinvest in them, as increasing spending may not yield returns.
- **Context-specific design principles** are less prevalent and have a lower impact on UX quality. Enterprises should prioritize these principles only to address particular user needs or provide value in specific circumstances.

Accessibility Is Even More Valuable Than You Think

Accessibility features and assistive technologies that help employees with disabilities to do their work, such as text-to-speech, text enlargement and assistive input devices, also are associated with positive perceptions of UX quality. Fifty percent of survey respondents reported using one or more of these features or technologies, suggesting that employees with reported disabilities are not the only ones who benefit from them. And 69% of employees who use two or more of these aids said they had a high-quality UX, compared with only 39% of those using one or none.[1]

Instead of treating accessibility features and assistive technologies solely as compliance issues, organizations can embrace them as a way to improve all employees' experience using workplace technology. Making such options available will also help enterprises achieve critical diversity, equity and inclusion outcomes.

Employee UX Varies by Industry, Work Location and Function

Although overall employee UX has improved a lot in recent years, big differences in quality persist across and within organizations (see Figure 3). Executive leaders should identify the largest disparities in UX by soliciting input from staff regarding enhancements.

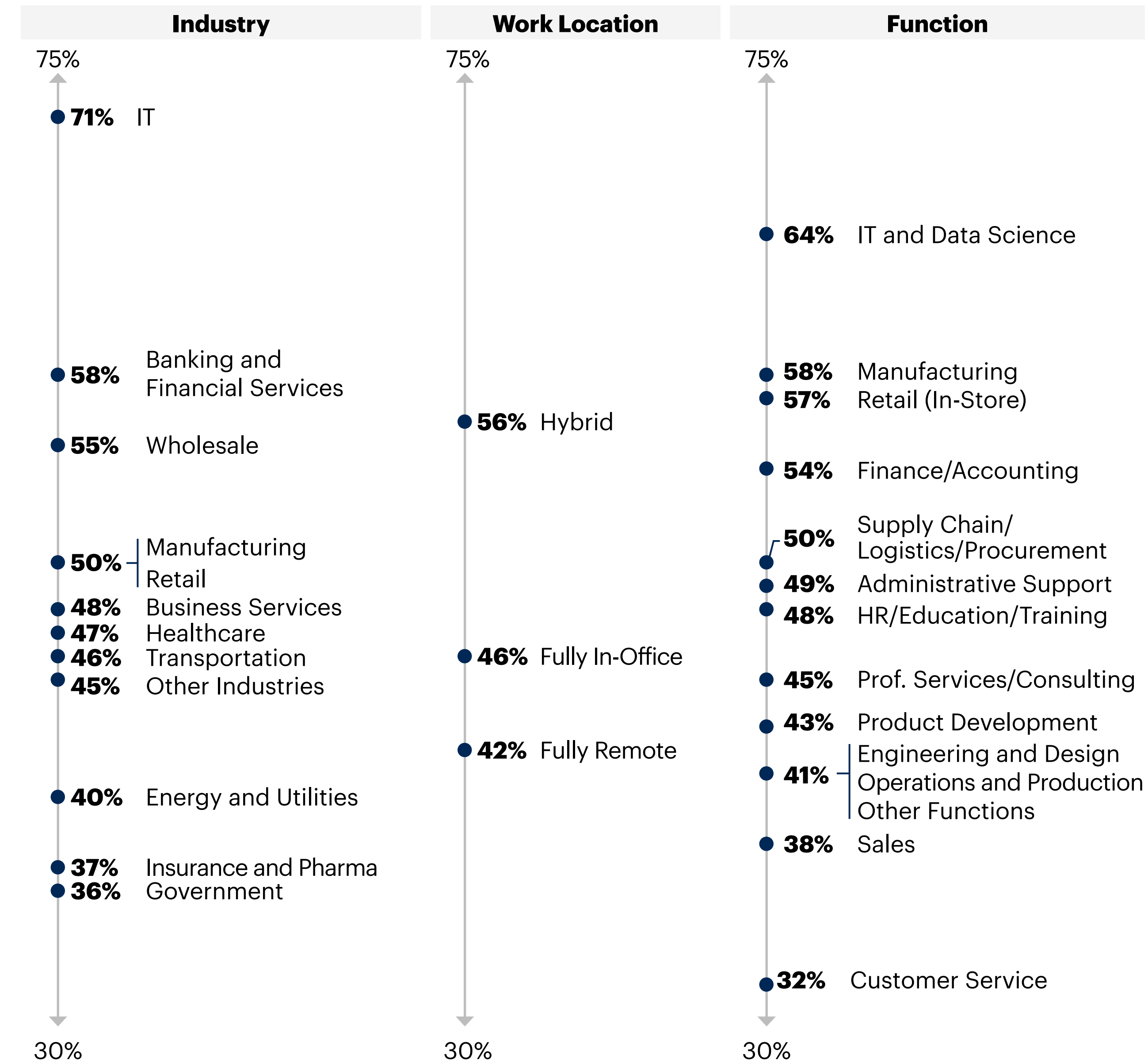
C-suite leaders should be aware that perceptions of UX quality differ widely by:

- **Industry,** where the disparities are greatest. Employees in technology and finance are most likely to report a high-quality UX, compared to 40% or fewer in the energy/utilities, insurance and pharmaceutical, and government sectors.
- **Where employees work,** with staff who combine in-office and remote work being more likely to rate their UX as high quality (56%) than those based primarily at home (42%) or in the office (46%).[1] Although hybrid workers typically use many of the same applications as their office-based and remote counterparts, their more flexible work options could be one reason why they perceive UX quality more positively.
- **Business function,** with the percentage of employees reporting a high-quality UX ranging from 32% to 64%. Workers in relatively technology-intensive functions such as IT and data science (64%), manufacturing (58%), and finance and accounting (54%) are more likely to be happy with their apps and tools, while those in customer service (32%) and sales (38%) are least likely to be satisfied.[1]

Until recently, a majority of employees reported a subpar or inconsistent experience using workplace technologies. Executive leaders need to recognize that attempts to improve the situation further will have different starting points throughout the organization. That will in turn help them identify the highest-value areas in which to invest.

Figure 3. Perception of UX Quality by Select Demographics and Firmographics

Percentage of Employees Rating Their UX High Quality



n = 2,244 employees

Source: 2021 Gartner Employee UX Survey

[1] 2021 Gartner Employee UX Survey. We surveyed over 2,200 corporate employees globally from all industries, functions, seniority levels and generations. Our objective was to understand the overall quality of employee UX across organizations and its impact on key business outcomes. We also aimed to identify the application design principles and practices that have the biggest impact on employee UX quality. We used descriptive analyses to compare overall UX quality across employee demographic segments. We used logistic regressions to understand the impact of employee UX on key business outcomes and to identify the application design principles and employee-centric practices that have the biggest impact on overall UX quality. We tested approximately 20 design principles and employee-centric practices to understand the impact that each has on UX quality. We controlled for respondents' age, function, seniority level, geographical region, professional tenure and organizational characteristics when conducting the regression analysis.

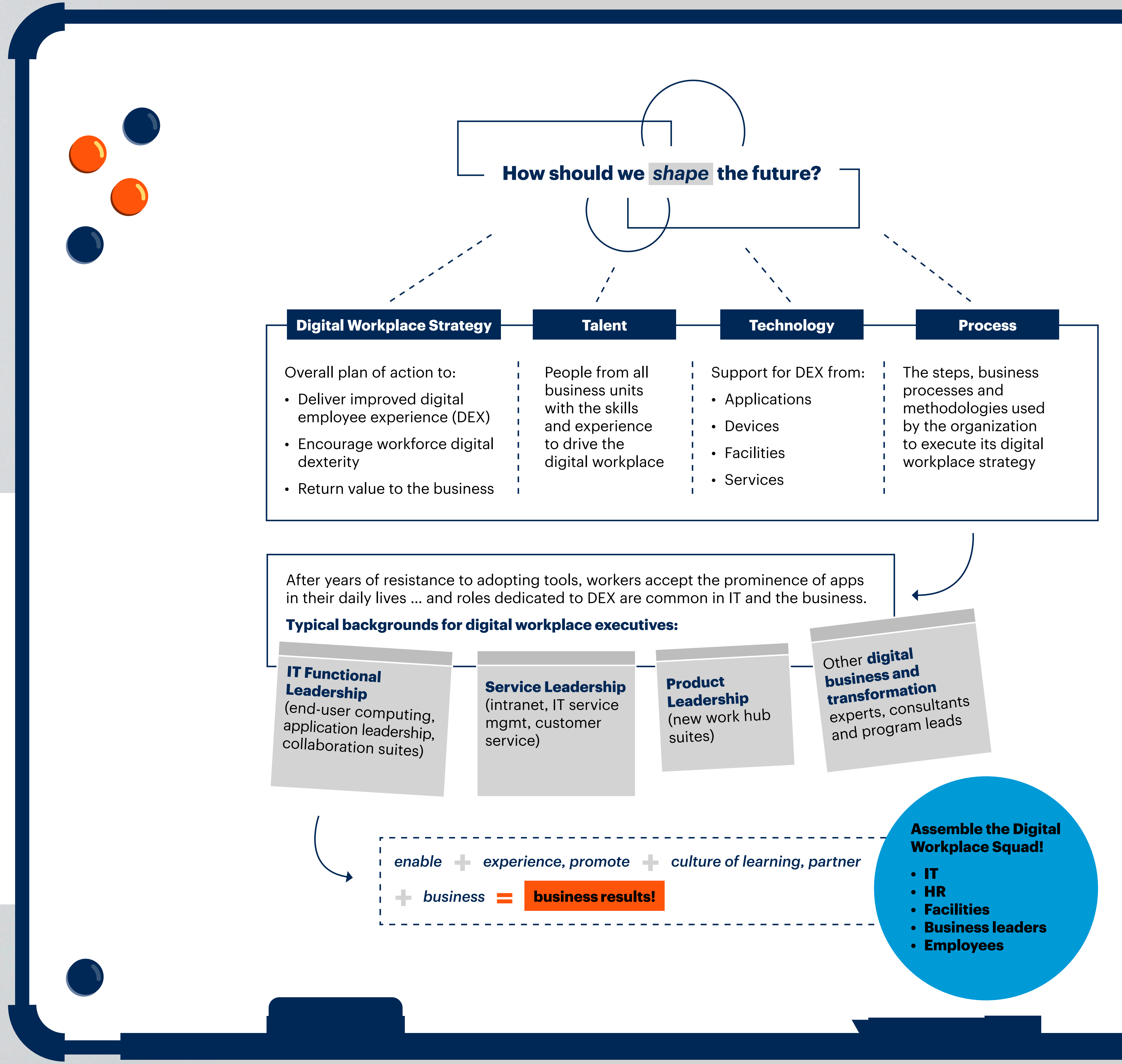
The Whiteboard

Big Questions About Digital Employee Experience in the Evolving Workplace

by Lane Severson, Tori Paulman, Matt Cain, Dan Wilson and Adam Preset

Digital workplace leaders are already futurists. They foresaw the need for technology that enabled organizations to operate (and even thrive) when new priorities took root during the COVID-19 pandemic: functioning remotely, for those whose jobs allowed it, and protecting frontline safety, for those who had to be onsite.

What comes next? Let's head to the whiteboard and sketch out how to predict and deliver on the right combination of competencies, tools and insights for your enterprise. The roadmap to 2028 requires vision, strategy and a plan — starting now.



What *competencies* have the most impact on the future of work?

