NTT DATA

Re-energising employees to thrive in a changing business

Businesses face a rapidly changing landscape. Fortunately, the changing expectations of staff and the emergence of new ways of working provide businesses with an opportunity to respond by unlocking the full potential of their employees.

uk.nttdata.com

Contents

Introduction

Employers have a problem; new technologies are increasing the competitive pressures they face and, at the same time, the expectations of those entering the workforce are changing. But there is an opportunity for organisations which can energise the evolving workforce to meet the emerging challenges.

A changing workforce

Under traditional approaches to business transformation, organisational leaders plan out structural reforms, commission IT systems, then rebuild their teams around new business processes.

In years gone by, employees would keep their heads down and hope to survive the disruption created as businesses responded to new challenges: the security of regular paycheques, a steady career and a comfortable pension was worth the discomfort of riding out top-down changes.

But in today's workforce, Millennials and Generation Zs are steadily replacing Generation Xs and the Baby Boomers – bringing a very different set of expectations. With the job for life and the final-salary pension long gone, the offer of security has lost its power. A growing proportion of current employees anticipate careers of constant change – and they're comfortable with that.

What's more, when a decent salary can no longer purchase a property, people instead seek jobs that give them purpose: work must have meaning. Employees increasingly want to make an impact – to use their initiative and help lead their organisations, building a better business for colleagues, customers and managers – and getting noticed along the way.

So the promise of security lacks its old leverage, and the prospect of change its former menace. And contemporary workers don't want to be managed like pieces on a chessboard; they seek an approach that gives them the right to suggest changes, and the tools to deliver them. Their search for meaningful work can be hugely powerful; but to harness it, organisations must rethink their relationship with employees.

"Organisations are facing the huge challenge of disrupting and transforming themselves, and that translates into massive changes for employees," comments Ileana Stigliani, Associate Professor of Design and Innovation at Imperial College London's Innovation and Entrepreneurship Department. "For employers to successfully implement those changes, employees must see the opportunities for them to grow, experiment, and expand their skillset."

"The engines of transformation in your organisation are your employees," says Gareth Lewis-Jones, Head of Business Consulting at NTT DATA UK. For transformation demands deep expertise: nobody knows your customers, systems and services better than the people who work with them every day. And today's workers, driven by the desire to make an impact, can provide the energy and ideas to reshape their organisations. To thrive in modern, highly-competitive, fast-moving environments, organisations must first look inwards – tapping into the huge assets of their employees' knowledge and ambition.

In this environment, Lewis-Jones argues, the traditional approach to 'employee engagement' is no longer fit for purpose. We need to re-energise employees through experience, not simply to engage them.

Employees' job satisfaction stems from their ability to make a difference, with organisations and staff working towards a common goal.

"And that comes down to empowerment," says management thinker Dave Coplin – a former Microsoft Chief Envisioning Officer, and the author of *Business Reimagined* and *The Rise of the Humans*. "Good leaders don't stand on top of the mountain pointing in a direction. They help everyone to understand the purpose of the organisation, then get out of the way and let people get on with it. When you start to engage your employees with purpose, then you can pivot the whole organisation."

And a changing workplace

Against this background of a changing workforce, the workplace itself is changing. When examining the impact that this has, says Lewis-Jones, "there are three dimensions of change which we look across." The first

is technology – and today's digital technologies enable organisations to approach change projects in a very different way. "Ten years ago, we used Service Oriented Architecture, which hard-plumbed the technologies into your organisation; but changing them was a massive effort," he explains. "Digital technologies are modular; so you can plug something in, unplug something else. You can test, fail fast, learn and succeed."

With digital technologies, organisations can replace the stop-start process of development – built around occasional periods of disruptive change – with incremental improvement, constantly adapting as market forces, emergent landscapes and customer needs create new opportunities. and challenges. And this permits organisations to take full advantage of employees' ideas and expertise, continually reshaping their operations to drive up productivity and turnover.

