

## I OUTLOOK

# Change Management for the transformation 3.0






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'Change 3.0', 'Change Management 3.0' or 'Digital Change' are all terms which are making their way into HR and management spheres. While IT-connected Human Resources may not be a new subject, it has acquired greater importance since the general adoption of Digital Technology. The challenge is twofold: on one side, how can a company go through digital transformation while also successfully carrying out digital projects? On the other side, how can companies address the human challenges of digital transformation while still taking full advantage of digital opportunities?

Accomplishing these challenges implies making far-reaching changes to a company's organisation, customs, practices and culture. And that's not easy! We are all aware that, at a time when we are looking for productivity and commitment, it is very difficult to change individuals and their habits in a very short space of time. Nevertheless, it is the key to a company's sustainable performance. So, how can we manage change in a way that supports and successfully achieves digital transformation?

Here, we offer paths that lead to concrete solutions. First, following a joint observation of the human challenges associated with the digital transformation process. It is important to understand the implication that the transformation has in terms of HR practices and customs. The emergence of new managerial practices brought about by digital technology must then be considered, for instance: human challenges and opportunities, change management and the role of managers in the future.

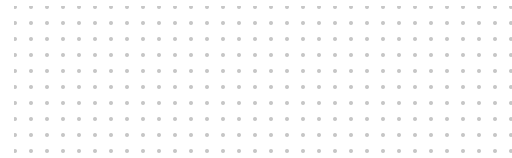
It is up to companies to build a new model for change management - 'Change 3.0' - based on the opportunities offered by digital technology.

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# Digital transformation places people back at the heart of the company



The digital revolution puts the spotlight on the human and cultural challenges of transformation. It also offers new opportunities, namely in HR, social and behavioural matters.

For several years now, a number of public and private organisations have begun their digital transformation through an ever increasing number of projects. The implementation of a digital transformation process such as this, requires the definition of a strategy that goes as far as to make digital technology the backbone of a company and even change its business model. We are talking about a real paradigm shift, paving the way for fresh new challenges and opportunities.

## Human and cultural challenges

There is no doubt about it, the added value of digital technology has been proven. In fact, anyone who fails to embrace it may even be putting their future at risk. And yet, despite the evidence of this need, companies often run into difficulties when it comes to seizing the transformational opportunities offered by the digital revolution.

Indeed, the 'silo mentality' so prevalent now-a-days is not at all suited to digital transformation, which relies on openness and a transversal approach. Even more, the lack of digital expertise, particularly within Generation X, is painfully clear. Lastly, we must highlight the all-too-common lack of commitment among leaders, despite being well aware of the need for change. Managers and staff can sometimes find their firm's digital strategy confusing and difficult to understand.

With that in mind, digital transformation entails not only a change in terms of technology and applications, but above all a shift in customs and behaviours.

Culture and people therefore represent the main challenge faced by companies. Such change is not an easy task, as the digital revolution transforms processes, working methods, jobs and organisational structures, and also comes up against individual forms of behaviour.

## Social and behavioural opportunities

As a result of these challenges, in the field, digital transformation will also generate social and behavioural opportunities, some of which have already made a difference within both small and large companies.

- **Greater collective intelligence**

Needless to say, digital technology transforms how we work and how we communicate. It increases a company's collective intelligence capacity thanks to the provision and sharing of information in real time reaching everyone in the organisation. Value, therefore, no longer lies in the knowledge and skills of employees, but rather in the ability to share and connect the information held in order to make effective use of it.

- **A fresh employee approach**

Having broken down the barrier between personal and professional life, staff, who become not just employees but also individuals, start to manage their online reputation both inside and outside the company.

- **Improved decision-making**

Access to information is widened: knowledge is more easily shared thanks to social media and mobility. Digital technology thereby allows more informed decisions to be made, both for the customer, thanks to increasingly adapted and customised offers, and for the employee, by providing tailor-made services. At the same time, broadening access to information alters the hierarchical relationship.

- **Greater agility in management practices**

Thanks to digital technology, managers are able to share information more efficiently and develop the skills of their staff. They can coordinate their teams remotely and stimulate collective intelligence. In short, they can affirm their leadership regardless of the company's hierarchical structure, inspire others and drive forward the digital transformation process to which the company is committed. They have the opportunity to grow with agility in a world that is sometimes vague and unsure.

- **Changing jobs and roles**

Digital technology changes the jobs within a company and even shakes the foundations of its business model. HR roles need to get out ahead of these changes and identify the emergence of new positions - according to a study from US firm Wagepoint, 60% of the jobs around in 2035 do not yet exist!