Team Unity > Interconnected Loop of Team Unity Elements

Well-Being

- Nudgetech ... for focus time, physical breaks, inclusive behavior
- Etiquette ... for after-hours messaging, digital meetings

Identity

- Digital badging: identify skills (business technologist, languages) ... employee resource groups, clubs
- Team development of shared purpose and mission statement

Connections

Collaboration Equity

- Default — recording and transcription of meetings
- Collectively set hours for solo work (just as important as group work)
- "Always on" digital meeting rooms

Mentorship

- Reward knowledge-sharing within the team
- Coaching apps that match and schedule formal sessions

Agile Learning > Culture Hacks You Can Use to Drive Agile Learning

End Team Meetings With Two Things You Learned Today

For Every New Idea, Ask, "What Do We Need to Learn to Do This?"

Cancel a Meeting This Week and Use the Time for Learning

Every Time You Use the Word "Fail" Replace It With "Learn"

Empower employee communities: support an EX hub for corporate communication, professional networking and social interactions.

Digital Dexterity

80% of employees say that **improving** their digital dexterity is **extremely important** to their work effectiveness[1]

70% say it is extremely **important to their career advancement**[1]

What *tools* have the most impact on the future of work?

Software applications that support personal productivity, flexible work, and collaboration

DEX Tools

- **Measure** and continuously **improve** technology experience
- **Proactive outreach** from support when having problems such as self-healing automations: running a script, installing software and restarting a service

30% of digital workers **would accept** their organization's **monitoring** of them in return for self healing and automation.

Everyday AI: a **smart personal assistant** built into your digital workplace.

Digital Adoption Platform: overlays applications (such as CRM, HCM, ERP, legacy and external) with **guided learning, simulations, analytics and nudging**

11 **– average number of applications**, including the applications accessed through web browsers, employees use to do their jobs[2]

41% of employees that use **more than or equal to 11 applications**[2]

Workplace Experience Applications

- Allow teams and individuals to **coordinate in-office visits**
- **Help navigate office layouts** and inform about available resources

What data-driven insight will show the business how employees do work?

Workstyle Analytics

- Identifies **digital or process friction** that can be resolved
- Reveals when workers are in **danger of burnout.**

Data

- App Usage
- Collaboration Patterns
- Performance
- Sentiment
- Calendar
- Time Clock
- Workstation
- Org Structure

Analyze

- Machine Learning
- Knowledge Graph

Outcomes

- Employee Nudges
- Guided Attention
- Productivity
- Skills Identification

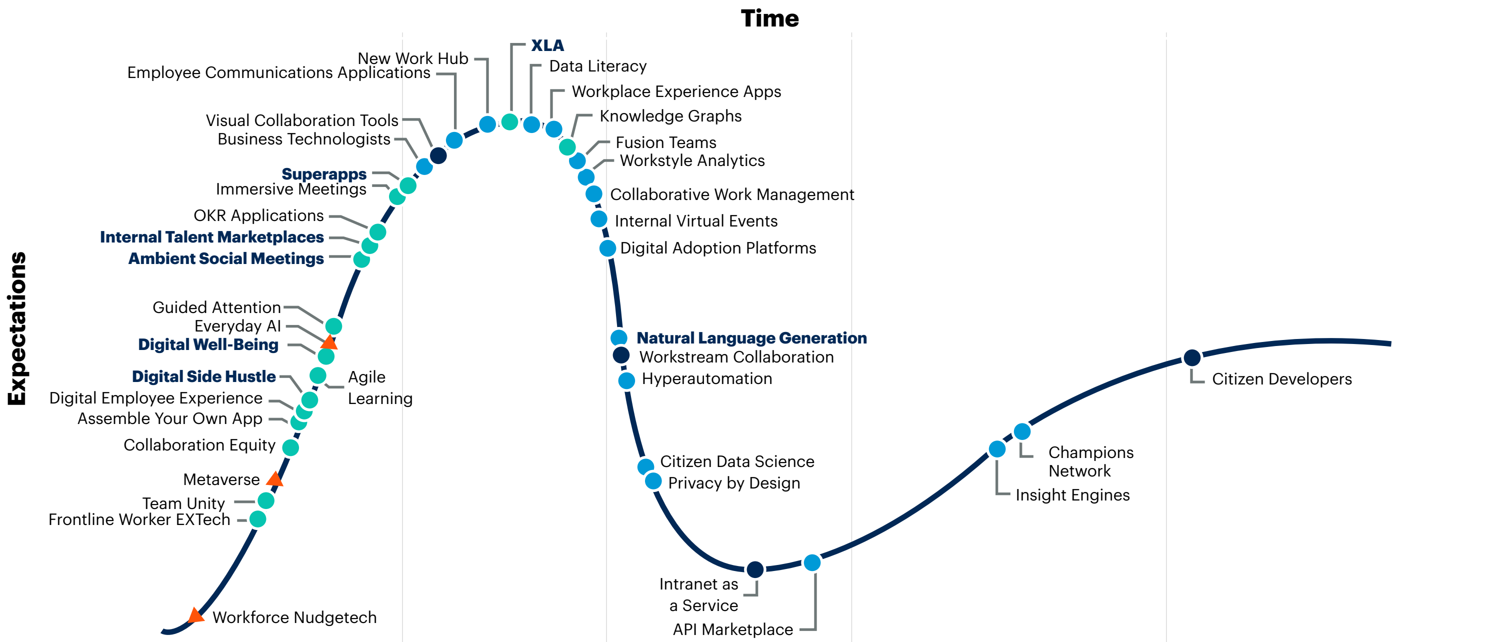
Negotiating Employee Monitoring[2]:

34% welcome monitoring that informs them of training classes and/or career development opportunities.

33% would like help finding information or data to do their job.

What are the *newest* emerging skills and technologies — and which are more mature?

When Plateau Will Be Reached ● < 2 Years ● 2-5 Years ● 5-10 Years ▲ > 10 Years



Innovation Trigger	Peak of Inflated Expectations	Trough of Disillusionment	Slope of Enlightenment	Plateau of Productivity

Translation for Pet Owners





Innovation Trigger

"I am so excited for my new puppy!"

A breakthrough, public demonstration, product launch or other event sparks media and industry interest.

Peak of Inflated Expectations

"I'm going to get so much exercise walking my puppy!"

The excitement about, and expectations for, the innovation exceed the reality of its existing capabilities.

Trough of Disillusionment

"Wait, this is so much harder than I thought it would be!"

Overexcitement dissipates and disillusionment sets in due to performance issues, slower-than-expected adoption or a failure to deliver ROI.

Slope of Enlightenment

"We graduated from puppy class!"

Some early adopters overcome the initial hurdles and begin to see the benefits of the innovation and best practices emerge.

Plateau of Productivity

"We're going on a walk every day now! I might even be ready for another puppy!"

The innovation has demonstrated real-world productivity and benefits, and a sharp uptick in adoption begins until the innovation becomes mainstream.

7 *innovation profiles* everyone should know about

XLA: A step beyond service level agreements. IT leaders should offer experience level agreements that pledge overall quality and value for users.

Ambient Social Meetings: The evolution of video conferencing. You can access always-on virtual spaces for video connections with colleagues.

Internal Talent Marketplaces: A matchmaker for employees with projects inside the company that need their skills. Think Upwork or Fiverr but for your own workforce.

Digital Side Hustle: Grassroots support from IT for employees who want to develop special digital expertise (e.g., building a data story). They can advance their careers and help their teams.

Superapps: Multiple functions on a single application. A workplace superapp of the future could let you chat with others, reserve a meeting space and request a new laptop!

Digital Well-Being: A set of technology and disciplines that help employees keep burnout at bay.

Natural Language Generation: AI tools similar to ChatGPT. A chatbot can summarize large, complex data sets or write a company newsletter.

How does the hype affect the digital workplace?

Can we *combine elements* based on our own needs?

Yes!

Heathrow: Team unity, agile learning, and digital dexterity apps

Roles That Actively Sustain Heathrow's Low-Code/No-Code Community of Practice (Illustrative)

IT Staff | Business Technologists

1 Digital Services Team: A team of four within IT, tasked with sustaining the community of practice.

Roles: Solution Specialists and Digital Services Lead.

Solution Specialist Experience: Low-code/no-code builders recruited into IT to drive participation in the community.

Low-Code/No-Code Community of Practice

2 Digital Champions: Low-code/no-code builders who actively drive participation and engagement in the community.

3 Low-Code/No-Code Builders: Employees who build digital capabilities to perform their jobs, but are not hired specifically to do technology or analytics work.

Self-Service Hub, Tooling and Repositories

- Low-Code/No-Code Development Platforms
- Cloud Infrastructure
- Monitoring and Security
- Traditional Infrastructure and Operations

"We had low-code/no-code platforms in place, but what really drove uptake was the community, providing guardrails and frameworks to help employees capture value."

Louise Brown, Head of Digital Services, Heathrow Airport

Support Available to Employees Outside IT to Maximize the Value of Their Low-Code/No-Code Solutions

Self-Serve Resources

1. Development Guidelines
2. Information Security Policies
3. Process Guidelines
4. Best-Practice Examples
5. Reusable Templates

Digital Champion Meetups

1. Show and Tells
2. Learnings From Experiences
3. Case-Study Walk-Throughs

Digital Services Team Support

1. Mentoring
2. Art of the Possible Demos
3. Idea Review
4. Business Case Review
5. Documentation Review
6. Solution Review

Seagate: Champion networks, agile learning, digital side hustle, business technologists, data literacy, and citizen data scientists

Structure of Seagate's Citizen Data Scientist Certification Program

Citizen Data Scientist Certification Program

- Business Intelligence Track
- Guided Analytics Software Track
- Programming Languages Track

Business Intelligence Track:
- Tier 1 (Awareness)
- Tier 2 (Specialization)

Guided Analytics Software Track / Programming Languages Track:
- Tier 1 (Awareness)
- Tier 2 (Knowledge)
- Tier 3 (Specialization)

Graduates' Certificates:

- Added to HR records
- Qualify to apply for analytics roles, short-term projects
- Shareable on LinkedIn
- Enable data science champions
- Program graduates act as subject matter experts for their teams or in business verticals

Bonus: A data science ecosystem — Program graduates support each other. Connected community can come up with new tech projects.

Tip: Uncouple data scientist skills from a specific role — open training to all who want it

Do you want to surf the curve ...

Ride the investments of your digital workplace through the rough patches.

Develop best practices of your own and wait patiently for others to develop their own that you can copy.

... or jump the curve?

Take a risk on an innovation that shows promise to solve your business challenges.

Accept that no best practices will exist and support by peers and vendors may be limited.

[1] Gartner Future of Work Reinvented: Implementation to Drive Talent and Business Outcomes
[2] 2022 Gartner Digital Worker Survey

A Journey to the Metaverse-Office Frontier

by Laura Cohn
with contributions from Marty Resnick

The first time I experienced a metaverse office, I overdressed and accidentally teleported away in the middle of a conversation. I even had to ask an executive I was interviewing how to get my avatar to sit down in a chair.

It was weird and humbling. But the interactions my avatar had with others as I explored an online campus helped me understand why corporate leaders have begun to dabble in virtual shared spaces as a way to engage employees. The unplanned encounters that occurred as I wandered through event halls, conference rooms and outdoor walkways overlooking a rippling blue sea served as a reminder of the community benefits of an actual physical workplace. As I walked along a path, I asked a passing stranger what I should be sure to see (she recommended teleporting to an art exhibit). And as I was chatting with an executive in his office, I got to meet one of his colleagues, who happened to stop by.

My foray into this particular virtual shared space required a software download but no special headset. I could communicate with others by talking or using the chat. Using a drop-down menu to dance or wave took some getting used to. But I could hear my footsteps as I walked. And despite the wide array of hairstyle and wardrobe choices, setting up an avatar wasn't hard.

I liked it more than I thought I would.