Meanwhile, digital tools can give employees the chance to make that contribution by, for example, presenting them with insightful data, automating repetitive tasks, improving flexibility in delivery, and strengthening communication with colleagues and customers.

The second dimension is physical surroundings; for as Lewis-Jones says, "how people interact with the spaces around them has a critical impact not only on their productivity, but also on their overall motivation and sense of achievement." So working environments must support the human interactions that underpin collaboration, innovation and teamwork – helping employees to overcome the invisible lines that divide professions, business units and grades.

In the physical world, that can mean co-locating different functions; creating informal breakout areas where people can develop ideas; having teams share kitchens and social spaces. "And you also need quiet spaces or good policies around flexible working, so people can isolate themselves," points out Coplin. "Sometimes the most creative work comes from sitting quietly on your own; people need the right space for the work they're doing." Equally, in the distributed, virtual world, this requires support through proxies for creative co-working spaces, including collaboration platforms and simple videoconferencing; email is not enough.

Third, there's culture – as Lewis-Jones notes, this was summarised a quarter century ago by Furnham and Gunter as "the way we do things around here". Organisations' cultures, he says, should be both consistent across different teams and locations, and built around ensuring employees feel "you're at home; you're

wanted; you can be yourself; and you can see your own achievements." This culture element may be the "least tangible, the most qualitative of the dimensions – but it's also the piece, enabled by the first two, which generates the most business benefit."

Achieving this change is a subtle process. "You can't really change the culture of an organisation," Stigliani believes. "But you can start to change the mindset by fostering new behaviours – then those behaviours progressively become ingrained."

An opportunity

So changes in the working world and generational cultures have both weakened traditional approaches to business development and created new openings to realise employees' potential. Design thinking and digital technologies have provided the tools to inform and empower staff. And with the interests of senior leaders and employees aligned, the three dimensions of technology, space and culture can be used to focus organisations' re-energised workforces on the shared goals of meeting customers' needs, realising new market opportunities and improving business effectiveness.

To achieve these aims, concludes Coplin, organisations must "empower people to be transformational, working in a culture that allows them to challenge things and come up with new ideas; and they must give them the tools to do so. Transformational people plus transformational tools equals transformational experiences for customers."

And how do we do that?

By aligning the interests of organisations and their staff, creating processes and structures that direct employees' energy towards building a better business.

By providing staff with the information to understand customers' needs, and the tools to meet them.

By clearing the drudgery out of people's jobs, freeing them up to focus on working directly with customers and colleagues.

Below, we apply these principles to key challenges facing organisations today – illustrating each with case studies that explore delivery in the real world.

Over the following pages, we consider how organisations can apply these principles to their own challenges – and we show how we have delivered improvements to our clients and to ourselves.

Giving employees a stake in the future

In the digital age, successful organisations are adapting constantly. Previous models of organisational change can only equip businesses for previous eras. To meet today's challenges, organisations must draw on each employee's motivations – which often go far beyond the immediate limits of the organisation and current customer needs – and channel their energy into new business models and sources of value.

"We run our organisations around 19th century military or church structures – but the technology we have available now enables us to do different things in different ways. And if we only ever replicate the old ways of working, we're using 21st century technology to deliver 19th century results," says Dave Coplin. "So given this technology, how do we work back from that to reshape an organisation? If we focus on the outcomes of what we do rather than the process by which we do it, that opens up the potential to create new business models."

And given the pace of change in the modern world, these disruptive changes are no longer periodical; they are constant. "If a company is going through a transformation over 18 or 24 months, then by the time it's completed the world has changed," says Gareth Lewis-Jones. Organisations must become "ready for constant change; adaptive, changing their behaviours and mindsets; and resilient as they go forward."

This demands employees who are themselves adaptive, resilient, and ready for continual change. And in this new world, change is as likely to come from the bottom as the top.

