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Proven Guidance for C-Suite Action

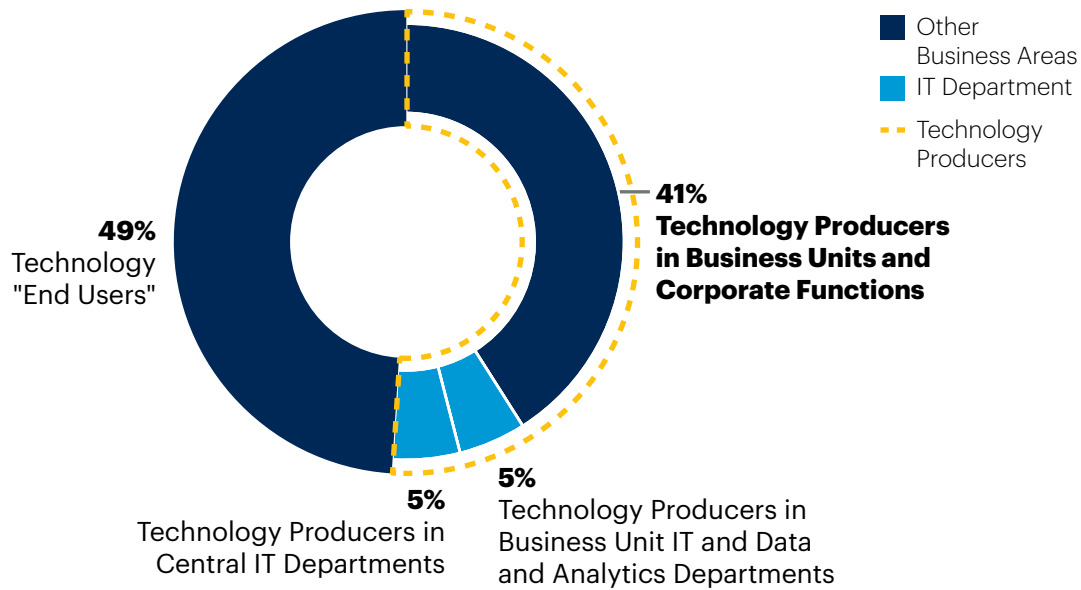
Eliminating Barriers to Technology Work Across the Enterprise

by Raf Gelders, Jaime Capellá
and Jamie Heyes

with contributions from Meghna Joshi, LJ Justice
and Anurag Raj

Forty-one percent of employees outside of corporate IT are no longer just “end users” of technology. They are technology producers who customize or build their own analytics or technology solutions to support their work (see Figure 1).

Figure 1. Breakdown of Analytics- and Technology-Driven Work Across the Organization



n = 4,977 employees across the entire workforce

Source: 2020 Gartner Digital Friction Survey

This number varies across industries, ranging from over 50% for industries such as energy and telecommunications, to nearly 30% for the government sector, nonprofits and traditional retail industries. These employees may automate routine tasks, perform advanced analytics, manage vast datasets, build or configure applications and write chatbots as part of their jobs. They may create integration functionalities or develop and maintain websites or web capabilities. And they do this with or without the support of their IT departments.

Unfortunately, however, they encounter obstacles all too often. In fact, 94% of employees still need to exert unnecessary effort when using or producing digital solutions for work, according to our survey of nearly 5,000 employees. Traditional mindsets centered around "command and control" authority and outdated views of technology still prevail at most enterprises, encouraging the belief that "IT is the job of the IT department."

This digital friction has become a silent killer of employee engagement, productivity and growth.¹

Organizations looking to accelerate digital business must eliminate these headwinds in all parts of the enterprise. The path to recovery from the COVID-19

crisis will require greater focus and investment in digital; it also depends on leadership's ability to unleash the potential of all employees, ushering in an era of radically distributed IT.