A Starting Point for Assessing Brave New Online Worlds

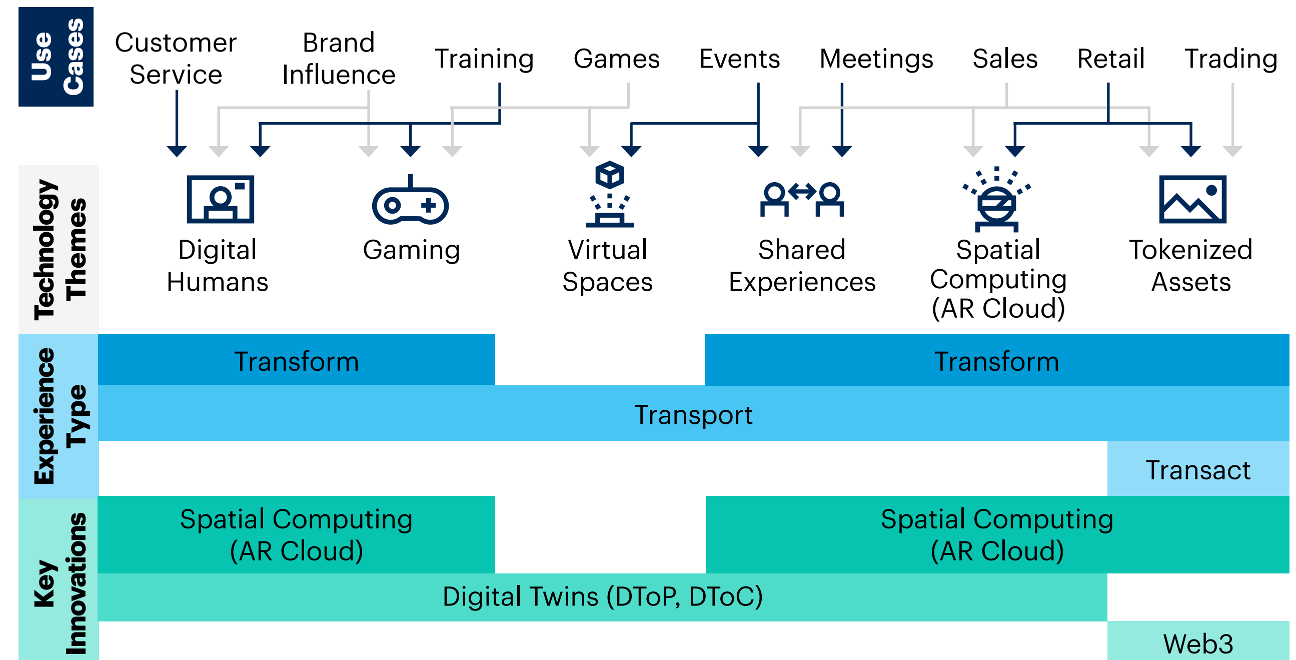
Despite all the hype, these enhanced immersive environments may never become mainstream. So it may be too early to talk about what your "metaverse strategy" should be.

Yet CIOs and senior executives looking for a creative way to recruit and engage employees in a hypercompetitive labor market should get up to speed on what a metaverse is — and what its early tactical use cases are. A virtual office that incorporates metaverse technologies, which we call an intraverse, can also serve as a relatively low-cost starting point for assessing the value of brave new online worlds for other purposes (see Figure 1). Setup can happen within weeks for "off the shelf" environments, and organizations can customize digital twins of their physical locations over a longer period if they choose to go all in, spending six- and occasionally seven-figure amounts.

Early Uses: Recruiting, Training, Collaboration

Companies such as Accenture, Meta and DXC Technology are not only developing intraverse platforms, they use their own products for training, collaboration and global team meetings.[1,2] Meta, for one, has seen employee response highlight the need for improvements — The New York Times reported one intraverse meeting was so glitchy the group had to switch to Zoom, and a 2022 internal post by an executive announced a "quality lockdown" to "raise the overall craft and delight of our product."[3]

Figure 1. Opportunities in a Metaverse (Now and in the Future)



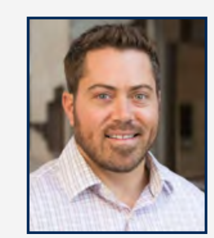
Source: Gartner
DToP = digital twin of a person; DToC = digital twin of a customer

At other organizations, executives should consider which experiments they want to conduct by thinking about what business challenge they need to address, suggested Alex Howland, an organizational psychologist who is co-founder of Virbela, which builds immersive virtual worlds. In what situations is it helpful to use a tool that enables employees to mingle instead of staying confined to their own little boxes on a laptop screen?

Say you have thousands of employees who need training in six dozen locations, he said. You could centralize your effort in a metaverse and push out the training to staff members wherever they may be, cutting travel costs in the process. The metaverse location can add value by simulating the actual workplace (e.g., a fulfillment center), and can give employees a safe space to practice risky jobs such as handling dangerous chemicals. There's no need to haul bulky production equipment to many sites. In addition, an instructor can demonstrate a variety of scenarios at a fraction of the cost.

Or, if you're struggling to maintain corporate culture with a scattered, remote workforce, a metaverse event could help build morale and forge social bonds. Example activities include a scavenger hunt or an all-hands town hall with the CEO where employees can walk around and meet other colleagues.

"Having collisions with folks that you might not have a reason to schedule a Zoom call with can be really beneficial to us as social beings in the workplace," Howland told us.



Alex Howland,
Co-Founder and President, Virbela

Virbela has helped organizations host recruiting events. For instance, in November 2021, the multicultural tech conference AfroTech held its meeting on a private Virbela campus. More than 10,000 people networked, attended presentations and visited an exhibit hall with booths from over 175 companies, including Disney, Google, Meta, Microsoft, Netflix and Tesla.

Virbela drinks its own champagne, so to speak. Howland said that over the last few years, he's used the virtual workspace to interview thousands of job candidates. (Applicants can set up their avatars ahead of time and work with HR to get comfortable navigating the platform before the actual interview.) He also uses the metaverse to meet with curious researchers (e.g., me) in a conference room as bland as any you might find in real life (see Figure 2).

Metaverse Mentoring and a Ride on a Speedboat

Likewise, DXC Technology, an IT services provider, helps organizations build virtual platforms and tests the technology with its own employees. Since it started investigating the concept of digital shared spaces at the outset of the COVID-19 pandemic, the company has hosted events where employees can interact in a metaverse, sparking collaboration and restoring the sense of togetherness often missing from remote work, according to Chris Cornelius, DXC's global offering manager for immersive collaboration.

Cornelius steers both the company's use of an immersive 3D campus and DXC's partnership with Virbela to create platforms for clients. He told us "DXC Virtual World" was the location for recent employee gatherings, including a sales conference with 1,300 attendees from around the world and 50 exhibitors, and a 2021 New Year's party with music and dancing for about 300 people.

Another event was a mentoring session for U.K. staffers hired during the pandemic. They had worked remotely from the start, so the company wanted a way for them to mix with senior staff in an informal setting. So internal experts — from areas such as quantum computing, the cloud, analytics, engineering, marketing and security — sat at more than a dozen tables in the company's virtual event hall. The confab gave roughly 100 junior employees the chance to meet colleagues, ask questions and get advice.

Once seated, participants could only hear the discussion from their immediate group, lending the session an air of intimacy. "It was an opportunity to help them develop their careers at a time when it was difficult for them to network," Cornelius told us.

Roughly 8,000 of the company's 130,000 employees have used DXC Virtual World so far — and the feedback has been largely positive. Cornelius concedes there are naysayers, but 77% of respondents to a survey said that DXC Virtual World "adds value" to their work. Seventy-eight percent of respondents saw themselves using it at least once a week.

The platform hosts in-world experiences such as a fire pit for socializing or access to speedboats that make riders feel as if they're in a movie or a video game (see Figure 3). The speed boat in particular gave the writer of this article an unexpected thrill.

Figure 2. Virbela Co-Founder and President Alex Howland Meets Gartner

Source: Virbela

Figure 3. DXC Virtual World's Speedboat

Source: DXC Technology

Preliminary Lessons Learned

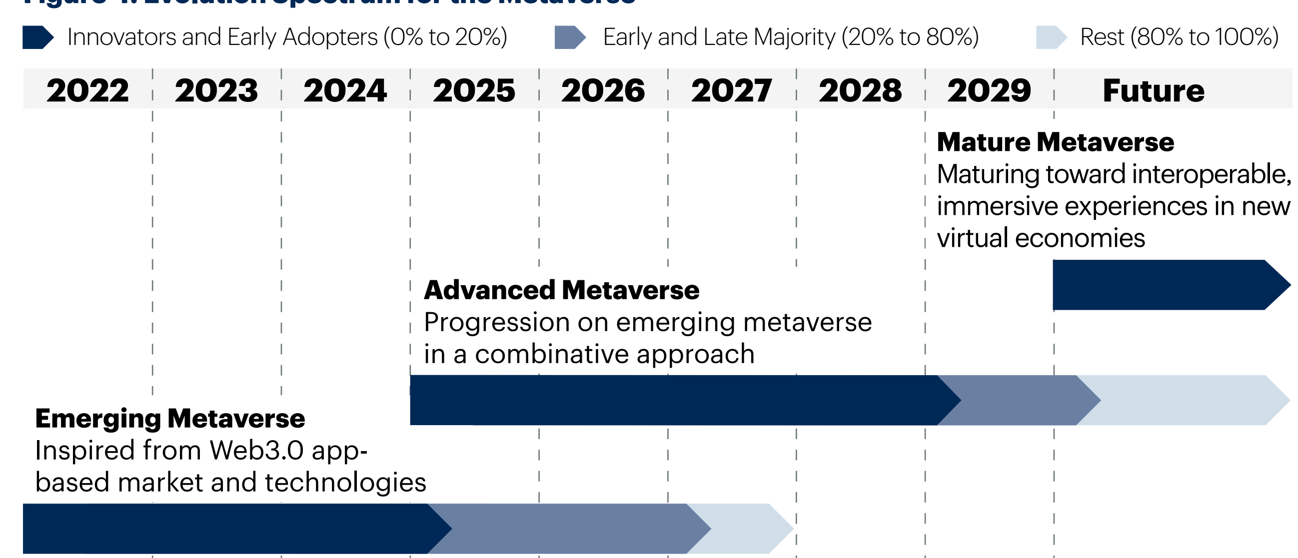
Metaverse technologies sit in the first of the three stages of evolution and acceptance (see Figure 4). But executives can already consider some preliminary lessons learned.

Tips From Early Adopters

- Start small. But don't experiment with a meeting you could easily hold on a video call. A good pilot could be a game or other fun activity, such as a casino night with a small group. Employees will find value in a metaverse experience when they can easily engage one another, compare notes and generally have fun with the new environment.
- Be patient. There is a learning curve. Just 52% of adults worldwide are either very or somewhat familiar with the term "metaverse" (let alone "intraverse").[4] Still, executives who've used a metaverse campus for training and events tell us that employees get the hang of it after setting up an avatar and using it a couple of times (a notion this humble scribe can confirm).
- Take your time when selecting a platform so you can determine the best fit for your organization. For ideas, find out which vendors other companies in your industry have used and check whether your competitors have already tested their services.
- Your security and risk management teams must apply proper due diligence, treating metaverse providers like any other vendor. Since adoption of the technology is scattered, no one owns "the metaverse." That means it's up to each metaverse provider to render security protections.

[1] Messaging the Metaverse, Axios.
[2] Meta Presents Vision for Business Metaverse, Computer Weekly.
[3] Skepticism, Confusion, Frustration: Inside Mark Zuckerberg's Metaverse Struggles, The New York Times.
[4] How Enthusiastic is Your Country About the Rise of the Metaverse?, World Economic Forum.

Figure 4. Evolution Spectrum for the Metaverse



Source: Gartner

For Fast Pivots, Leaders Need a Relevant, Practical and Convenient Planning Process

by Steve Shapiro

Only 29% of strategy leaders and 38% of business leaders say their enterprise can change plans fast enough to respond to market changes.[1] The common remedies are to make planning more frequent and more rigorous, or to standardize the process. But these changes don't resolve the actual reason adaptation is slow; stakeholders simply aren't active and engaged enough in planning. Four in five strategy executives tell us this is the situation at their organization.