- **Multigenerational companies: an asset for change management**

Four different generations currently coexist within companies - baby boomers (born between 1945 and 1965), followed by Generation X (1966-1980), Y (from the early 1980s) and Z (2000s). From familiarity with digital technology to ambitions, the number of differences between them is remarkable. The question, then, is this: how can we bring them closer together? This generational challenge requires particular focus on Generation Y, which represents a key channel for accelerating the adoption of new practices and customs while ensuring there is no gap created with older employees.

As a result, in the attempt to meet these new challenges, a form of change management which generates opportunities is emerging. Incorporating digital tools, it has grown into digital management of change: 'Change 3.0'.

“ Digital transformation entails a shift in customs and behaviours ”

# How to manage Change 3.0

When faced with accelerating change and multiplying digital projects, there is sometimes a temptation to adopt a top-down approach. However, this often proves ineffective or even counterproductive. Change 3.0, on the other hand, makes it possible to create a virtuous circle.

The time it takes to adopt and adapt to new practices has remained relatively unchanged, even though the way we think about time has changed and change itself has been accelerated. So, no rush!

Furthermore, the growing and cross-disciplinary involvement of employees is vital for the implementation of the change management process. By contributing to the process, they become stakeholders, which facilitates the task. In this regard, the use of digital technologies throughout the different stages of Change 3.0 enables not only employee contribution, but also enhancement of that contribution. And thanks to the grouping and more efficient flow of information, employees also achieve greater critical thinking and independence, thus becoming more demanding. What we have then is a virtuous circle.

Similarly, understanding and adoption require us to experiment. Technology should not be reduced to an external object that you have to decide to roll out, but on the contrary it should be considered as an internal resource for employees to interact with each other, thereby making them key stakeholders in the changes that affect them.

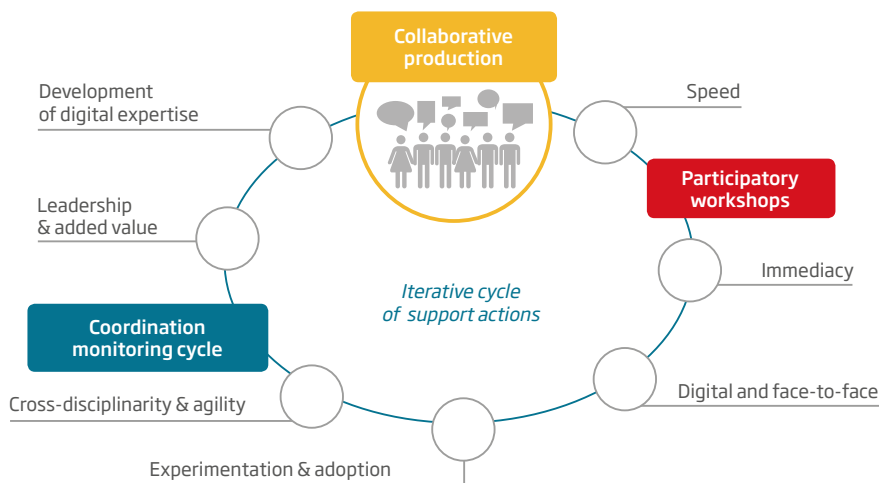
Change 3.0 tools and methods must comprise a combination of digital and face-to-face solutions; in the era of data, proximity and discussion have never been so important.

“ Change 3.0 breaks away from the traditional top-down approach and places staff at the core of a new digital, collaborative and creative process ”

## 1. Staff actively involved in digital initiatives

We must move away from linear, prescriptive change management solutions. Their design is structured around a central core of diagnosis and participatory workshops that feed information into an iterative cycle of actions backed up by a continuous coordination monitoring cycle, as shown in the diagram below. *(continued on p. 8)*

### New change management solutions



## CO-DESIGN METHODS FOR COLLABORATIVE PRODUCTION

In order to change to be successful, all stakeholders need to be involved right from the start. They need to be able to actively contribute to the creation, adaptation and implementation of the project. Co-design methods offer a collective experience that allows employees to get involved and lead the project. Among these methods we have design thinking and co-development, which form part of the collective intelligence tools enabling the co-design of products, services, practices and customs, new structures and processes. The underlying principle, is to give the different stakeholders the chance to express themselves and co-construct creatively in a short period of time.

These participatory initiatives encourage the comparison of points of view as well as creativity ('1+1=3!'), all the while ensuring that decisions are made and that suggested solutions are effective.