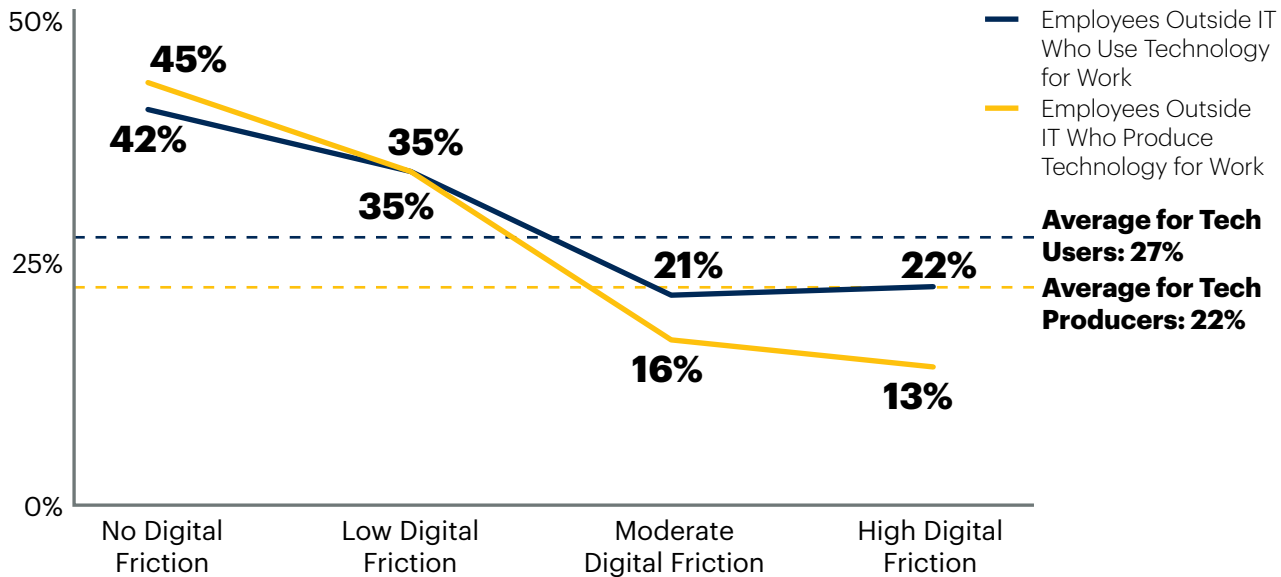
Moving forward, CIOs and other business executives should move beyond legacy leadership mindsets and team structures to harness the work of technology producers in all parts of the enterprise. This means the ability to exploit data and technology effectively should be a prerequisite for all leadership roles, as executing a strategy, managing a budget and developing a team are. And CIOs, specifically, must embrace technology producers outside of IT as an ally in the race to speed up digital business, rather than as an existential threat.

Leading organizations understand this shift requires new attitudes toward and ways of managing analytics and technology capabilities.

Digital Friction Lowers Engagement and Productivity

Employees who experience little digital friction at work report engagement levels that are well above average, and conversely, employee engagement drops far below the average as it increases (see Figure 2).

Figure 2. Impact of Barriers to Working With Technology on Employee Engagement



n = 4,068 employees (technology users and producers) outside IT

Source: Gartner

Overall, two-thirds of employees have run into significant hurdles that shouldn't be there when they use or create digital solutions for work. The results: serious productivity losses, caused by lower levels of discretionary effort and employee turnover.

To fix this, leaders should address the root causes of what makes it difficult for technology producers outside of IT to do their work.