Luckily, planning teams at three companies have shown that it's possible to change that dynamic. They have redone the way they work, designing a smoother path for top executives — providing options, removing barriers and aligning schedules to chart a course through competing priorities.

Taken together, their tactics address decision makers' biggest gripes about the process (see Figure 1):

- It's not relevant to business needs.
- It's not practical.
- It's not convenient — it requires too much time and effort.

Getting more business-friendly is worth it: Planning teams whose internal stakeholders are highly engaged are 3.4 times more likely to adjust quickly when they need to.

Strategy Teams at Several Companies Boost Relevance By Letting Stakeholders Choose Planning Activities

Standardizing the planning process is a common step for strategy teams that want to speed up. It seems smart — but it comes at the cost of flexibility. Yet customizing for each business would take too much effort.

There's a middle ground. Think of it like a burrito from Chipotle, which operates fast-casual restaurants in North America and Europe. Hungry customers can't request any ingredient they may desire. Nor do they have to stick with prefilled tortillas that are the same for all. They get a limited set of choices they use to build their meal. As a result, Chipotle can scale while still catering to individual preferences.

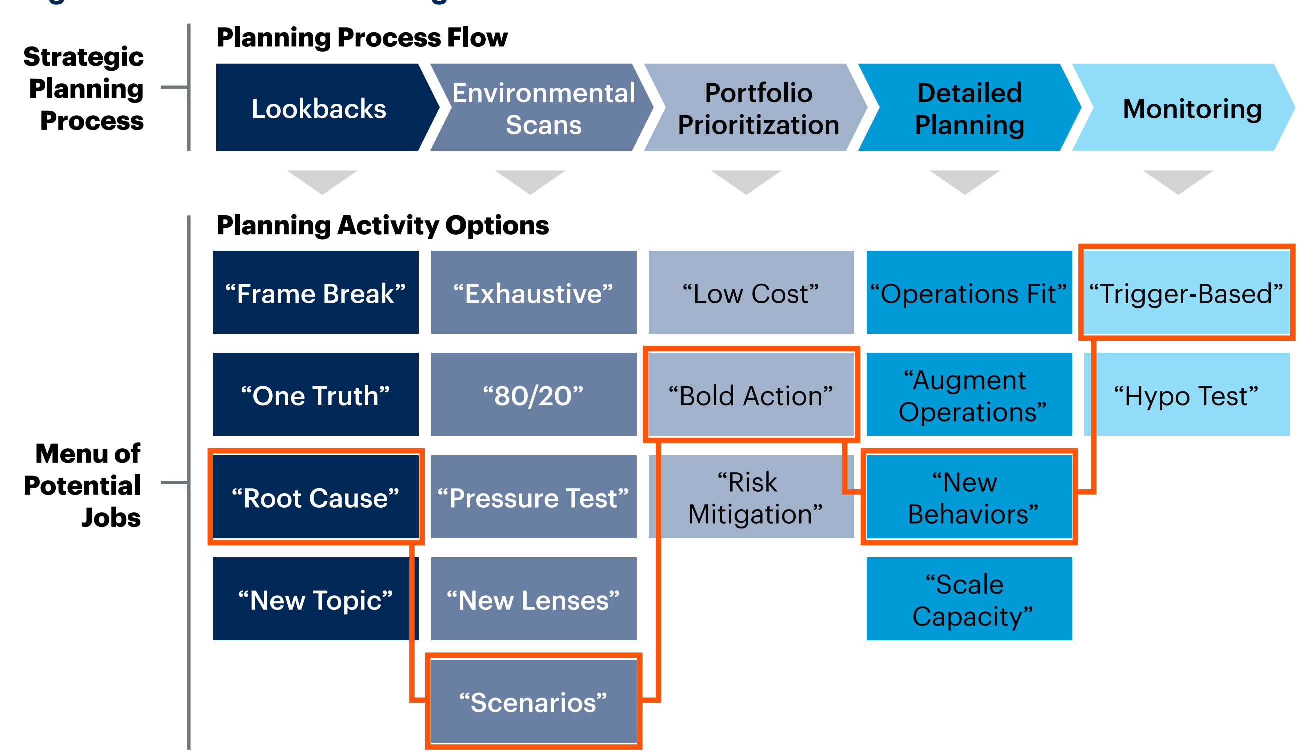
Strategist teams at several companies did something similar. For each stage of planning, they created a one-page menu of options for the business (see Figure 2). Each business can select activities that address its specific needs without draining the planning team's resources.

For example, during a "lookback," when teams evaluate past performance, a business might consider the "root cause" (understanding the reasons for achieving less or more than expected) to be more important than the "one truth" (creating consensus around a single narrative).

Figure 1. Reasons the Business Is Not Engaged in Strategy's Planning Process
Percentage of Business Leaders

n = 96 leaders
Q. Please indicate the top three reasons you are not engaged in strategy's planning processes.
Source: Gartner Strategy Business Partner Planning Perspectives Survey
Note: Only top selection of each respondent shown. The "Other" (3%) category is omitted from the chart for simplicity.

Figure 2. An Illustrative Planning Menu



Source: Gartner

Business partners are not left to make selections on their own — they get some help understanding the menu. The planning team starts by asking what's most relevant and by probing for more context. Figure 3 shows how these conversations work with two examples, one that leads to a "frame break" and one that leads to "one truth."

A Healthcare Company Makes Planning More Practical by Helping the Business Navigate Potential Barriers Upfront

Recognizing that a plan needs to change is one thing; actually implementing changes is another. Resources needed for a pivot may be trapped in other projects. Stakeholders may not have access to information they need to consider a course of action or they may not even have the authority to make critical decisions.

In such situations, the planning process becomes impractical — it's no longer rooted in reality and leaves the business frustrated.

You can reduce these headaches for leaders by anticipating barriers ahead of time. If you're packing up a picnic basket and there's a chance of bad weather, it's better to have a backup option ready to go rather than trying to formulate one once the raindrops start falling.

At one healthcare company, the strategy team starts by looking at the best- and worst-case scenarios for the plan, then poses the question: How would these possibilities change the timing and type of decisions needed as you move forward? This upfront work allows planners to identify low-cost alternatives that could be as simple as delaying a critical action, or finding ways to reallocate resources toward a new strategy (see Figure 4).

Altogether, it took the strategy team one month of working with different business lines to create the action plans that could support the alternative options. The payback was immediate, and the team reduced the number of operating conflicts typically experienced by 40%.

"We can reduce the surprise factor. The business wastes less time debating the implications of changes or reacting when it's too late," the company's chief strategy and innovation officer told us.

ADT Makes Planning Convenient by Adapting Workflows to Stakeholder Schedules

Planning might be your priority, but it's not necessarily the priority of the business. Trying to force-fit this process into the schedules of busy executives is a bad move, especially when only 35% of strategy leaders report that their stakeholders have high capacity for planning going into 2023.[2] These critical partners are distracted by core responsibilities, pressured by other projects or scrambling to respond to urgent problems. In other words, don't schedule breakfast during lunchtime.

Figure 3. Conversation Strategy for Illustrative Planning

Jobs-to-Be-Done Element	Strategy Focus	Example 1	Example 2
Activity	What specific action defined this phase — what is most important?	Rethink terrain …	Close data gaps …
Context	What made this phase hard or complicated?	… around a contentious issue …	… for an unfamiliar issue …
Main Objective	What needed to be achieved?	… which will disrupt deep firm biases …	… which will drive consensus …
Emotional Context	What made this phase personally meaningful?	… and enable a sponsor to be seen as a thought leader.	… and show the sponsor is a "no drama" leader.
Menu Option		"Frame Break"	"One Truth"

Source: Gartner

Figure 4. Anticipated Conflict Cascade
Illustrative

Strategy		Business A	Manufacturing
	Anticipated Decisions	Increase sales of Product X to hit YoY revenue targets.	Decrease production capacity to keep margin targets steady amid rising input costs.
1. Communicate potential operating conflicts to decision makers.	Potential Operating Conflicts	**Priorities/Trade-Offs:** Change in decision economics.	
2. Validate operating conflicts through questions that focus on impact and relevance to the business.	Questions to Validate Strategy's Hypothesis	"At what threshold will supply shortfalls inhibit plans to increase sales?"	"Can increasing production bolster margins via economies of scale or only erode planned margins?"
3. Inspire low-cost actions to deconflict operating conflicts. Sample actions: • Add/resequence decisions • Assess impacts of decisions • Build optionality in plans	Proposed Actions	**Assess** how marketing spend needs to reallocate to support product sales.	**Create** a list of potential suppliers to renegotiate long-terms contracts.

Source: Adapted From EvenStream*
* Pseudonym

But you can't pick the most opportune moments for your stakeholders without knowing their workflows.

The strategy team at ADT, an industrial goods and services company, maps when it needs decision makers to participate in planning and compares that calendar to the executives' activities, both formal and informal (see Figure 5). Strategists include any responsibilities that:

- Consume significant time
- Represent the most material commitments
- Coincide with strategy's planning needs

This exercise spots planning synergies that create a favorable environment for engagement, including:

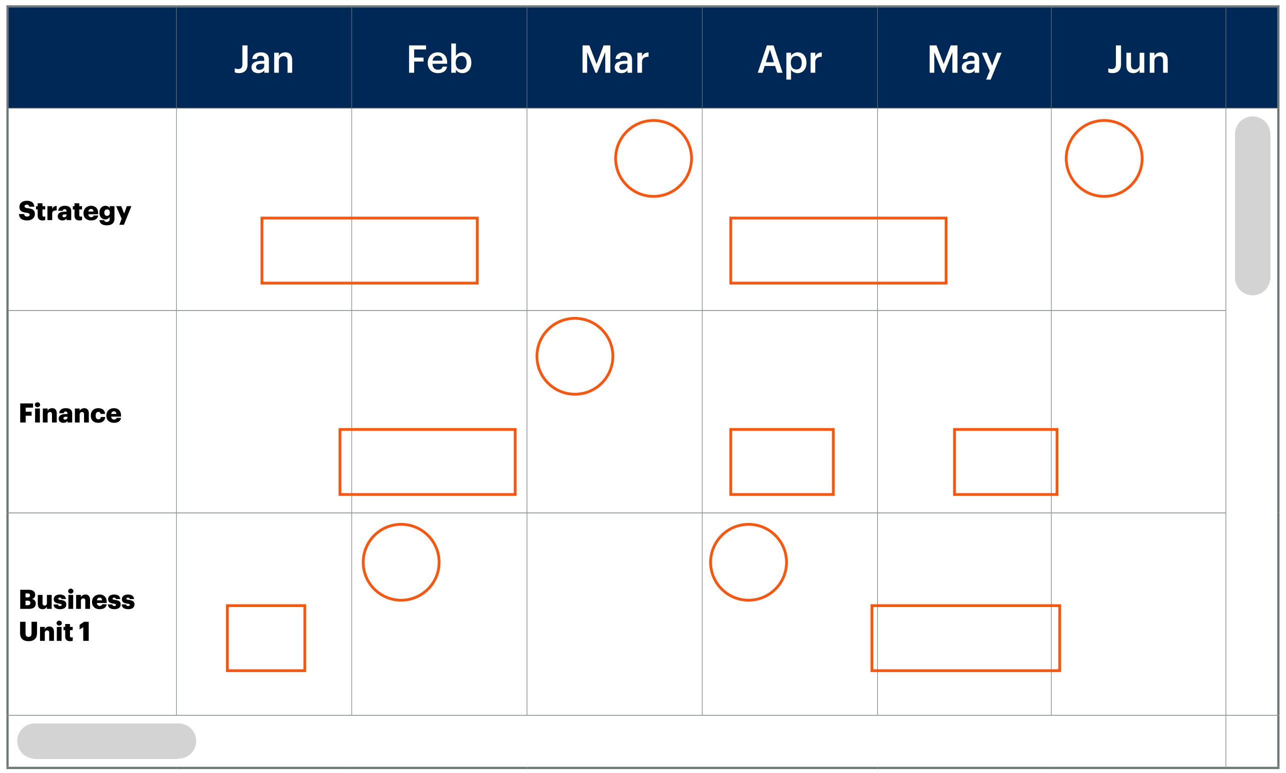
- Timing that favors stakeholder capacity for planning
- Topic focus for executives that is relevant to planning
- Availability of participants who can accelerate decisions
- Inputs and outputs that can be used in planning

When the synergy level is already high, the team retains the normal timing for the planning process. When there's only moderate alignment, planners resequence or eliminate requests from strategy to prioritize other stakeholder needs. And for low synergies, the planning team relaxes the requirements for planning and attempts to integrate strategy work into nonstrategy workflows (i.e., conducting shadow planning).

