PREPARING YOUR WORKFORCE FOR DIGITAL TRANSFORMATION
Ready or Not... Digital Transformation is Here

The ever-evolving nature of technology rapidly changes the way we do business – it affects everything from who our customers are and what we sell, to our tools and processes, to our employees and work environments.

How well organizations adapt to the new and exciting impacts of digital innovations and processes determines their long-term success. Digital transformation isn’t only exciting – it’s also a universal reality. No industry is immune to digital disruption.\(^1\)

A 2014 study from Constellation Research concluded that industry-leading companies’ ability to adapt to digital disruption was a key factor in their long-term success. In analyzing the average tenure of companies on the Fortune 500 list, researchers found that, since 2000, digital disruption caused 52 percent of these companies to declare bankruptcy, go through an acquisition or simply cease to exist. They didn’t adapt well enough or fast enough to their changing digital reality.

So it’s no surprise that Gartner recently found that by 2022, almost 80 percent of organizational skills will have to be “reprioritized or revisited” due to digital business transformation.\(^2\) It’s critical that businesses recruit, retain and develop the right talent to stay competitive now and into the future. Digital-focused talent management and talent development strategies remain integral to business success over the long-term.

To stay competitive in these emerging and maturing digital environments, companies need to intentionally implement and execute a digital transformation strategy across critical areas of the business – from organizational strategy and structure to culture and talent development.

Since 2000, 52% of companies on the Fortune 500 declared bankruptcy, went through an acquisition or simply ceased to exist.

48% adapted to the changing digital reality
What is Digital Transformation?

To answer this question we need to first talk about digital disruption. Holger Mueller of the Constellation Group describes digital disruption as, “The creation, implementation and operation of new best practices and business models, enabled by digital technologies.” Disruption comes in the form of “macro trends, changes in the dynamic workforce, disruptive technology adoption, [or] the creation of new digital business models.”

In industries from banking to retail, media, logistics, manufacturing, education, professional services and life sciences, leaders are struggling to face up to new, disruptive, technology-driven business models. Although the word “disruption” has negative connotations, in the context of digital transformation, if addressed effectively, disruption can bring enormous benefits.

Digital transformation is the profound change an organization experiences because of digital disruption, including to its culture, operations, and how it fundamentally adds value to its customers now, and into the future. Digital transformation requires a radical rethinking of how an organization leverages technology and processes to dramatically change business performance. And it all starts with – you guessed it – your people.

Digital transformation is already here. And it means that the ability to adapt and succeed in a rapidly changing market is critical.

In this eBook, we’ll share the talent development best practices you – and your people – need in order to futureproof your organization while putting your people in the driver’s seat of their own experience.
Is Your Organization Ready for Digital Transformation?

Digital disruption is creating new challenges in how organizations view and manage their talent. The Digital Age, aka The Information Age, began in the 1970s and technological advances have been accelerating ever since. But talent management practices that drove company success in the past may not drive similar results into the future.

To support their organizations through digital transformation, Human Resources (HR) and Learning and Development (L&D) professionals need to take their place as a true business partner and mount their own talent management transformation initiatives. HR leaders need a framework to identify, support and develop the skills and relevant competencies that leaders, managers and employees need to be successful in order to move the needle on business performance. That means establishing a continuous, hyper-connected development experience for people that aligns to the ever-shifting goals of the business. In practice, that means creating a digitally centered, learning-focused, talent development environment.
How to Make Talent Development a Priority in the Age of Digital Transformation
The rise of digital is transforming both business needs and talent development practices. The World Economic Forum found that, “[A]s the rate of skills change accelerates across both old and new roles in all industries, proactive and innovative skill-building and talent management is an urgent issue. What this requires is a [talent development] function that is rapidly becoming more strategic and has a seat at the table.” Simply put, preparing your workforce for digital transformation requires a talent development strategy.

Here, we explore five talent development best practices to get your people ready for a new digital reality.

1. Support ongoing skill development
2. Coach for growth
3. Push decision-making further down into the organization
4. Create a learning environment
5. Embrace new talent technologies
Coaching Strategies to Prepare Your Workforce for Digital Transformation
Supporting ongoing skill development has never been more critical than now – in a competitive market where there are more jobs available than talent to fill these roles. Once organizations attract their rock stars, they must invest in developing their people to sharpen skills, keep talent engaged, safeguard institutional knowledge, and drive business outcomes.

