

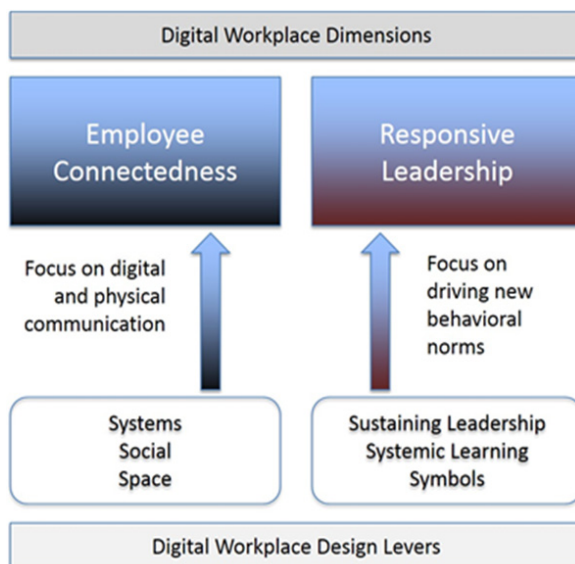
The Digital Workplace Is Key to Digital Innovation¹

Kristine Dery, MIT Sloan Center for Information Systems Research (U.S.)
Ina M. Sebastian, MIT Sloan Center for Information Systems Research (U.S.)
Nick van der Meulen, University of Amsterdam (the Netherlands)

Executive Summary

Employees' working environments in traditional organizations are characterized by siloed technologies, segregated physical spaces and asynchronous email communications. Behaviors, technologies and physical constraints in these workplaces result in a fundamental disconnect between what employees can accomplish and what companies need them to do in the digital era. Success in the digital era depends on transforming how work is done to create digital workplaces and improve employee experience. This entails addressing two dimensions—employee connectedness and responsive leadership—with three design levers for each dimension. Based on the digital transformational journeys of three established companies, the full article describes how digital workplaces drive success and how IT leaders play a critical role in the transformation.

Dimensions and Design Levers for Creating an Effective Digital Workplace



Employee Connectedness. Connectedness is the extent to which employees can engage with each other, stakeholders and customers, with information and knowledge, and with ideas. High performing companies improve employee connectedness with various integrated approaches using three design levers that enhance digital and physical communication: systems, social and space.

They implement new technologies to support and enable work activities needed for rapid innovation and for delivering more integrated customer experiences. They focus on offering technology solutions (e.g. videoconferencing, mobile phones, robotics and IoT sensors) to make it easy to find (new) colleagues and collaborate anywhere, at any time. They use (enterprise) social media platforms to reach out to employees, speed up collaborative work and support “ideation” (forming new ideas)—both internally and externally.

Responsive Leadership. Responsive leadership is the extent to which management prioritizes the activities that focus on the development and continuous improvement of employee experience. High performing companies build responsive leadership by using three design levers that focus on driving new behavioral norms throughout the organization: a sustained leadership focus on employee experience, systemic learning mechanisms and symbols that make the workplace strategy explicit.

Responsive leaders facilitate workplace design rather than direct it. They are open to employee initiatives and responsive to feedback on employee experience. Responsive leadership also includes communicating a clearly articulated vision that links new workplace design to the strategic objectives of the organization, and driving new behavioral norms.

¹ The full article is published in the June 2017 issue of *MIS Quarterly Executive*, available online at www.misqe.org.

Approaches to Building Effective Employee Experiences

Each of the three case companies had different approaches to using the three design levers—space, systems and social—for enhancing employee connectedness. One used new physical workspaces to symbolize new ways of working and to introduce new technologies, business practices and reward systems to change traditional work practices. Another used enterprise social media to engage all employees in the corporate conversation to build and share new ideas across business units and hierarchies. The third focused on simplifying day-to-day collaboration of employees in all areas, by providing them with a single, shared platform and tools that enabled them to improve their productivity, while ensuring a consistent and coherent employee experience. Each transformed from a traditional organization with product-based and functional silos, little formal cross-communication and a hierarchical structure that reinforced siloed work. Breaking away from this structure and connecting people based on ideas (rather than reporting lines) was an enormous challenge for each.

All three case companies had made significant investments in building responsive leadership. They focused on thoroughly understanding workplace speedbumps and removing them, and on solutions for more effective ways of working. Despite being very different types of businesses, we identified significant common leadership principles and capabilities that guided the design and management of their digital workplaces. All three had established more effective ways of capturing data on workplace speedbumps and developed new ways of connecting and getting things done. Workplace design teams typically included IT leaders, as well as people from HR, facilities, legal and internal communications. They gathered evidence from across the organization to identify workplace speedbumps and then find ways to remove them. These test-and-learn environments actively engaged employees in identifying problems and their potential solutions. Typically, the solutions depended to a great extent on IT capabilities.

Recommendations to CIOs for Creating Successful Digital Workplaces

1. Ensure the Organization Appoints a Digital Workplace or Employee Experience Leader. The CIO needs to drive the appointment of a C-suite level leader who has end-to-end accountability for employee experience and keeps the digital workplace high on the strategic agenda. Once appointed, the CIO should actively partner with this leader to effectively manage a test-and-learn environment focused on employee experience.

2. Define Customer Experience and Employee Experience and Use them as the Basis for Digital Workplace Design. CIOs should take a primary role in defining customer experience and employee experience. Both are linked closely to each other and to a variety of workplace technologies. One way to define these experiences is to map customer journeys and employee journeys and then explicitly link them when considering the requirements for the digital workplace.

3. Develop an Evidence-Based Approach to Managing Employee Experience. CIOs should instill a services mindset in the IT department, so they can continuously assess employee journeys, identify speedbumps that add workplace complexity, rapidly and systematically eliminate the speedbumps, and measure the value of new initiatives to enhance employee experience. They should also develop systems that provide an evidence-based approach to managing employee experience. This will mean leveraging a variety of data sources, such as online platforms that encourage employee feedback and idea sharing, social media analytics, and usage data provided by IoT sensors and helpdesk queries.

4. Distinguish Between Systems that Improve Employee Experience and Employee Wellbeing. Employee experience is about the day-to-day experience of collaborating with others and encountering workplace complexity. Employee wellbeing is about aspects such as health, happiness, and physical comfort. Both are important, but for different purposes. Employee experience drives innovation in day-to-day work; employee wellbeing helps to attract and retain digital talent. Systems that improve employee experience are distinct from those that support employee wellbeing. By including both types under the management of the CIO, IT leaders can ensure that they define and deliver a great employee experience, rather than simply being focused on enhancing employee wellbeing.

In summary, to succeed in the digital era established companies will need to transform how work is done. We found that high performing companies design digital workplaces that enhance employee experience by addressing two dimensions: responsive leadership and employee connectedness. The full article describes the six design levers that organizations can use to address these dimensions.