### Design thinking

Design thinking is based on a collective intelligence methodology involving a multidisciplinary team of volunteers. It fosters innovation by concentrating on existing practices and customs or by indirectly including the beneficiary. It is a question of carrying out a development process for a product or service that, more often than not, is innovative, involving the end user or beneficiary.

Key points:

#### 1. Put yourself in the user's shoes:

Beyond traditional investigation to identify uses and needs, it is about sounding out the experience of each person, relating to them and thinking from their point of view. People, with their natural tendency to adapt to difficult situations, end up losing sight of the initial problem. Consequently, the only way for design thinkers to detect a genuine need – and meet it through relevant innovation – is to put themselves in the shoes of users, focusing on an empathic approach.

#### 2. Make a diagnosis and clearly define the issue:

Reviewing user experiences must give rise to the simple and relevant articulation of the (sometimes unconscious) needs of the population affected by the change. This issue answers the 'Why?' behind the change, long before we even think about the 'How?':

#### 3. Look for paths which lead to solutions:

Teams need to be able to express themselves with confidence if they are to embrace freedom of speech and compare points of view, thus culminating in creative ideas.

#### 4. Design and test the avenues selected:

Throughout this stage, there needs to be room for error. Experimentation and prototyping can be used to validate one or more solutions prior to final implementation.

#### 5. Carefully plan the roll-out of solutions:

Here, communication is key. Change needs to be understandable and desirable, which is something that is supposed to be made easier through prior efforts involving empathic analysis of the need and formulation of a clear issue.

#### 6. Expand the sphere for co-construction of change.

### Co-development

Co-development is a methodology similar to collective intelligence in a multidisciplinary team of volunteers. It allows extremely relevant innovation by concentrating on existing practices and customs or those which are in need of improvement. Its strict protocol is based on:

- collectively choosing which topic to address;
- structured steps in the investigation phase followed by the suggestion phase; and
- noting, without reaction or objection from the customer, of all suggestions from the group.

## 2. Adopt an agile solution

The 'Agile Change' concept supplements this solution with organisational elements taken from agile IT methodologies. The different types of change support can take many forms, such as the Scrum methodology based on workshops with representatives of stakeholders focused on problem solving. It is about making sure that change support brings the transformation to life and does not remain empty rhetoric.

## 3. Make the organiser a key role

In all of these methodologies, the role of organiser is central. It creates a constructive dynamic and ensures everyone is committed to getting on the same page.

These methodologies can be used face-to-face, in material form or digitised through shared, collaborative workspaces or networks modelled on co-working.

They can also be virtualised using digital technologies. Digital tools help maximise the creativity and efficiency of a group

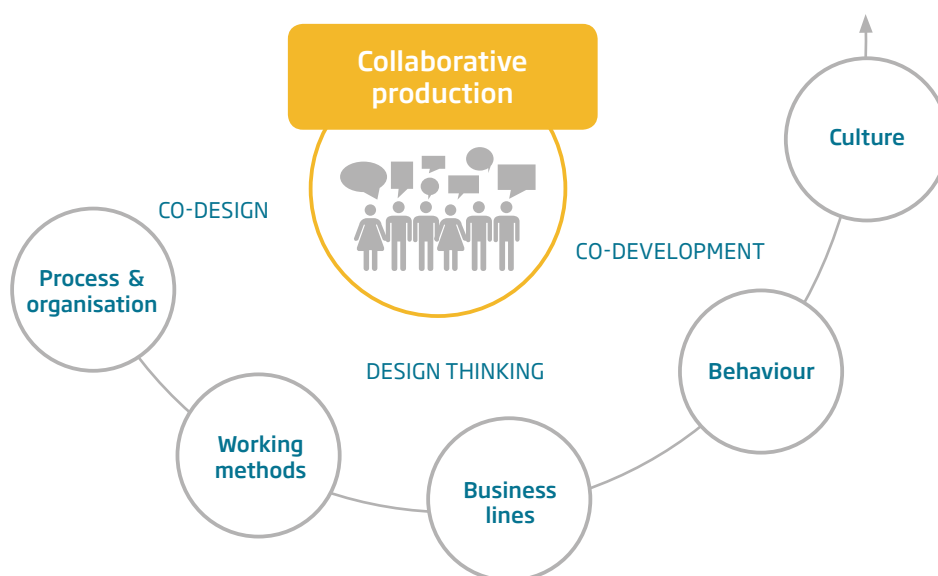
working on major projects, even though such methodologies are scattered in terms of both space and time.

Lastly, thanks to the creation of new drivers, traditional levers such as communication, training and support also greatly benefit from the contribution made by digital technology.