In a recent Gartner leadership survey, CEOs identified “access to the right talent and skills” as the number one internal constraint to business growth, which is a major hurdle when digital-focused growth is an equally critical priority. So it’s no surprise that at least one in four workers in OECD countries report a skills mismatch in regards to the proficiencies required in their current jobs.

The clear solution? Support employees by providing them with the resources and guidance they need to develop new, useful skills and close performance gaps. The key? For high-performing organizations, learning isn’t the outcome – it’s the behavior that drives performance.

Amongst high-performing organizations, Brandon Hall Group found:

- 51% link L&D objectives to departmental goals
- 42% link L&D objectives to individual performance reviews
Why employee development practices need to evolve

To work effectively in a digital environment:

73% of employees report requiring a skills update at least every six months while 44% say they must upskill “continuously.”

To keep pace, organizations must deliver personalized, continuous learning experiences through on-the-job AND formal training programs to help employees develop digital literacy among other critical skills. But offering these opportunities isn’t quite enough. To remain competitive in an era of digital transformation, managers need to support their people as they work to develop new skills and achieve goals that contribute to positive business outcomes. In short, learning must be personalized but also relevant.

RESOURCES:

- eBook: The Learning and Performance Link: Making the Connection
- eBook: How to Excel at Goal Management
- How-to Article: Writing SMART Goals
Provide the ongoing coaching and feedback your people need to reach their goals, develop new skills and improve performance.

Once employee goals are aligned to strategic business objectives, managers can facilitate coaching and feedback during regular check-in meetings where they can discuss performance, goal progress, challenges and milestones, and career development opportunities.

The 1:1 meeting is a tool both managers and employees can take advantage of as organizations make the shift from traditional performance management (marked by the dreaded, once-a-year appraisal) to forward-thinking, ongoing talent development where regular performance and development conversations are the norm.

The advantages of 1:1 meetings:

- Drive accountability with regular goal updates
- Record employee progress, roadblocks and key wins
- Build a culture of feedback
- Get employees thinking about their next career steps
- Boost employee engagement, retention and productivity
- Strengthen the relationship between the manager and the employee
In this era of digital transformation, employees are increasingly becoming subject matter experts and can use 1:1 meetings as an opportunity to flag concerns, share new ideas, and give upward feedback about their organization’s priorities, systems and processes.

But establishing an open, two-way dialogue only works when an organization has created a culture of feedback, which is why employees aren’t the only ones who need coaching and mentorship – managers need support, too! Yet only 47 percent of organizations report that they have a formal program to train managers to become better coaches and mentors.¹⁹

The good news is that 1:1 meetings are strong coaching tools that can be implemented at all levels of the organization. And when managers know what their employees’ priorities are, how they can help them, and where their skills lie, it makes it much easier to delegate important tasks and shift away from the “command-and-control” style of management, pushing decision-making further down into the organization.

RESOURCES:

Template: Employee Goal Setting Template

eBook: Evolving From Performance Management to Talent Development

eBook: The Ultimate Guide to 1:1 Meetings for Managers and Employees
Digitally maturing companies are changing how they learn and lead their people in an era of digital transformation.

For many organizations, this shift manifests as pushing decision-making further down into the organization. By empowering people to autonomously take on projects, execute on their goals and respond quickly to shifting priorities, it demonstrates that the organization has confidence in their abilities and trusts them to make sound decisions. This leadership and learning model balances strategy, talent and culture, and is the hallmark of a digitally maturing organization, according to a joint 2018 global study by MIT Sloan Management and Deloitte.

Discarding a “command-and-control” management style frees up people and teams from cumbersome reporting cycles, boosting engagement and productivity. This is much easier to do when company leadership openly communicates organizational goals and status. That way they can feel confident that employees not only understand the organization’s goals, but are also actively pursuing their own goals that support business outcomes.

Organizations that adopt goal management best practices perform better overall because their employees understand expectations, work on the right projects, are aligned in helping to achieve organizational goals and are more engaged as a result. The result? An agile workforce that can swiftly respond to both internal and external changes.

Goal alignment is one key to developing a culture of leadership at all levels of the organization, which, in turn, creates opportunities to identify high-potential employees and fill the leadership pipeline.

Legacy or older, established organizations that may have been slow to recognize a need for digital prioritization aren’t necessarily permanent laggards in this regard. They can accelerate their digital transformation by adopting new learning and leadership models. One way that organizations can fast-track progress, whether they’re legacy or not, is by cultivating a culture of learning.