It is led by frontline employees' deep understanding of their customers and the wider world; developed collaboratively in groups that reach across the organisation and beyond; and fostered by leaders who understand the importance of tapping into their employees' creativity, expertise and enthusiasm. Then employees aren't the subjects of change, but its co-authors.

At first glance, this is nothing new. Forty years ago, Peter Drucker evangelised the manager's role in facilitating employees with keys to motivation. Today's shifting demographics, however, mean organisations need to look further to get the most out of team members. Like others, NTT DATA's research shows that finding a sense of purpose – of mission or even of calling – is a driving factor for the majority of Millennials and, even more so, Gen Zs, in how they carry out the work they do, and even whom they work for. 'Making a difference' is no longer just about seeing something happen in the organisation as a result of effort put in; increasingly, it is about seeing positive change happen in their customers and in wider society as a whole. Assuming this trend continues, corporate social responsibility will cease to be something championed by smart organisations, it will simply be embedded into everyday working practice.

So how does this become a practical reality?

When organisations give employees the tools and licence to transform their organisations, then the wider workforce becomes crucial in rethinking processes, identifying business opportunities, and devising new products and services. For example, says Lewis-Jones, employees may build new ideas around their understanding of client organisations' own service delivery challenges.

Equally, he adds, they can "use simple tools providing rich data, deriving insight as an everyday part of their job." By combining different datasets and 'segmenting' audiences to identify each group's needs and interests, employees can both spot new market opportunities, and provide a more tailored, targeted service to existing clients.

But these thoughts only scratch the surface of what is possible when organisations give employees the space, the tools and the encouragement to transform their organisations. Cogs in the machine may transmit movement, but each consumes energy as it performs its set, unchanging role. In the digital world, every employee can become an active, dynamic participant – helping to recast the organisation's approach, and thus supporting a process of continual adaptation. And the results are felt not just in the organisation's performance, but in the wellbeing, job satisfaction, and commitment of its employees.

"Unleashing the potential of your people is the one success factor that most organisations really struggle with," concludes Coplin. "But if people only do the job you've hired them for, that's quite limiting – for employees as well as organisations. People want to use all of their skills. Something may not be in their job description – but give them a chance, and you may find that they have a lot to contribute."

"

Focusing down the value chain on their customers' customers, they can work out how to better meet their clients' needs – and that generates a virtuous circle, creating better, more meaningful outcomes all round.

Gareth Lewis-Jones
Head of Business Consulting
NTT DATA UK

Hackathons: making the space for ideas

"Human-focused idea generation has been built into the best corporates," says Gareth Lewis-Jones. "People want to work for employers that give them opportunities to engage and help develop the organisation."

And in today's world, those employers which tap into their employees' ideas are best placed to understand their customers; to build partnerships across and beyond the organisation; to generate solutions to the challenges they face. So businesses must create spaces where connections can be made, problems can be explored and solutions can be identified by staff. And workable ideas must be taken forward – both to explore their potential, and to validate and develop employees' participation.

At NTT DATA, for example, managers regularly arrange 'hackathons': away days involving people from across the business, at which colleagues brainstorm solutions to the challenges facing them and their clients. "It's a process of internal hacking to incubate ideas, with employees from different backgrounds – strategy, sales, tech," explains Lewis-Jones. "Bringing people together with staff they've probably never met before in a stimulating, multi-disciplinary environment is in itself quite exciting."

The ideas generated vary widely: "Some are process innovations; some involve putting tech together differently to meet a previously unmet need," he says. The headline goal is always the same: to "solve pain points, internally and externally, by tapping into employees' brains, time and motivations." But hackathons also build personal connections across organisations – laying the groundwork for better collaboration and team working – and connect staff with the organisation's aims and challenges, broadening their perspectives and strengthening their sense of common purpose.

For hackathons to work well, organisations need to run them regularly – making them part of 'business as usual' – and to fund travel, accommodation and event costs. Crucially, people must be confident that good ideas will be properly explored and developed: "They need to know that if something comes out of it, it will be pursued," comments Lewis-Jones.