Business partners recognized the difference right away. "They're more bought into planning, and we've seen significant increases in engagement because of it," Ignacio Garcia, the director of strategy and planning at ADT told us. The team saw smoother execution in the two planning cycles that followed the change.

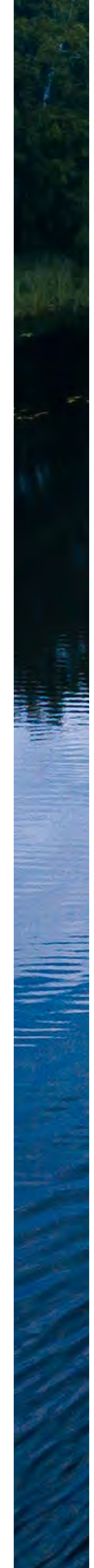
Figure 5. Planning Calendar Mapping
Illustrative

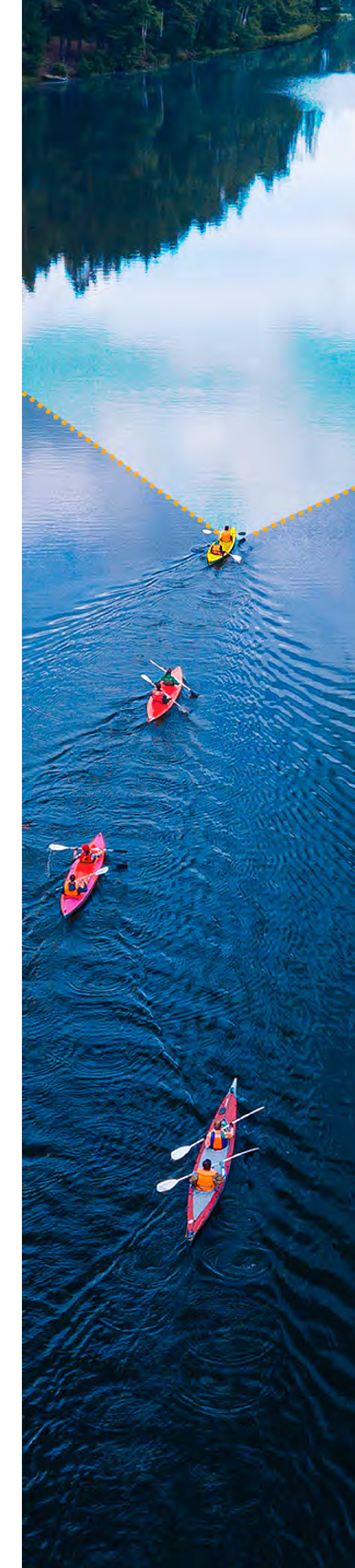
Formal Activities   Informal Activities



Source: Adapted From ADT

[1] 2022 Gartner Strategy Adaptive Planning Survey, 2022 Gartner Strategy Business Partner Planning Perspectives Survey; n = 140 strategy leaders, 96 business leaders.
[2] 2022 Gartner Strategic Planning in 2023 Webinar Poll; n = 86 strategy leaders.





Information Overload Is a Strategic Risk — And You Can Reduce It

by Emily Earl and LK Klein

Twenty-seven percent of employees and 38% of managers feel overloaded by information. This feeling is associated with lower alignment with corporate strategy and lower intent to stay. To reduce the burden, executive leaders must better design and govern their organization's information ecosystem.

As you read this article, internal messages are pinging across your organization at breakneck speed on company apps, email, instant messaging and group chats. Executive leaders, internal communications, strategic planners, managers and other employees have a lot to say about the latest digital transformation initiative; environmental, social and governance priorities; and investments in talent. This barrage of facts, figures and opinions is overwhelming your employees. If left unmanaged, the deluge can go from being a drain on productivity to a strategic risk.

The overload is a tragedy of the commons; everyone at the company is at fault and no single team or function can fix it on its own. To solve the problem, senior executives must think in terms of an information ecosystem, or the network of different sources, channels, consumers and sharers of information throughout the company.[1]

There Is Such a Thing as Too Much Communication

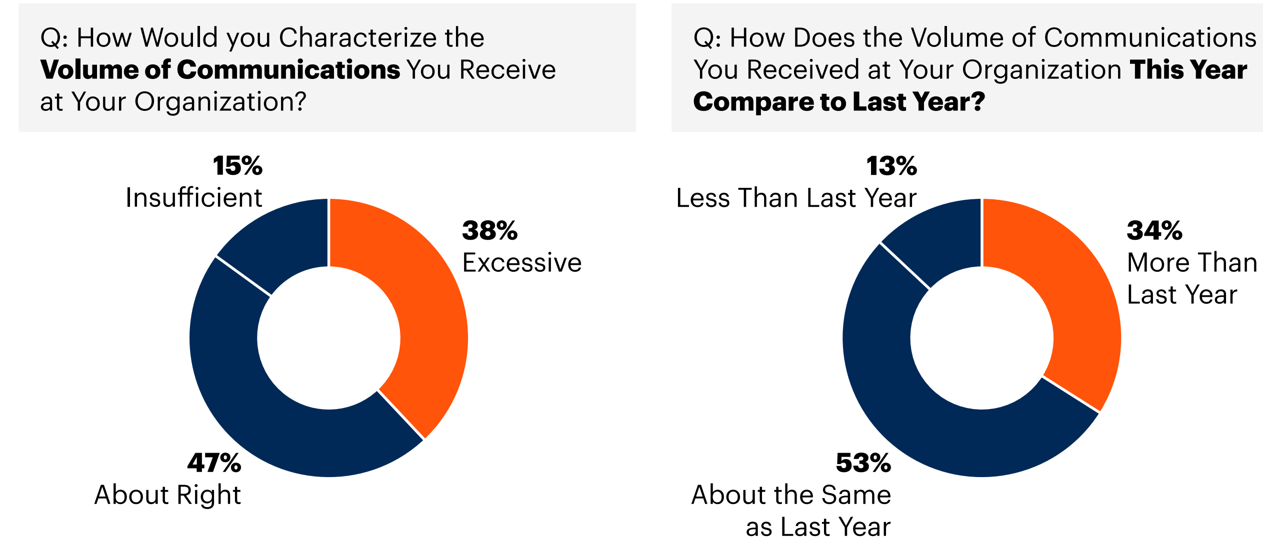
Even before the COVID-19 pandemic, employees were struggling to stay on top of information about change. The seemingly endless onslaught of major and minor transformations in recent years, and the announcements accompanying them, has compromised, for many, their ability to make good decisions about change or strategy. Thirty-eight percent of employees say they receive an "excessive" volume of communications at their organization, and 34% say the quantity increased from 2021 to 2022 (see Figure 1).[2]

While information volume has become increasingly problematic, the biggest driver of overload is **information burden** — when communications are duplicative, inconsistent, effort-intensive or irrelevant, making it harder for employees to do their day-to-day tasks.[3]

Twenty-three percent of employees — and more strikingly, *nearly 32% of managers* — report experiencing a high information burden.[2] This excessive load has real consequences: Nearly one-half of heavily burdened employees report a low intent to stay with their organization (see Figure 2).

These workers are also only half as likely as their less weighed-down peers to have a high understanding of corporate strategy. Managers in particular risk making critical strategic errors for their teams if organizations do not ease their information burden.

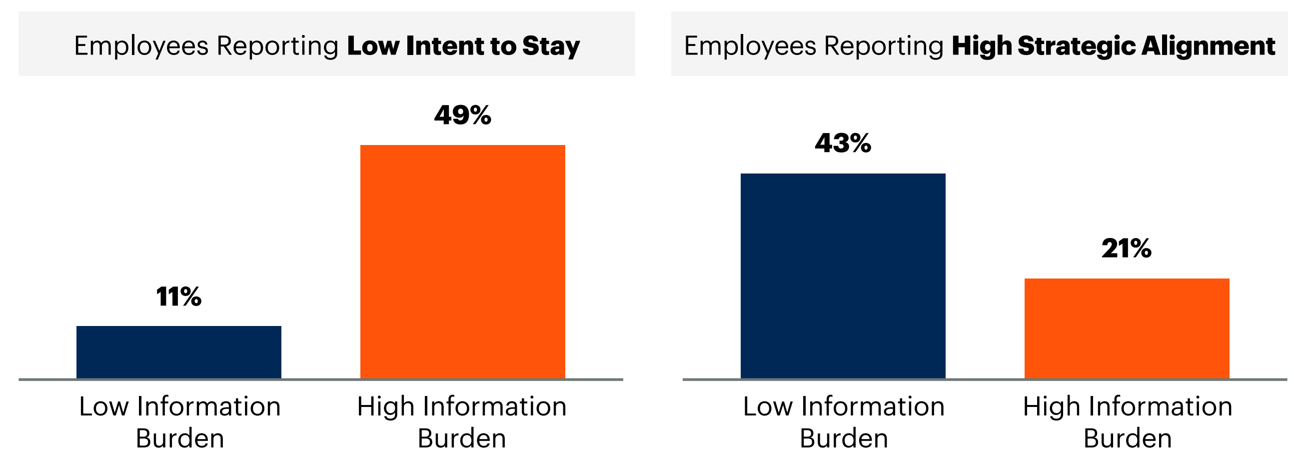
Figure 1. Employees Report Excessive Communications



n = 988 employees and managers

Source: 2022 Gartner Communications Workforce Survey

Figure 2. Negative Consequences of Information Burden



n = 490 employees and managers

Source: 2022 Gartner Communications Workforce Survey

Note: Bars represent the proportion of respondents who scored in the bottom quartile of the Intent to Stay index.

n = 443 employees and managers

Source: 2022 Gartner Communications Workforce Survey

Note: Bars represent the proportion of respondents who scored in the top quartile of the Strategic Alignment index.

Take Three Steps to Improve Your Information Ecosystem

In an increasingly matrixed environment, traditional attempts by corporate Communications to streamline messaging don't address the updates coming from all other levels of the organization. The better and longer-lasting solution is to think more comprehensively about how information flows throughout the company and then design and govern a low-burden information ecosystem.

Get that right, and employees will benefit from easier-to-find information, delineated and curated channels, chains of accountability for message abuse, and an ingrained culture of simple and consistent communications.

Step 1: Get Visibility Into the Problem

In an information economy, information consumption is an expected operating expense and should be tracked and optimized to make sure you're getting the most out of your investment. Consider that an average employee spends 3 hours and 27 minutes a day absorbing information.[4,5] That chunk (43%) of the workday equates to a cost of $4.6 million per week for an organization with 10,000 employees (based on median U.S. earnings).[6]

The best way to assess the amount of time (and thus money) wasted because of information overload will vary depending on the organization. Companies can estimate the cost by considering a series of data points illustrating the components of the top driver of overload — information burden:

- **Duplication —** 57% of employees agree they often receive multiple communications about the same or similar topics at the same time.[2]
- **Inconsistency —** Workers spend 19 minutes per day rereading and/or overthinking emails and instant messages.[4]
- **Intensity —** Just one meeting you don't need to be in can take 30 minutes of your time.
- **Irrelevance —** 20% of work emails are spam or "graymail" (i.e., newsletters or notifications that a user may have previously signed up for but no longer wishes to receive).[7]

Conservatively, one employee wastes **3 hours and 20 minutes per week** dealing with information burden. Executive leaders should regard this as unacceptable.