As a result, Change 3.0 breaks away from the traditional top-down approach and places staff at the core of a new digital, collaborative and creative process. At a time when long-term vision is sacrificed in the name of urgency and short-termism, Change 3.0 establishes a model which favours thought and individual responsibility.

Change management solutions are integrated as close as possible to the challenges faced by the projects and business lines concerned. They form part of the project itself, currently representing at least 5% of a project's overall cost.

### *The need for collaborative production*





## THE MANY ADVANTAGES DIGITAL TOOLS HAVE TO OFFER

### Survey and online questionnaire

Monitoring and survey tools have always been part of the classic arsenal of change management, allowing coordination and adjustment of the actions to be taken. Today, more and more online questionnaire tools are available, enabling active listening, interaction and collection of perceptions:

- **Change Readiness Assessor App:** a smartphone and tablet app used to assess the level of acceptance of change in a given project.
- **Doodle:** ask participants to vote on trends and options.
- **Google Form:** one of the most user-friendly and intuitive e-survey tools available. Used mainly to administer anonymous online surveys on change acceptance.
- **U-STON/HR:** social listening 2.0 (freedom, simplicity, responsiveness).

### Crowdsourcing

This is a process of participatory production which leverages the creativity, intelligence and knowledge of a large group of people, working either collaboratively or in parallel. It offers employees the opportunity to become actively involved in the change that affects them. It is reputed to facilitate the adoption phase for new practices and customs.

### Digital Working

This encompasses applications which help people to work together and coordinate with each other, such as videoconferencing and telepresence applications, or document sharing solutions like Google Drive.

### E-workshop

Multiple users interact remotely in an effort to solve problems drawing on participatory workshop techniques and a coordinator. All discussion is tracked and sent to the participants based on a collaborative approach.

Workshop Factory is an IT tool which pools dozens of participatory and digital e-workshops, quizzes and live-tweeting so that a group can comment and ask questions live.

### MOOC (*Massive Open Online Courses*), virtual classes, webinars and serious games

Users benefit from interactive distance learning when they want to, synchronously or asynchronously, via various tools such as collective mind maps, learner wikis, blogs and microblogs created as part of a learning scenario. Digital technology promotes fun and interactive learning. The pace of the learning process itself can be set using digital tools which get both learners and line managers involved before and after training activities. By creating learning communities, it becomes a driver for fixing and extending learning.

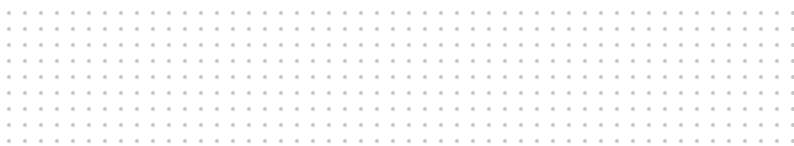
### Semantic analysis engine

Semantic analysis is an automated interpretation technique for text written in natural language. Text mining is one of the main applications involved, consisting of automatically extracting structured information from text. In change management, this offers analysis of text and prediction of writers' tactics and expectations beyond the traditional search for information, extraction of terminology, automatic summarisation and monitoring, etc.

### Internal or external social media and collaborative workspaces (communities, blogs, wikis, chat)

The embodiment of ultimate collaborative work, CSR is a social building block used in 80% of large companies. It is a central tool which can be directed as desired at knowledge management (KM), business productivity and challenges, communication and social links.

# New management methods within digital companies



The new Change 3.0 approach redefines new management methods: a manager must support the company's digital strategy and set an example for the adoption of new practices and customs. In this way they become a 'Manager 3.0'.

Managers seem to have understood and included the challenges presented by digital technology within projects. However, they are not sufficiently involved in the co-construction of new digital practices and customs. When it comes to management practices surrounding digital technology, findings reveal weaknesses with only 10% of managers reporting they feel 'at ease with digital technology'. Yet, the role of a manager is vital, as they are the main ambassadors of the company's strategy and the person who employees trust. Nevertheless, communication is as much about information as it is about relationships, listening, discussion, energy and challenges invested in this eminently human process. This is where relationship-based management can be used to nurture managerial communication.