With those essentials in place, idea generation sessions can support organisational improvement and new product development even as they strengthen team spirit, build cross-departmental connections and re-energise employees. "You don't just do it for the outcome; you do it for the engagement," concludes Lewis-Jones. "But there's several sides to every problem. And when you bring together people from different professions, teams and functions, you can explore it from every angle – producing some really inventive, valuable solutions."

Consumer-grade as standard

The ways of working within organisations have not kept pace with changes happening in the outside world. Employees are expected to work in ways that are not intuitive, and which are not always well-suited to the tasks they are expected to complete.

Twenty-five years ago, most domestic ICT kit was rudimentary, but businesses were already well advanced in building systems such as Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM). Designed around corporate functions and transaction data, these have since grown ever more important – and ever more unwieldy, with modifications, extensions and complex controls requiring high levels of staff training.

Worse, because change has been a series of infrequent and large investments, there has been a strong incentive to focus on introducing the systems and processes needed to support the largest customer segment, or which satisfy the lowest common denominator's requirements. As a result, small but valuable customer segments either go unserved, or else the employees serving them have to use tools which are not designed for the job – causing frustration.

Meanwhile, consumer IT has been utterly transformed – and with a focus on intuitive, user-friendly functionality that allows untrained users to take full advantage of its massively increased capabilities. As a result, says Gareth Lewis-Jones, many employees "wake up in the morning, and use their smartphones on the journey into work.

Then they get in, sit down at their desks, and they're using outdated technology."

If employers want motivated and energised employees, a consumer-grade experience is the standard they need to expect from their internal tools and processes.

Whilst most big organisations have prioritised the development of slick, customer-facing websites, their platforms for employees and vendors still tend to reflect the clunky complexity of the data systems underpinning them.

Realising this demands the introduction of ways of working that have been carefully researched, well designed and professionally delivered. Historic information on user journeys can be used to identify the 'pain points' when people need more information or support. Data feeds can be established, their quality checked, and algorithms used to bridge any gaps. Data visualisations can be built to present information clearly, providing intuitive controls that people can use without training. Interfaces can be co-designed with their users and tested with real data before implementation.

The results can be transformative, not just for the employees, but also for the organisation. For example, a piece of work carried out by NTT DATA looked at the way an international security organisation planned and carried out operational missions (sorties carried out by its pilots).

The existing process relied heavily on manual activities and communicating intricate datasets using very basic user interfaces. This meant that pilots spent most of their time, typically two weeks, on the planning phase and much less time on the mission itself.

However, by applying a design-led approach to the problem, re-designing the process and developing new tools with more intuitive interfaces, the planning cycle was reduced to seven hours. This led to happier pilots, who were spending more time doing what they loved most, and a more effective organisation, since it was now able to increase the tempo of sorties.

This requires a shift in working culture; and whilst it's difficult for employers to manufacture this change, cultures evolve organically when people are given the tools, opportunities, incentives and permissions to help develop their organisations. To foster this evolution in employees' expectations and habits, leaders must think carefully about how to reshape systems and processes – applying 'human-centred design' techniques to build supportive, enabling work environments.

To move into this world, organisations need employees who play an active role in driving progress – applying the Japanese principle of 'kaizen', an inclusive process of continuous improvement.

The satisfaction of a job well done

Laurence Norman, Chief Architect at NTT DATA, explains some of the consequences of using tools which ignore certain customer segments. "In telecoms, the consumer market is pretty well served, and so are large, complex corporates," he says. "But there are lots of small businesses in the middle who can't find the right offer. Telcos tend to focus on the much larger consumer market; so if you run the small- and medium-sized enterprise (SME) unit in a telco, it's difficult to win the resources to build a specialist proposition for potential clients. As a result, SMEs have to rely on consumer products, which aren't built to meet their needs."

Small businesses can't afford to scour the market in search of the right offer, he continues. "If you're a plumber, you don't want to spend time going round shops; if you're not plumbing, you're not earning." But consumer deals may include many elements they don't need – international roaming and entertainment packages, for example – whilst excluding relevant services such as accounting software.

