

# **Government CIOs Must Tackle These Top Barriers to Digital Transformation**

By Dean Lacheca

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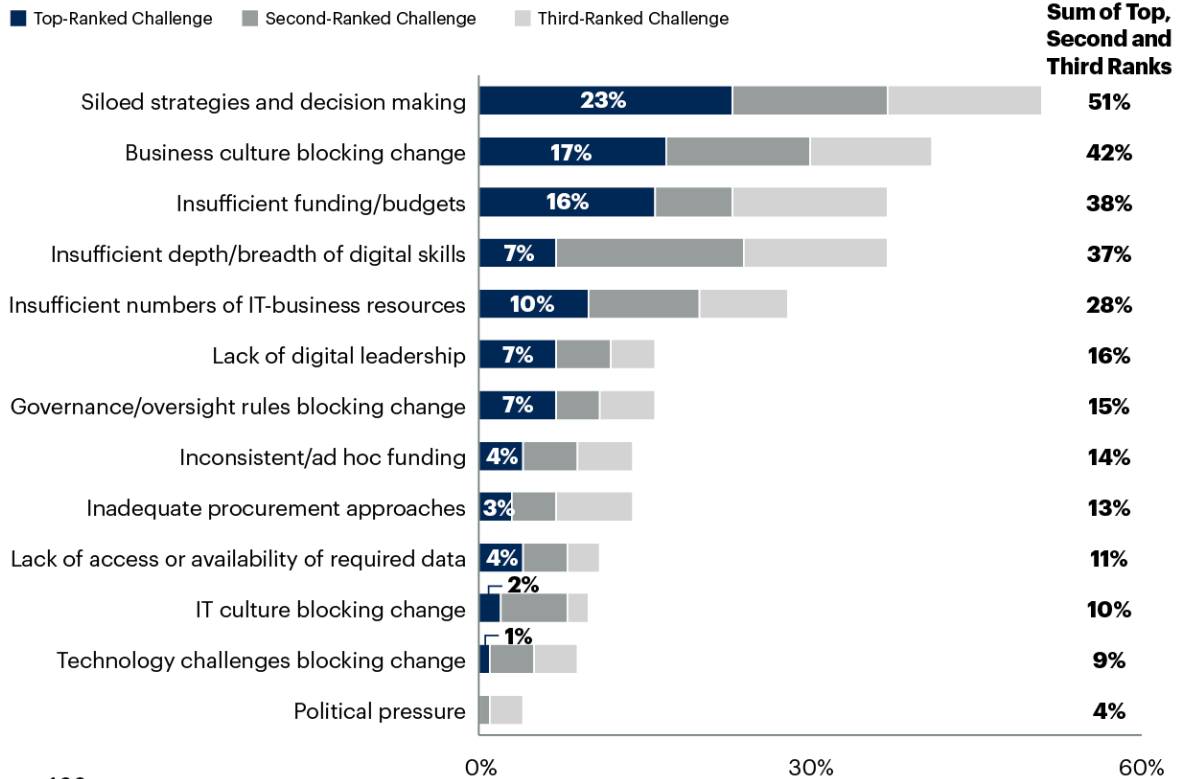
Common nontechnical challenges put digital government programs at risk. If left unaddressed, sustained funding will be at risk, as will the promised benefits of digital solutions. CIOs must incorporate direct actions in their digital government strategies, tackling the challenges outlined below.

## Data Snapshot

Figure 1: Digital Government Barriers

### Top Challenges for the Adoption of Digital Solutions in Government

Rank 1, 2, 3, Sum



n = 166

Q: What are the top three challenges in your organization's adoption and implementation of digital solutions?

Source: 2021 Gartner Digital Transformation Divergence Across Government Sectors Research

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## Data Insights

Scaling the benefits of digital will continue to be elusive if the challenges associated with the transition are not tackled (see Still a Long Way for Digital Government to Scale). In the 2021 Gartner Digital Transformation Divergence Across Government Sectors Survey, respondents identified the top challenges faced when implementing digital solutions in government. Figure 1 lists the combined percentage of respondents that reported a challenge as being among their top three:

- **Challenge 1: Organizational Silos** — The most common risk identified for digital transformation is the combination of siloed strategies and decision making (51%). It is also the most common highest-ranked challenge among respondents (23%). The challenges associated with government silos are constantly raised by our clients and impact every aspect of digital transformation from strategy, to funding, to successful implementation. The silos exist across governments, across departments and across business areas, and each type of silo requires different types of interventions.
- **Challenge 2: Risk-Averse Culture** — Governments are particularly sensitive to the risk. Executives are fearful of failure that reflects badly on elected officials and that often leads to a risk-averse culture (see *Senior Executive Leadership Is Critical to the Success of Public-Sector Digital Initiatives*). Frontline, service-delivery-focused workforces can also be change averse, as they do not perceive any benefit in changing their proven practices. So, it is not surprising that business culture blocking change is the second most common challenge (42%) when adopting digital solutions. Government CIOs who drive a technology-led transformation are destined for lackluster progress at best and failure at worst. Transformation programs must be business-outcome-led and incorporate organization change as a core element of their program.
- **Challenge 3: Funding** — At 37%, insufficient funding/budgets is the third most common challenge. Funding challenges are often a symptom of one or more problems. Siloed strategies and decision making as well as business culture challenges will both manifest as funding problems. Another common cause of funding challenges is where technology expenditure is considered an operating expense rather than a strategic, business-outcome-driven investment. Stimulus spending, currently available in many parts of the world, has opened up short-term opportunities for accelerated investment in digital (see *Digital Government Acceleration and Momentum*). But advocating for a share of this funding requires CIOs to be able to make those clear connections between the digital investment and the business outcomes they deliver.
- **Challenge 4: Digital Skills Gap** — 37% of respondents report an insufficient depth or breadth of digital skills across the organization as one of their top challenges. Core specialist competency in areas such as enterprise architecture, cybersecurity, cloud, analytics and digital experience design are vital to successful digital transformation programs. But equally important is extending the change-ready culture through the development of digital dexterity across the entire organization (see *Developing Employee Competencies for Digital Dexterity*).

- **Challenge 5: Resourcing** – 28% reporting insufficient availability of IT or business resources. A lack of timely access to business or subject matter expert resources is often a direct symptom of disconnected priorities, siloed decision making, cultural challenges and a lack of digital dexterity at the executive level. Actively addressing the above challenges will have an indirect impact on resourcing challenges. Similarly, tackling the digital skills gap across the organization will indirectly assist in addressing IT resource challenges. However, given the postpandemic acceleration in digital investments across all industries, governments can expect skills and resourcing challenges to continue into the future.

## What You Need to Do

Government CIOs leading the transition to digital government need to develop action plans to address these challenges before they undermine their digital programs.

### Near-Term Action

Start tackling the challenges associated with siloed strategies and decision making even before they start to develop a digital government strategy (see [Quick Answer: Where Should Governance Stop and Management Begin in the Public Sector?](#)). Build governance frameworks, backed by executive leaders, that:

- Clarify the roles and dependencies around existing strategies and the digital government strategy and implementation plans. This should establish ownership for the strategy's development and accountability for its success.
- Address digital investments decision making including the principles that will be followed to prioritize, fund and deliver cross-silo digital initiatives.
- Establish cross-silo project governance (see [Effective Governance Is Critical to the Success of Government Enterprise Projects](#)).

For specific digital initiatives, especially those that cut across multiple parts of the organization, ensure effective governance is in place for each initiative (see [Initiate a Governance Approach for Government Projects in 10 Steps](#)).

Build acceptance for the fact that a change-ready culture is a fundamental building block of digital government transformation. Press for:

- A digital leadership professional development program to be rolled out across the government and within the organization (see Building the Digital Dexterity of Enterprise Leaders).
- An executive-sponsored digital dexterity program that invests in communication and education at every level of the organization to build digital dexterity and ensure the organization has the right capabilities and culture to support, and not impede, the digital program (see Myths and Realities of Changing Culture and Digital Dexterity Assessment for Enterprise Leaders).

Work with business leaders across the organization to assess the main cultural impediments and catalysts for digital transformation in your organization (see Tool: Assessment of Culture Alignment to Your Enterprise's Digital Ambition).

Government CIOs must be creative, opportunistic and pragmatic when it comes to approaching funding digital transformation:

- Leverage your business acumen to position a direct link between the proposed digital investments and the mission and goals of the organization's leadership (see Build Business Acumen for Your Team Members and Yourself). CIOs must articulate, and gain executive support for, a compelling vision of a digitally transformed future that:
  - Reflects local political priorities
  - Is backed by a supporting implementation plan that is capable of delivering results in a time frame that are meaningful to current leaders
- Determine whether funding problems are a symptom of other addressable challenges, like siloed decision making or cultural challenges. Where this is the case, they must put in place plans to address the root cause. At the same time, they must be agile and flexible to identify and take advantage of sporadic funding opportunities as they present themselves, aligning or reprioritizing their digital investments with the business-outcome-driven criteria of the available funding.

## Evidence

The 2021 Gartner Digital Transformation Divergence Across Government Sectors Research was conducted online April through May 2021, among 166 respondents from government organizations based in APAC, EMEA and North America.

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