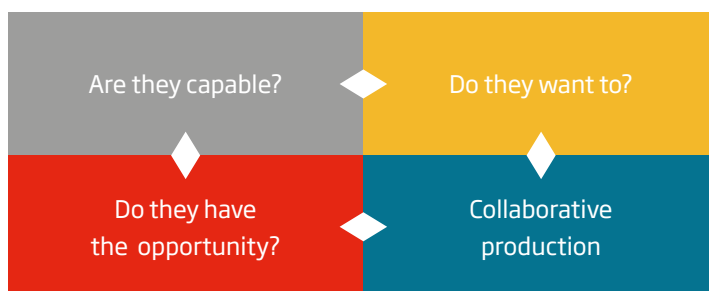
## Relationship-based management

Remote work is becoming more and more common, across multiple sites, on the move and at different times. From this, two populations have been developing over the past few years - mobile workers (often salespeople) and remote workers at a rate of a few days a week. They have become independent, connected, equipped and networked 'individuals' rather than simply employees. They are refining their tools, their methods, their know-how, their community and their commitment as they gain more professional experience.

Such change can sometimes create tension! First of all, that related to the paradoxical requirement of 'supervised independence' imposed on remote workers. We expect from them, on the one hand, independence, initiative and responsibility while, on the other hand, we monitor their results, movements and communication in real time. Monitoring, which is both crucial and useful, is much more complex when it is carried out remotely. Managers can focus on objectives in an effort to promote independence and responsibility while still maintaining the relationship. We will also see some tension related to the coexistence in time and space of limited, chosen, personal and leisure activities, etc. The challenge is controlling the risk of less investment from individuals. However, communication tools eliminate the sense of absence: "Wherever I am, at any time, I can be reached. I cannot cut off communication." Here again, the manager has to be able to nourish the relationship and know how to create and maintain a relationship that is based on trust.

Relationship-based management requires digital tools. However, this can often be made complex by the fact that we do not all share the same perceptions and expectations. It can then be highly tempting to use new technologies such as simple data and knowledge transmission tools without making them levers that incorporate an emotional and interpersonal process. To become levers for

*The capability matrix*



motivation, digital tools must constantly be adapted to employee expectations: Are they capable? Do they want to? Do they have incentive? Do they have the opportunity?

## Transversal, non-hierarchical management style

Whether it is a project management, process-oriented organisation or it is working in networks being developed with digital technologies such as RCEs (collaborative company networks), managers must learn how to motivate their staff without a direct hierarchical link. This is what we call 'transversal management'. It is a horizontal way of thinking about the company. In other words, looking beyond hierarchical management roles. It promotes breaking down barriers and bringing people together, while combining the necessary business lines, skills and resources around a shared purpose in an effort to achieve results.

“ **The skills of the Manager 3.0 rely mainly on collective intelligence, agility and the ability to get people to work together and thereby generate trust** ”

This method depends on a broad base of knowledge, the streamlined transmission of information and the ability to work together. Its cross-disciplinary nature also requires decentralisation of responsibilities,

greater flexibility and the development of transversal skills. It is then possible to move beyond a hierarchical organisation, re-evaluate the description of tasks, positions and roles, and alter the company's structure. As a result, the manager is becoming more of a leader - they is no longer the figure of a person who knows the answer but the person who shows the way and brings employees 'on board'. The skills that must be developed rely mainly on collective intelligence, agility and the ability to get people to work together and thereby generate trust. This often means a shift from an individual to a more collective ambition.

However, in order to achieve that, change solutions need to be supplemented. Some help, strengthen skills and integrate collaborative practices. This is the case with leadership training programmes for transformation and continuous progress initiatives to ensure momentum is sustained all the way into the field and to address the challenges posed by transformation. It is also the case for skills development and maintenance processes (training, mentoring, coaching, etc.). Others are available to specify individual and collective performance objectives or systems for recognition which incorporate transformation objectives. Lastly, there are solutions which predict future changes and their impact on the skills that need to be developed, the profiles to be recruited and the managerial behaviours to be promoted.

As key players in digital transformation, companies need to focus their efforts on managers to position them as a real driving force behind this revolution.

## REMEMBER

The Change Management 3.0 model, driven by the digital transformation required, depends on the ecosystem of each company, and particularly its level of maturity. It puts the Manager 3.0 at the centre stage.

This model requires the change management process to be conducted in-house, as the people who are behind the change are also those who make it. Nevertheless, the involvement

of a third-party consultant allows the model to be accurately defined in accordance with the strategy and rolled out while also ensuring that the methods and tools are standardised.

The HR function plays a central role in this vast project. Regardless of the scenario, it is a slow process that allows the development of practices used to manage the change process.

## About Sopra Steria Consulting

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Our aim is to speed up the development and competitiveness of large companies and public bodies. Today, the Group has 2000 consultants, including 1100 in France supporting the digital transformation of our clients in Europe.