One NTT DATA project sharply illustrates how these principles can play out in the real world. Working with the client's employees, the company built a digital platform offering a flexible menu of services; and this in turn allows telecoms firms to rapidly design and launch new products aimed at specific markets.

The system's design radically reduces the administrative and communications work involved in serving customers, cutting delivery costs. But its real power lies in the ease with which telecoms businesses can construct new product lines – enabling marketing teams to target relatively small audiences without the need for lengthy development programmes or substantial budgets. So they're spared the need to compete for funding with the teams serving much bigger markets, and can focus on their real jobs: identifying and realising new sales opportunities.

Using 'B2B in a Box', then, marketing and sales staff can easily build packages to target their chosen SME markets; sell them with the bare minimum of administrative and pricing work; and support their customers via efficient, light-touch communications platforms.

Freeing time for employees to make an impact

Emerging digital technologies can strip the routine drudgery out of people's workloads, freeing them up to focus on the roles that only people can perform. Robots can't be innovative, empathetic, collaborative or business-savvy – and these very human characteristics lie at the heart of success in today's world.

Currently, the most successful businesses are those which tap into their employees' expertise, enthusiasm, creativity and empathy. When staff are swamped with mundane, repetitive work, they lack opportunities to apply those very human abilities; but modern technologies can provide a solution.

Sometime soon, Artificial Intelligence will be ready for widespread deployment. Employee's maturing technology, though, is Robotic Process Automation (RPA): the use of algorithms to handle standardised, routine operations, such as processing invoices and expenses claims. Advanced RPA systems can, for example, use Optical Character Recognition and machine learning technologies to pull information out of PDF invoices, then enter relevant data into businesses' financial management systems – cutting the legwork out of spending approval decisions, reducing data entry errors and speeding up processing times.

But often, the greatest business benefits stem from RPA's ability to create space in people's diaries. For whilst the savings produced by RPA may help to inch down costs, tomorrow's most successful organisations won't be built on rock-bottom prices; they'll stand on the service quality that comes with an energised workforce. And employees spared time-consuming data processing work can focus on talking to customers, rethinking business processes, collaborating with colleagues and developing new services – applying their vision and inventiveness to building a better business.

Removing the grind from people's workloads brings obvious efficiency improvements.

RPA can help an existing process run better; but to improve a process, organisations need engaged, enthusiastic workforces with the time to raise their eyes to the horizon. Then it's a matter of turning that freed-up time into business benefits; and here, organisations must apply design thinking to the three key dimensions of technology, physical space and organisational culture.

To collaborate with colleagues, people need cross-divisional forums and the opportunity to build relationships across the business.

To engage with customers and suppliers, they require flexible, convenient communications platforms and a first-hand understanding of these groups' needs and goals.

To identify new business opportunities, they need accurate management information, presented intelligently and intuitively.

To promote their ideas for improving systems and processes, they need channels to senior managers and specialist professionals.

Digital technologies lie at the heart of these capabilities. Designed carefully around users' needs, communications and collaboration platforms can encourage and support the flow of information, expertise and ideas across and beyond an organisation's boundaries. As Dave Coplin says, the goal is to replace the "solid networks of structured silos with liquid networks, flowing throughout the organisation. And the more fluid you can make the information flow, the better the organisation will be."

Well-designed digital platforms minimise the friction in those networks; but to get them flowing, businesses need to focus on physical space and organisational culture.

So intelligent automation can give employees the time to make an impact on their organisation. Reformed physical workspaces and cultures can create the opportunities and incentives to collaborate. And communications platforms can provide the networks that support innovation. Applied together, each of these reinforces the others. And the result is energised employees who have the space, the tools and the motivation to achieve their professional goals – enabling the organisation, in turn, to realise its corporate ones.

Staff need both the opportunity to meet and collaborate with their colleagues and leaders, and the incentives to develop those relationships – born of the knowledge that their views will be heard, their ideas considered and their contributions recognised.