Since each organization's information ecosystem differs, so do the opportunities for improving its design. To identify which areas require the most urgent intervention, consider which channels and sources are contributing most egregiously to information burden. Leaders should:

- Work with corporate Communications to create a dummy email inbox for your function to measure total internal messages received. Consider monitoring for one month, or on a monthly basis.
- Conduct an audit to learn how many Microsoft Teams or Slack channels your department uses.
- Partner with IT to see what types of questions employees have about using communications channels and collaboration tools.

Step 2: Set Accountability at the Top

When the source of a problem is cross-functional, the long-term solution must be as well. Department leaders from Communications, sales and customer service are likely already working within their domains to consolidate and schedule information sent to the frontline, make content relevant to the end user and eliminate contradiction.

Senior executives should go further, and establish a body to make cross-functional coordination more comprehensive. This collaborative authority can take various forms, but should involve departments like Communications, HR, IT and operations that most often send messages to frontline employees. To develop a system of accountability so that information is simple to understand, correctly updated and easily housed for later reference, executive leaders must set the following principles:

- Each information channel should have an established and differentiated purpose.
- Each department should name an individual who is responsible for keeping content accurate and up to date.
- Information should be structured so that employees can access content at their own pace and easily find answers to common questions.

Step 3: Encourage a Low-Burden Culture

A better information ecosystem will have staying power if the organization can permanently change existing norms of employee communication. Senior leaders should provide behavioral nudges and etiquette guidelines so that the workforce develops habits reinforcing clear, consistent, nonredundant messaging.

Behavioral nudges are simple recommendations that can help employees with judgment calls, such as determining on their own when information sharing might be unnecessary. Executive leaders should consider establishing departmentwide norms for how teams can reduce their mutual information burden.

Examples might include etiquette lessons for:

- Meetings — When it's appropriate to schedule a meeting and when to decline meetings without clear agendas.
- Messages — When to use certain channels and how to consider the value-add of FYI messages or repeating existing communication.
- Content — Why (and how) to reduce acronyms and other jargon in communications with others.

Employee communication norms that purposefully avoid burdensome practices will develop over time into a low-burden culture that lets staff members find the information they need.

1 Why Information Matters: A Foundation for Resilience, Internews Center for Innovation and Learning.

2 2022 Gartner Communications Workforce Survey: This survey was conducted to explore how employees are consuming information across channels and how they are coping with the amount of information they receive as part of their jobs. The research was conducted online from August through September 2022 among 988 respondents from North America (n = 639), Western Europe (n = 149) and Asia (n = 200). Respondents were required to be full-time employees at an organization with at least 500 employees.

3 B.M. Gross, "The Managing of Organizations — The Administrative Struggle — Volume 2," The Free Press of Glencoe, 1964; P.G. Roetzel, "Information Overload in the Information Age: A Review of the Literature From Business Administration, Business Psychology, and Related Disciplines With a Bibliometric Approach and Framework Development," Business Research 12(2):479—522 (6 July 2018).

4 Building Connection in the Post-Modern Workplace, Loom.

5 Internal Email Communications Benchmarks (2022 Edition), PoliteMail Software.

6 Median Usual Weekly Earnings of Full-Time Wage and Salary Workers by Sex, Quarterly Averages, Seasonally Adjusted, U.S. Bureau of Labor Statistics.

7 Email Statistics Report, 2015-2019, The Radicati Group.

Stop Trying to Drive Your Sellers; Start Figuring Out What Drags Them Down

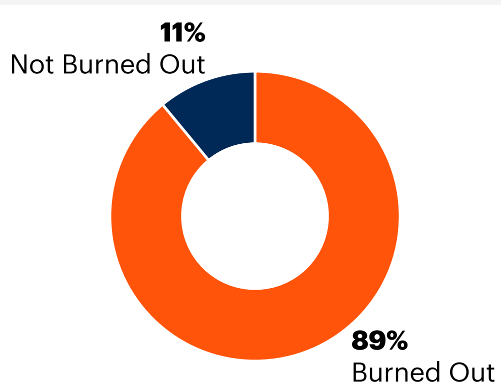
by Colleen Giblin

Nearly six out of 10 B2B sellers feel their sales leadership doesn't understand what really motivates them.[1] What's more, an overwhelming 89% of salespeople say they are burned out, and 54% are looking for a new job (see Figure 1). The situation is dire, and it demands fresh thinking; a company can't grow without enthusiastic sellers.

To energize your sales team and curb attrition, you must look beyond the traditional tools of compensation, recognition and reward. Leaders who take the time to diagnose and treat sources of demotivation (or "drag") in their organizations can help their sellers become more productive and engaged right away.

Figure 1. Seller Burnout and Intent to Leave

Percentage of Sellers Who Feel Burned Out



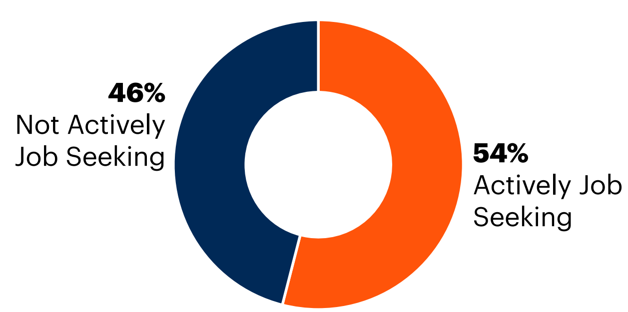
n = 885 Sellers

Q: To what extent do you feel burned out from work?

Note: Burned out defined as responding "slight extent," "some extent," "moderate extent" or "large extent" on 5 pt scale.

Source: 2022 Gartner B2B Seller Motivation Survey

Percentage of Sellers Who Are Actively Looking for a Job



n = 906 Sellers

Q: I am actively looking for a new job opportunity.

Note: Actively job seeking defined as responding "somewhat agree," "agree" or "extremely agree" on 7 pt scale.

Source: 2022 Gartner B2B Seller Motivation Survey

Understand Seller Drag and Its Sources

Sellers experiencing drag often feel bored and distracted. Rather than advancing with their priorities, they procrastinate and go through the motions to meet short-term activity-tracking requirements. Not only is drag an unpleasant experience, it is also correlated with poorer performance against individual sales targets. The mean quota attainment of sellers with low levels of drag is 1.7 times higher than that of their high-drag peers (see Figure 2).

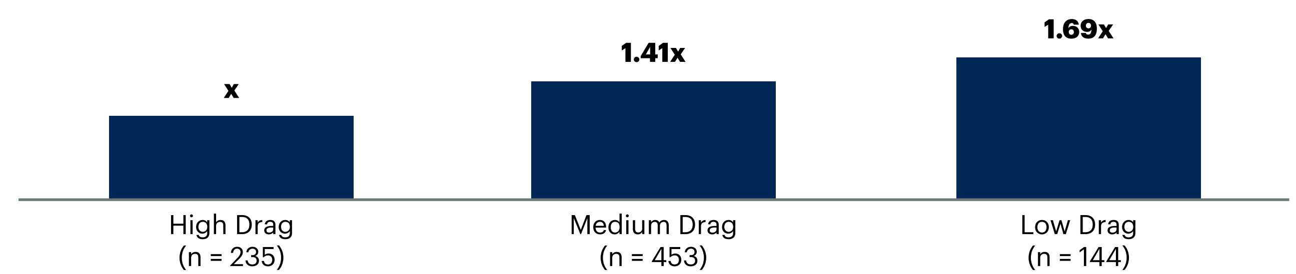
It gets worse: 70% of high-drag sellers report they are actively looking for a new job, compared to just 7% of low-drag colleagues (see Figure 3). Departures can be costly, owing to the need to fill an open territory, the time and expense associated with hiring, and the time it takes to onboard a new recruit.

A staggering 83% of sellers report experiencing medium to high levels of drag, and they do not regard this feeling as merely an abstract concept. Instead, sellers often associate demotivation with intense frustration, because they think leadership is overlooking their concerns.

What's especially alarming is that even salespeople with high drive can be vulnerable to drag. Drive is a separate element of motivation that makes them mentally engaged, ready to act and resilient in the face of obstacles. Indeed, the relationship between drive and drag is complex; salespeople often feel conflicted and report experiencing both.

Unsurprisingly, sellers with a strong sense of drive are essential to commercial success because they are likely to achieve a higher quota. But with 76% of salespeople already highly driven, investing in further marginal increases in this area risks yielding diminishing returns. A sounder investment would be to reduce drag, the negative effect of which on quota attainment outweighs the boost that drive provides.

Figure 2. Average Quota Attainment Relative to High Seller Drag

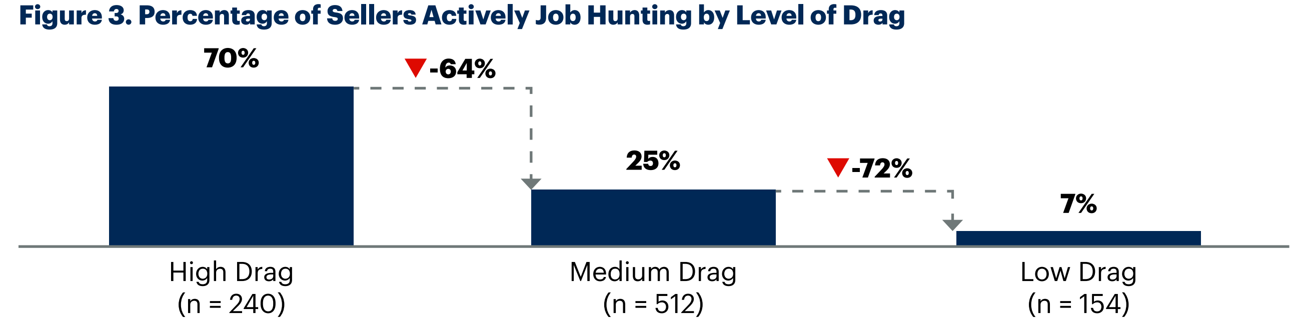


n = 832 Sellers

Source: 2022 Gartner B2B Seller Motivation Survey

Note: Level of drag defined by level of agreement with an index of statements about procrastinating at work, feeling bored at work, avoiding work, struggling to focus at work and going through the motions at work.

Figure 3. Percentage of Sellers Actively Job Hunting by Level of Drag



n = 906 Sellers

Source: 2022 Gartner B2B Seller Motivation Survey

Note: Level of drag defined by level of agreement with an index of statements about procrastinating at work, feeling bored at work, avoiding work, struggling to focus at work and going through the motions at work.

To tackle the problem at its core, leaders must identify and properly treat the underlying sources of drag in the sales organization.

Co-Investigate Seller Pain Points

Each organization should tailor its investigation into what's demotivating its sales force, but the first step is to go beyond traditional listening methods (e.g., periodic skip-level meetings, climate surveys and manager feedback). Traditional feedback may provide helpful insights that hint at causes of drag, but the information obtained is often shallow and only recognizes superficial symptoms. To fully understand the underlying problems and craft effective solutions, sales leaders should consider using more rigorous and structured evaluations.

Lever, a small U.S.-based HR software company selling talent acquisition solutions, embarked on a joint research endeavor with its sellers to promote engagement and reduce attrition. The firm first solicited seller feedback on pain points, both individually and in groups, allowing team members to better understand their own challenges and management to identify underlying root causes across common complaints.