RESOURCES:
- Saba Blog Post: 3 Ways to Build a Culture of Ownership
- On-Demand Webinar: Cracking the Code to High Potentials
- Saba Blog Post: 3 Straightforward Strategies to Create an Epic Talent Pipeline
Research from IMD’s Global Center for Digital Business Transformation points to four leadership competencies that are vital for business leaders facing large-scale digital disruption:

**Humility.** Successful digital leaders are willing to seek diverse ideas, suggestions and expert opinions from those both within their organizations and from outside. They need to understand and accept that their employees have equal access to information and may have deeper specific subject knowledge than their managers or company leaders. Executives don’t need to know it all – they instead need to hire experts and trust in their knowledge and skills.

**Adaptability.** Embracing change in a complex and ever-evolving environment is foundational to business leaders’ success in an era of digital disruption. This enables leaders to thoughtfully and carefully respond to changes rather than hastily react. Humble and adaptable leaders need to be adept at change management – able to correct missteps and communicate that change companywide.

**Vision.** Setting company goals and then aligning and mobilizing employees to work towards achieving it adds an extra layer of complexity in times of digital disruption. Business models change along with technologies and employee core competencies. As establishing a clearly defined roadmap to achieve company goals becomes less and less feasible, vision becomes more and more valuable. Adaptability without vision can lead to lack of direction.

**Engagement.** Digital leaders, at their core, are good listeners who are keen to connect with customers, employees, suppliers, and beyond in an effort to ensure the conversation is not one-sided. A free-flow of information encourages healthy discussions that will challenge the status quo, leading to consistent refreshing and adjusting of the company vision.
If organizations don’t make the effort to invest in their own peoples’ development, they will both eventually lose their respective competitive edges.

HR and L&D leaders are turning more and more to online learning solutions like learning management systems (LMS) and learning experience platforms (LXP) while ensuring their people have access to robust content libraries so that they can develop the right skills in the flow of work. Deploying these talent development tools strategically is critical to a successful digital readiness plan. Here are two key ways to build a learning culture.

Here are two key ways to build a learning culture.

- Create a learning environment
- Embrace new talent technologies
Preparation Your Workforce for Digital Transformation

Digital-Focused Strategies to Build a Learning Culture
The most successful, fast-growing, digitally enabled companies are differentiated by one thing: They’ve transformed how their people learn and lead.\(^\text{13}\)

These high-performing, digitally maturing organizations encourage experimentation, iteration and transparency to ensure new ideas are tested and outcomes are shared. Employees are hungry for development opportunities at work: 94 percent of employees say they would stay at a company longer if it invested in their career but the number one reason employees feel they aren’t learning and upskilling is because they don’t have the time.\(^\text{14}\) Encourage employees to make time for learning by offering opportunities for learning in the flow of work, and keep everyone accountable for their progress in 1:1 meetings with their managers.

- 68% of employees prefer to learn at work
- 58% of employees prefer to learn at their own pace
- 49% of employees prefer to learn at the point of need\(^\text{15}\)
Employers need to offer learning opportunities to employees – when they need them and how they need them. Offering offsite, instructor-led classes or compliance-only courses is no longer a sufficient effort in creating a high-impact, digital-first learning environment. Instead, digitally mature organizations offer digital learning libraries that can be accessed online – anywhere, anytime – with courses that can be mapped to an employee’s core competencies. As organizations sharpen their focus on return on investment (ROI), the emphasis has shifted from how good their training is to how well the training is used to improve performance.

**Best Practices to Create a High-Impact Learning Content Strategy:**

- **Link training to business objectives**
- **Get managers to support and reinforce learning**
- **Ensure high utilization of eLearning by making it accessible and meaningful**
- **Enlist executive support for training initiatives**

A well-executed learning content strategy helps organizations build an aligned and engaged learning environment in an era where modern knowledge workers need to be able to access new and useful information at the point of need. With a learning environment securely in place, organizations are free to experiment and embrace the new technologies that are shifting business paradigms.

**RESOURCES:**

- **Checklist:** The Ultimate Checklist for Switching Your LMS!
- **eBook:** Build a High-Impact Learning Content Strategy
- **Video Case Study:** USA TODAY NETWORK: Creating Personalized Learning Journeys with Saba
If there is one constant in digital transformation, it’s that nothing stays the same for long.

New technologies endlessly rise and fade as new ones take their place, affecting everything from systems and processes to which jobs will eventually be phased out completely. Advances in mobile communications, automation, robotics, engineering, big data, artificial intelligence, machine learning and cloud computing are disrupting the workplace en masse, and L&D is no exception.