The robots do routine; the people do personal

Sometimes, employers can dramatically increase teams' productivity, inventiveness and morale simply by relieving them of repetitive, time-consuming administrative work – giving staff the space to focus on customer service, product development and process improvement.

At insurance underwriter Tokio Marine Kiln (TMK), for example, NTT DATA has implemented a series of RPA functions to take on routine tasks. Some of these automate highly standardised processes previously handled by staff – compiling quotation documents, managing the 'pre-renewals' process, and entering specific data from Excel spreadsheets into the firm's systems. Others deploy much more advanced RPA: one system identifies incoming PDF invoices, uses Optical Character Recognition technology to pull out relevant information, and populates iDocs forms for payment approval.

The benefits fall broadly into four camps. There are clear cash savings: four programmes have cut operational costs by £400,000 over three years. There are improvements to quality, efficiency, capacity and management information: TMK now has a real-time view of these operations, with far better data quality, and processing times never slow down during periods of high demand. Customer service has improved: supplier invoices are always handled promptly, for example, and quotes are despatched more rapidly. And above all, the reduction in manual work has allowed TMK's finance team to focus on more fulfilling work such as assessing credit risk, analysing management information and improving business processes. And that, of course, makes for a far more engaged, enthusiastic and energised workforce.

"The team leader is very excited about this," comments NTT DATA's Hayden Leith. "TMK staff now have more time to work directly with customers and suppliers, and to undertake more strategic, valuable and interesting work on financial management."

Final thoughts

This paper has examined some of the key challenges facing organisations as the digital revolution gathers pace. Technological, economic and social changes demand a new approach to creating and improving business models; launching new products and services; and managing and supporting employees. And those organisations which fail to adapt to changing staff and customer expectations, or miss the opportunities presented by new technologies, are set to become ever more uncompetitive.

At first glance, the depth and breadth of the transformation required looks intimidating.

Most employers have relied on attractive remuneration and working conditions to recruit staff – and to retain them through periods of tedium, pressure or disruptive change. Employees are attracted by interesting, engaging jobs that offer a chance to help shape their organisation's future.

Most leaders have spent their careers rigorously planning and delivering detailed reform plans. But the characteristics of both technologies and employees have changed – demanding a much more flexible, incremental and inclusive approach to change management.

In these challenges, however, lie solutions. Given the right focus, organisations can change themselves for the modern world. For today's workforces want to be the doers, not the done-to; and this fits neatly with the nature of digital technologies and customer expectations.

Connecting people across and beyond the workforce, organisations can transform their approach to solving problems and delivering services. Drawing on the expertise, ideas and core vocations of their staff, they can upend the ways in which they reshape business models and develop new products.

The result is organisations that are more motivated, inventive, adaptable, interconnected, and quick to respond – rapidly occupying emerging markets, deploying new technologies, and meeting changed expectations. And to realise these goals, leaders don't need to know all the answers; they just need to realise that their staff already do. Then they can recast business models and rebuild capabilities by focusing on one over-arching goal: that of energising their employees.

Rethinking how they equip, support and incentivise individual employees, they can realise the full potential of their workforce.

NTT DATA is a leading consulting and IT services provider, combining global reach with local expertise in over 50 countries. Whether it's business transformation, enabled by digital, data and technologies, safeguarding against security breaches, improving operational efficiency or driving new revenue streams, our vision as the Trusted Global Innovator can help organisations navigate the ever-changing digital landscape and deliver outstanding results.

NTT DATA offers a portfolio of best-in-class consulting services and innovative enterprise solutions tailored to suit the entire life cycle of IT investment. Supported by our international Centres of Excellence, our team of local experts can deliver on a wide range of services from transformation to agile development and intelligent automation for industries across manufacturing / automotive, banking, insurance, telecommunications, media and public services.

For more information about NTT DATA please visit uk.nttdata.com

NTT DaTa