Lever then adopted an investment portfolio approach to analyze and prioritize the relative costs and benefits of addressing each source of drag it identified, with the aim of achieving optimal returns on investment over time for both the seller and customer experience. The company selected the most suitable projects based on urgency, visibility, impact and resource intensity.

To maximize seller support for these new drag-reduction initiatives, the organization was transparent throughout the process and explained the rationale behind decisions to sales personnel, thereby developing a shared vision and understanding of each initiative. It publicized these projects in a status tracker, signaling a commitment to completing them while also giving sellers a transparent view into why some projects were prioritized over others.

The comprehensive diagnostic strategy was a success. Seller morale increased, and attrition declined from double digits to only 3% in the first half of 2022.

Jess Green,
SVP of Customer Success, Lever

Advice for sales leaders investigating seller drag:

- Lead with empathy and listen a lot more than you talk.
- Leave your ego and any defensive tendencies at the door. Great ideas emerge from a psychologically safe environment.
- Create as much transparency as possible throughout the process so your team has context and understands the "why" behind decisions.
- Encourage engagement from all levels of your organization in the action plan — this should not be a 100% leader-owned process.
- Think about progress, not perfection. True transformation takes time, commitment and consistency.
- Invest in your teams' experience and they will infuse that same investment into your customers' experience.

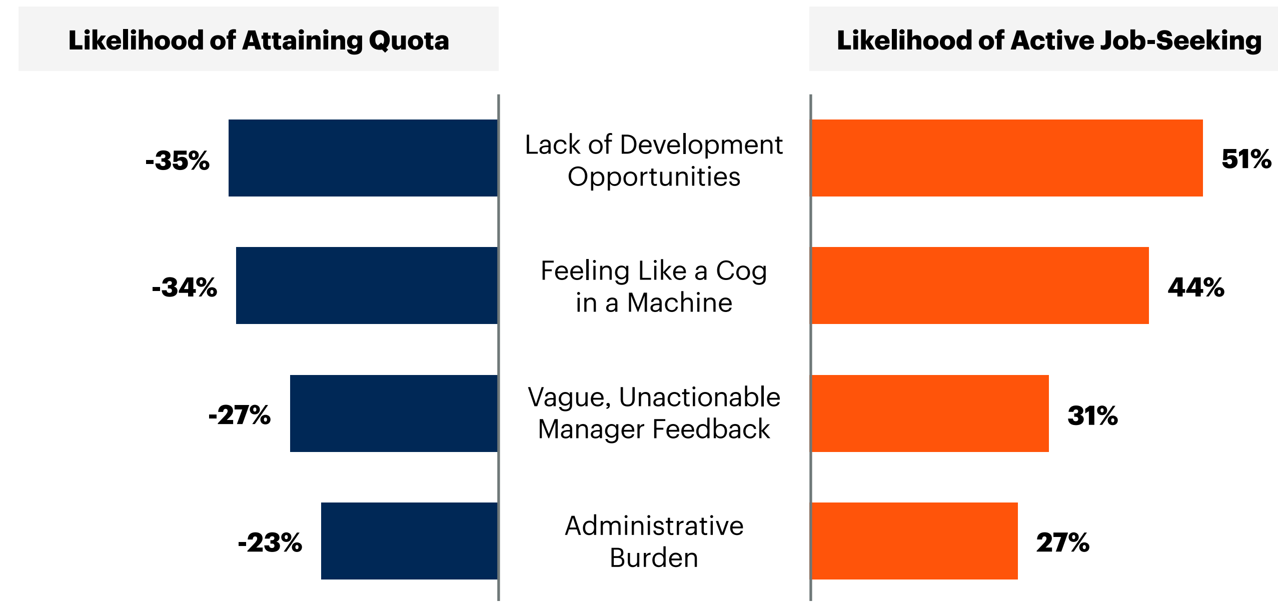
Identify the Main Suspects

Although the sources of drag may vary, the four worst culprits are all within leadership's span of control: lack of career development opportunities, feeling like a cog in a machine, vague or unactionable manager feedback, and administrative burden (see Figure 4). Addressing the first two, in particular, should be a priority.

Bring Clarity to Career Development

Fifty-nine percent of sellers report difficulty envisioning a clear and achievable trajectory in their organization. This murkiness leads to higher levels of drag, resulting in sellers being up to 35% less likely to achieve quota and up to 51% more likely to be actively looking for a new job.

Figure 4. Maximum Impact (via Drag) of Drivers on Likelihood of Attaining Quota and Actively Job Seeking



n = 687 Sellers; 747 Sellers
Source: 2022 Gartner B2B Seller Motivation Survey

FedEx's European sales group recognized that simply offering career choices was not enough; for many sellers, actively seeking internal progression felt too risky. Equipped with this knowledge, FedEx adjusted how it connects sellers with stretch experiences. The company modified its Sales Leadership Academy (SLA) to give selected participants the opportunity to try out being a manager, with no negative repercussions should they decide not to commit and to remain in a frontline role.

Daniel Vines,
VP of Inside Sales & Freight, FedEx Europe

"When we look at why people leave, it's the lack of development opportunities. Through SLA, we've seen a reduction in turnover as SLA prevents other firms from poaching talent, and there has been improvement in seller engagement as well."

The innovative program not only reduced the perceived risk of exploring internal career development, it also opened up such possibilities to a broader audience. Rather than relying on manager nominations, FedEx encouraged sellers to self-select into the applicant pool based on their own aspirations. And for those not chosen to participate, the company offered additional coaching and development to position them for success in the next application cycle.

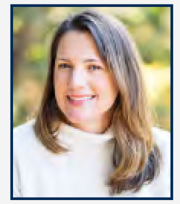
Empower Sellers to Innovate for Your Customers

Sellers who say they feel unimportant in their organization are up to 34% less likely to hit their quotas, and as much as 44% more likely to be actively seeking another job. One way to address this problem is to let them exercise their judgment and creativity to meet customer needs. For example, SAGE Publishing encouraged its sales team to submit proposals to shape the company's portfolio of offerings, outlining how a new product or configuration could address a common customer challenge. SAGE Publishing selected highly promising briefs for further development into new products.

While not every organization can or should modify its product set in response to sellers' input, the main idea is to create tightly-scoped opportunities for them to use their creativity and knowledge to shape meaningful outcomes. Modern sales organizations are shifting away from rigid standardization and toward strategies that genuinely empower sellers, which can increase morale and position sellers to generate more reliable revenue for the organization.

In a sea of sales organizations chasing marginal gains in seller drive, tackling drag can deliver a competitive advantage that chief sales officers won't want to miss.

[1] 2022 Gartner B2B Seller Motivation Survey: This survey was conducted online from December 2021 through January 2022 to assess the organizational practices driving seller performance and attrition. The online survey sampled 908 sellers across North America, Europe and Asia/Pacific. Qualifying respondents had to be B2B sellers at organizations with at least $25 million in annual revenue, headcount of 50 quota-carrying sales reps and from any industry segment except education, government and retail. Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.



Nicole Louderback,
Senior Director of Commercial Sales, SAGE Publishing

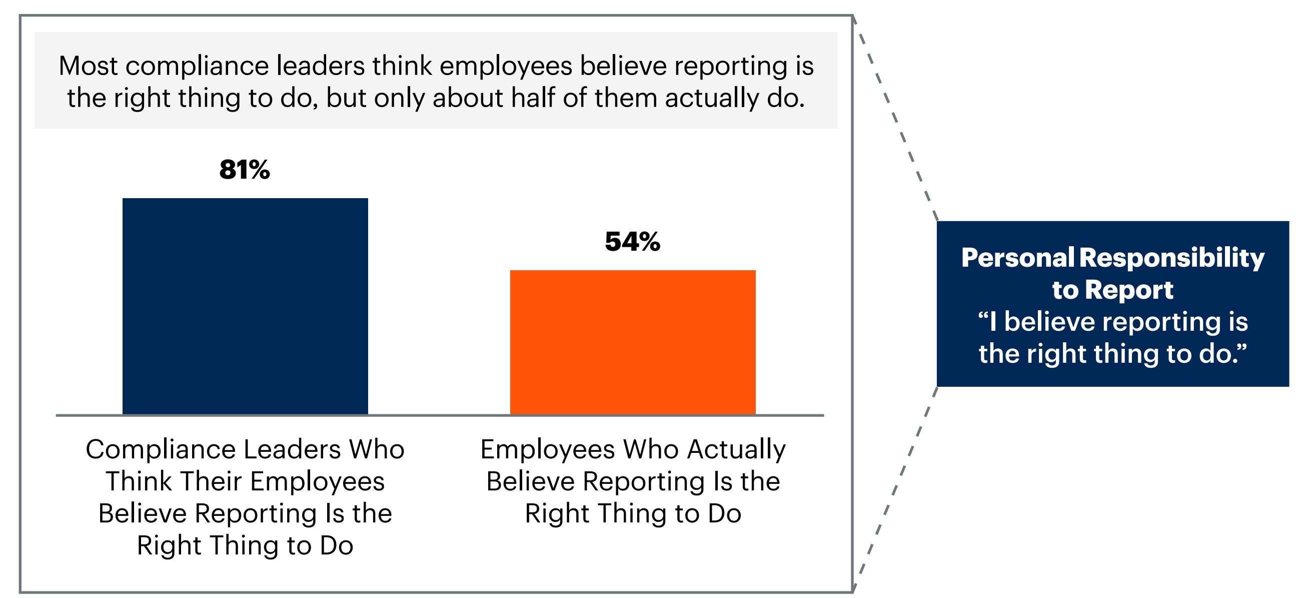
"Before we had product briefs in place, it was more informal, one-off seller suggestions solving for unaddressed customer needs. Product briefs enable buy-in across teams, providing cross-functional partners with an easy way to evaluate and validate the best ideas."

Boost Misconduct Reporting by Addressing Employees' Personal Concerns

by Matt Cantrell and Chris Audet

Compliance leaders' standard appeal to persuade employees to report wrongdoing typically runs as follows: "We are a company that cares about ethics, integrity and justice, so as a part of this organization you should speak up about misconduct." But this "we"-oriented pitch isn't resonating with today's lonely and anxious workers. Speak-up rates (the percentage of employees who reported misconduct if they observed it) dropped from 41%, in 2018-2019, to 36%, in 2020-2021.[1] More striking still — and in contrast to what compliance chiefs think — only 54% of employees believe reporting is the right thing to do (see Figure 1).

Figure 1. Difference Between Compliance Perception and Actual Employee Belief
Percentage of Respondents



n = 32 compliance leaders; 901 employees reporting misconduct
Source: 2022 Gartner Misconduct Reporting Survey for Compliance Leaders; 2022 Gartner Misconduct Reporting Survey

Senior compliance executives should tackle this urgent problem by reframing their message. They must lay out a personal value proposition that encourages staff members to flag misconduct by directly addressing their anxieties about doing so. In other words: Less "we," more "me."

Understand Why Employees Struggle to Do the Right Thing

The prevailing moral ambivalence about raising concerns comes as a surprise to most compliance leaders. If you spend your days steeped in compliance and ethics narratives, speaking up seems like a self-evident moral duty. But for workers who feel more isolated and disconnected from their colleagues and organizations than they did prior to 2020, deciding on the "right" thing to do is a much more pragmatic calculation.

That's because a series of shifts and disruptions has led employees to put their personal concerns first and those of the organization at a distant second.

- **Increasing economic anxiety.** Workers are seeing waves of layoffs at high-profile tech companies, and broader headcount reductions across all industries (81% of CHROs say they're cutting their workforce "to a great extent").[2] The buoyant labor market in which people felt free to switch employers and experiment with new career paths has given way to a new reality where they're worried about keeping their current job.
- **Deepening political and societal rifts.** Employees are afraid to speak their minds at work, because they don't want to be excluded or mistreated for having a different view from their co-workers. About one-third of employees fear they could be fired or lose career opportunities if their political opinions were to become known.[3]
- **Ongoing adaptation to hybrid and remote work.** Many organizations now have a large swath of postpandemic hires who have never met most of their colleagues face to face. To paraphrase one chief compliance officer, "today's employees work for laptops, not for companies."