Organizations can use these technologies to enhance their people’s L&D activities by giving them the personalized, intuitive, interactive and collaborative experiences they need to grow and develop, feel valued, and to create value for the business. Learning is a personal experience, so their learning tools and materials should reflect that. When employees feel empowered to seek out development opportunities proactively, sourcing the content they need should be natural, simple and modernized.

That means embracing the tools and features that make LXPs so attractive to learners, including easy-to-use, consumer-grade user interfaces; excellent search functionalities; mobile capabilities; content recommendations; and an assortment of learning content – from micro-learning and videos to full learning pathways.

Tracking and managing learner progress in a hyper-connected LMS ensures that training stays tied to performance outcomes.

Once employees begin to build momentum, they’ll soon see that no amount of digital transformation can stop them from developing new skills to set them up for success in their jobs – even the ones that don’t yet exist.

RESOURCES:
- eBook: Choosing the Right eLearning Courses for your L&D Program
- Infographic: Top Trends in Digital Disruption – Is Your Workforce Ready?
- On-Demand Webinar: Building the Business Case for Investing in Talent Management
Meet your new co-worker: A “cobot”

We’ve all read headlines that exclaim, “Robots are taking our jobs!” But to leave it at that would be to overlook an emerging, innovation-driven trend: Collaborative robots, aka “cobots,” which augment human labor, rather than render it obsolete.17

Compact and highly sensitive, cobots are designed to work safely alongside humans. They are among the fastest growing segments in the robotics market with analysts predicting global sales hitting $12.3 billion by 2025.18

Beyond the factory floor

To remain cost-effective, the first generation of cobots is very basic: Cobots are often legless, faceless and have only one arm. While industrial robots have already been on factory floors for decades – taking on repetitive, heavy and hazardous work – they’re fast finding their way into other workplaces. Cobots can fetch merchandise in fulfillment centers and supermarkets, and install shock absorbers in vehicles, just to name a few of their new roles.19

The human-robot team

Early research identified that designing a cobot is really the design of a team: A human-machine cooperative system. To meet a human’s needs, a cobot should be understandable, believable, trustworthy and provide the interactional support expected. But factoring in effective interdependence management and understanding the properties that humans seek when establishing trust – and then integrating these into the robot’s decision making – that’s no easy task. An MIT study found that human-robot teams require striking a delicate balance of control, including the decision-making authority human workers should have over their cobots. “While autonomy can improve team efficiency,” the report concludes, “providing a worker with too little or too much control may be alienating or overwhelming, respectively.”20 This means that employers will have to carefully consider the potential impact on employee engagement when aligning human workers – and their responsibilities – to their new cobots with their ever-evolving abilities.21
Support and Prepare Your Workforce – Now, and Into the Future

From upskilling to reskilling, coworkers to cobots, and performance management to transformative talent development, tomorrow’s talent technology isn’t just in the flow of work; it’s woven into how work gets done.

That’s why, in order to stay competitive within an ever-evolving digital environment, organizations must continue prioritize employee development by linking learning activities to performance outcomes. Focusing on helping employees strengthen and develop the right skills means that organizations need to provide the right learning content to employees within the right learning environment.

It’s true – the workforce and the workplace are changing rapidly. But so are the learning content, delivery and supporting technologies to help your people and your business adapt. By positioning your talent development strategies for success, your organization will be ready to thrive in this new, digital world.

Takeaways: 5 Talent Strategies to Prepare Your Workforce for Digital Transformation

1. Support ongoing skill development
2. Coach for growth
3. Push decision-making further down into the organization
4. Create a learning environment
5. Embrace new talent technologies
At Saba, we know that every organization has the potential to be a great place to work, and no matter what your business does, or who you serve, or what you sell, success starts with your people. But in today's diverse, mobile, social world, successful organizations must deliver an experience at work that's more connected, and more personal than ever before. And the most successful do this with Saba. Because we combine the science of talent with intelligent technology to deliver a “just-for-me” talent experience for every individual - in the moments that matter most. With powerful tools and insights talent leaders need to prove the experience makes an impact on business success. So from attracting candidates who are the perfect fit, to designing paths for personal growth, to creating a culture that nurtures the unique talents of every individual, Saba helps you give your people and teams the message:

Work to your strengths. Work like you envision. Work like it's personal. Work like you.

© 2019 Saba Software Inc. All rights reserved. Saba, the Saba logo, and the marks relating to Saba products and services referenced herein are either trademarks or registered trademarks of Saba Software, Inc. or its affiliates. All other trademarks are the property of their respective owners.
References