Collective Appeals Don't Cut It Anymore

That attitude may sound selfish, but it springs from feelings of necessity and self-preservation. Employees no longer know which individuals or institutions they can trust, and they're more scared than before of the economic consequences, for themselves and their families, if they lose their jobs. After the pandemic hit, 64% of adults across 27 countries said, "prioritizing my family and their needs" was more important to them than it was the previous year.[4]

Companies have responded to growing employee disengagement by reemphasizing "who we are" as an organization. In the early days of the pandemic, executive leaders arranged Zoom happy hours and other team-building activities. Later, they adopted social initiatives and stances to tap into employees' desires to live out their values through their work.

Compliance teams embedded the "we" in their messages, aimed at persuading hesitant staff to report misconduct. That tactic worked well when employees felt more connected to and invested in their organizations. But now, workers are more concerned with the practical, personal impact of speaking up than with abstract moral imperatives. "If I speak up," they ask, "what will happen to me? Will it affect my career? How will it affect my team?"

Ease Workers' Anxieties About Speaking Up

Senior compliance executives must meet employees where they are. That means emphasizing three primary factors that influence whether staff find value in reporting wrongdoing (see Figure 2):

- **Safety —** Make sure staff members know that your organization doesn't tolerate retaliation against those who speak up, and that you've taken practical steps that actually work to prevent it. Employees will feel no obligation to report in service of a regulatory checkbox or vague ethical concept if their company isn't going to protect them afterward.
- **Trust —** Increase the transparency of the reporting and investigations process, as well as of your disciplinary approach, so that employees trust these processes are fair. If staff members think investigations will lead to wrongdoers escaping with impunity, or innocent people being punished, they'll keep quiet.

Figure 2. Impact of Belief on Personal Responsibility
Percentage Change in Responsibility When Belief Moves From 10th to 90th Percentile

n = 901
Source: 2022 Gartner Misconduct Reporting Survey

- **Benefit —** Link speaking up to specific personal outcomes. These could be material benefits and (public or private) recognition, or more intangible gains, such as the improved work environment that results when colleagues trust each other to act ethically. Perceived benefit has a bigger effect on employees' sense of obligation to speak up than their feelings of safety and trust, but compliance leaders have historically neglected to emphasize it. In fact, not a single compliance officer we surveyed cited "it's good for the reporter" as one of the top three things they highlight in their speak-up messaging.[5]

Safety, trust and benefit increase employees' sense of personal responsibility to report by 19%, 38% and 51%, respectively. And 98% of employees who believed all three also thought reporting was the right thing to do.

Employees' feelings of anxiety and isolation will hopefully prove temporary. But in the meantime, compliance leaders looking to increase reporting of misconduct can't ignore them.

[1] Gartner RiskClarity Benchmark. n = 501,001 employees, 31 organizations (2018-2019 observed); 267,926 employees, 38 organizations (2020-2021 observed); 121,904 employees, 30 organizations (2018-2019 reported); 51,660 employees, 37 organizations (2020-2021 reported).
[2] Sharpen Your Knives: 81% of CHROs Say They're Cutting Head Count, Protocol.
[3] Cato Institute Summer 2020 National Survey, Cato Institute.
[4] 2021 Edelman Trust Barometer, Edelman.
[5] 2022 Gartner Compliance Leaders Misconduct Reporting Survey (n = 27).

Briefs

Smarter Spending & Planning

Clinch Savvy SaaS Deals Upfront to Limit the Power of Digital Landlords

As software as a service (SaaS) cloud deals flood the market, watch out for vendor lock-in and future hiked costs. Functional leaders who are responsible for initial negotiations must make the most of their leverage and set the precedent for the entire contract life cycle. To achieve this, they should take these three steps:

1. Plan meticulously and document risks, timelines and costs. Always shortlist more than one viable vendor to introduce a competitive element into the mix. For large deals, this process could take months so it's vital to assess the required functionalities to make meaningful comparisons among providers.
2. Beware that vendors try to leave minimal time for negotiations, delaying the supply of documentation until a customer is ready to sign. So negotiated prices, needed capabilities and comparing full provider terms early are all paramount in landing a fair deal.
3. Recognize that some costs aren't upfront, so be creative about areas that can be controlled. For instance, pre-negotiate a renewal price uplift cap of 3-5%. Another option is to secure a robust service level agreement. For example, escalating service credits could serve as a remedy for outages; while transition assistance clauses could help offset switching costs and reduce vendor lock-in.

— Quintin Casper

Don't Be Fueled: Your EV Fleet Must Really Cut Carbon Emissions

Operating an electric vehicle (EV) fleet is an appealing option for organizations responding to pressure from customers, shareholders and regulators to help mitigate climate change. But any such transition should result in true carbon cuts. Make sure you understand how to manage the holistic impact before you make a switch:

1. Production of one EV spews 14.5 tons of CO_2, which is 60% higher than from a vehicle built with an internal combustion engine, according to a 2017 study from Tsinghua University in Beijing. To cover this manufacturing "debt," your business should consider buying carbon offsets, such as woodland creation — but remember to verify that carbon credits are from reputable sources.
2. Switching to EV reduces direct emissions, which in turn improves local air quality. Yet too often the energy used to power the vehicle is anything but sustainable. So when charging at your depots, buy electricity from renewable sources.
3. Electrifying your fleet of vehicles will increase overall energy consumption. For example, a Tesla Model 3 passenger vehicle has a battery capacity of approximately 60 kWh and its Semi truck has 15 times this. So strong reporting and governance processes are vital to track the efficacy of your carbon reduction initiative.

— Jonathan Davenport

Talent & Culture

Three Steps to Advance Pay Equity in 2023

Eliminating pay discrepancies between employees with the same job responsibilities is no longer just a compliance issue; it's a critical part of an organization's strategy to attract and retain top talent. But companies are struggling to keep pace with salary changes — all while employees are increasingly discussing their compensation with colleagues.

Here's how enterprises should adapt their processes this year:

1. HR leaders need to increase the frequency of pay equity audits in light of rapid salary growth and historically high rates of hiring and attrition. Instead of an annual assessment, do this at least twice a year or even create real-time dashboards to identify and correct disparities before they become systemic problems.
2. Broad-based internal teams should address the processes that create discrepancies. Members should include the Chief Human Resources Officer and Chief Legal Counsel, HR and business unit leaders, and rank-and-file employees. Such a step expands accountability.
3. Business leaders should communicate with staff in stages. The most effective measures are often the easiest. Affirming your commitment to closing pay gaps, for example, has a strong impact on employees' trust in senior management and can pave the way for more transparent compensation practices.

— Tony Guadagni

Bridgestone's Agile Succession Planning Leads to More Internal Contenders

Ongoing rapid business disruptions mean that traditional, annual reviews of rising talent are no longer sufficient to find the right people for important roles. Bridgestone, a U.S.-based manufacturing and mobility solutions company, got more flexible in assessing future leaders by:

1. Instructing HR professionals to attend critical meetings in their business units to discuss the succession implications of strategic decisions, such as changes to skill requirements or new development opportunities.
2. Encouraging managers to discuss career aspirations with employees at least once a quarter and update succession plans as team members' goals change.
3. Assessing how vital roles should be designed in the future before considering potential candidates, so the company can better handle strategic or industry-wide shifts.
4. Creating cross-functional talent pools for positions that repeat across multiple business units (such as a VP of finance or a VP of sales), thus increasing the number of available contenders.
5. Applying a "ready enough," not a "ready now" standard when choosing talent and communicating the importance of leaving room for growth.

These changes enabled Bridgestone to select internal candidates for 62% of roles with succession plans compared to the 46% average.

— Samantha Lustig

Briefs

Growth & Innovation

Equip Sellers to Ask Customers, “How Will You Handle a Downturn?”

Sales leaders should not wait to find out if sellers are ready to talk openly in calls about the risks and opportunities of an economic downturn.

Ask sales staff members directly what kind of counsel they’re offering. Next, task sales enablement to create comprehensive conversation guides, collateral, prescriptive tools, coaching checklists, training and role plays.

A robust suite of enablement resources should allow a confident two-way dialogue with customers on these topics:

1. Where in your value chain are you most vulnerable to outside disruption?
2. What industry disruptions are you facing right now that may worsen during a slowdown?
3. How do you expect your customers to respond if the economy sours?
4. What threats or challenges to your supplier relationships do you anticipate?
5. How might your requirements from our partnership change?
6. How might we have to adapt to better meet your needs?

Such discussions can position sellers as value-add advisors.

— Josh Kaye

Setting Bold Stretch Targets in Volatile Markets

Despite their best efforts to establish aggressive goals, many companies develop incrementally better targets that are not ambitious enough to unlock breakthrough growth.

This “safe stretch” trap will be even harder to escape in 2023. Business leaders — faced with inflationary pressures, geopolitical tensions and talent uncertainties — are second-guessing core expectations about the future. Heightened caution demands a fresh outlook on target-setting practices.

The problem isn’t the targets themselves, but the way leaders administer them. Instead of trying to perfect goals, create an environment that supports true stretches. Use these tactics:

1. Isolate flawed assumptions. Make challenging targets more palatable by testing executives’ thinking about how existing resources, assets and capabilities can make daring growth bets more achievable.
2. Leverage peer role models. Invite influential leaders from other business and product segments to help team members feel less defensive and more willing to experiment.
3. Define ranges instead of point targets. Break down the goal into milestones and define what success means at each stage. This inspires more confidence as executives feel rewarded for pursuing ambitious aims.

— Vishnu Kumar

Data & Technology

A Digital Immune System Helps Keep Operations Healthy

The business (and customers) expect smooth operations, but an IT skills shortage makes it hard to react to market changes quickly and innovate at speed. You can’t prevent all software bugs or security issues, but a digital immune system offers a way out of this bind.

To inoculate your technology, combine a set of complementary practices and technologies for software design, development, automation, operation and analytics that amplify each other. None will do the job by themselves. Together, they have the power to keep complex digital systems running — even when compromised. The framework will also help you treat failures as learning opportunities that make products, services and systems more resilient.

To get started:

1. Assess which business capabilities have the highest priority or will benefit the most from a digital immune system, and form executive-sponsored teams to develop and execute your strategy.
2. Create dedicated communities of practice, led by enterprise architects, to share lessons learned, guiding principles, reusable assets, standards, tools and any AI-based insights.
3. Encourage resilience improvements enterprise-wide (for example, shift toward building quality and security into the product) — and make all leaders of initiatives equally responsible for enhancing customer experiences.
4. Nurture a collaborative culture between development, security and operations teams.

— Joachim Herschmann

Privacy’s Growing Role in ESG: What Companies Disclose Now

Mentions of data privacy, data protection and cybersecurity in the environmental, social and governance reports of S&P 500 companies more than tripled between 2018 and 2021.

Executives tell us that these issues form one of the top three ESG challenges they face. Put simply, stakeholders want businesses to be more upfront about privacy efforts.

Our analysis of four years’ worth of disclosures about privacy and related topics revealed:

1. Almost three quarters (72%) mentioned employee training.
2. Nearly half (46%) cited elevating privacy to the board.
3. About a quarter (26%) highlighted privacy-by-design principles.
4. Alignment with privacy frameworks occupies the thoughts of some (15% cited the U.S. Department of Commerce’s National Institute of Standards and Technology; 12% referred to the International Organization for Standardization).
5. A smaller portion (10%) revealed new investments in privacy.

One other finding of note: Companies in the communication services and financial industries have designated privacy as a material topic in their ESG disclosures, since they handle sensitive personal information or have business models that are highly dependent on leveraging such data.

— Laura Cohn and Madeline Massey

Gartner

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