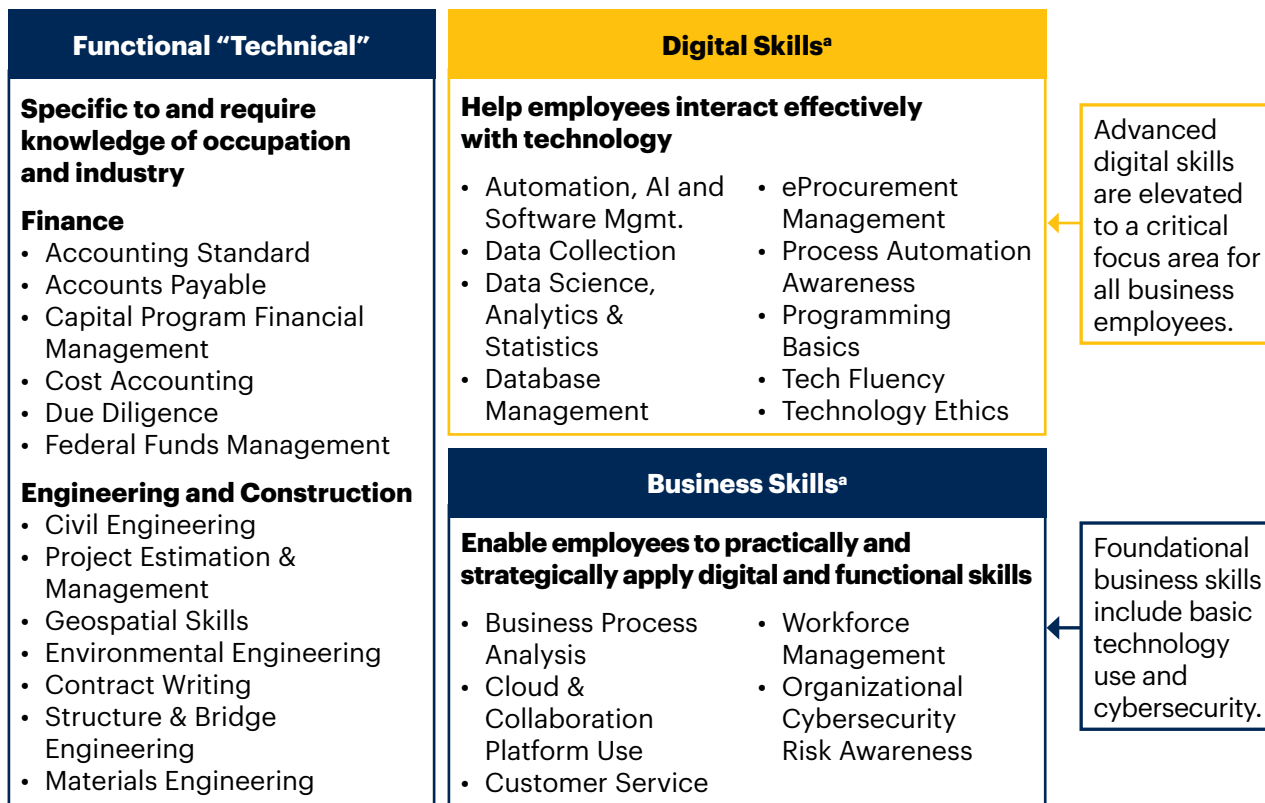
Get Leadership Mentality Unstuck From the Past

The most effective way to eliminate these antiquated attitudes is to align company leadership views on the organization's digital ambitions and communicate across the enterprise how employee roles and skills must change to fulfill them. Crafting a digital business narrative is one of the most effective ways to start. A digital business narrative conveys a consistent message on digital business transformation and highlights

the required changes employees and leaders need to make to accelerate progress.

The Virginia Department of Transportation (VDOT), for instance, is undergoing dramatic change caused by more connected, electric and automated transportation and a greater need for smart infrastructure. Chief Technology Officer Bob Osmond, who is also head of business strategy at VDOT, led efforts to build a digital business narrative that makes clear the job all employees must do in the agency's digital transformation. Osmond also partnered with HR to build a comprehensive skills framework that demystifies business, digital and technology skills for all employees and leaders (see Figure 3). As of 1Q20, VDOT had assessed 20% of the total workforce, and the agency plans to evaluate the rest over the next 18 months. The results help VDOT leadership understand the technology and training needs of all VDOT employees.

Figure 3. VDOT’s Employee Skills Model (Partial Representation)



Source: Adapted From Virginia Department of Transportation

^a Developed in partnership with Deloitte (www.deloitte.com)

Note: To see the full list of skills, refer to the case study.

Make Expert Support Easy to Find

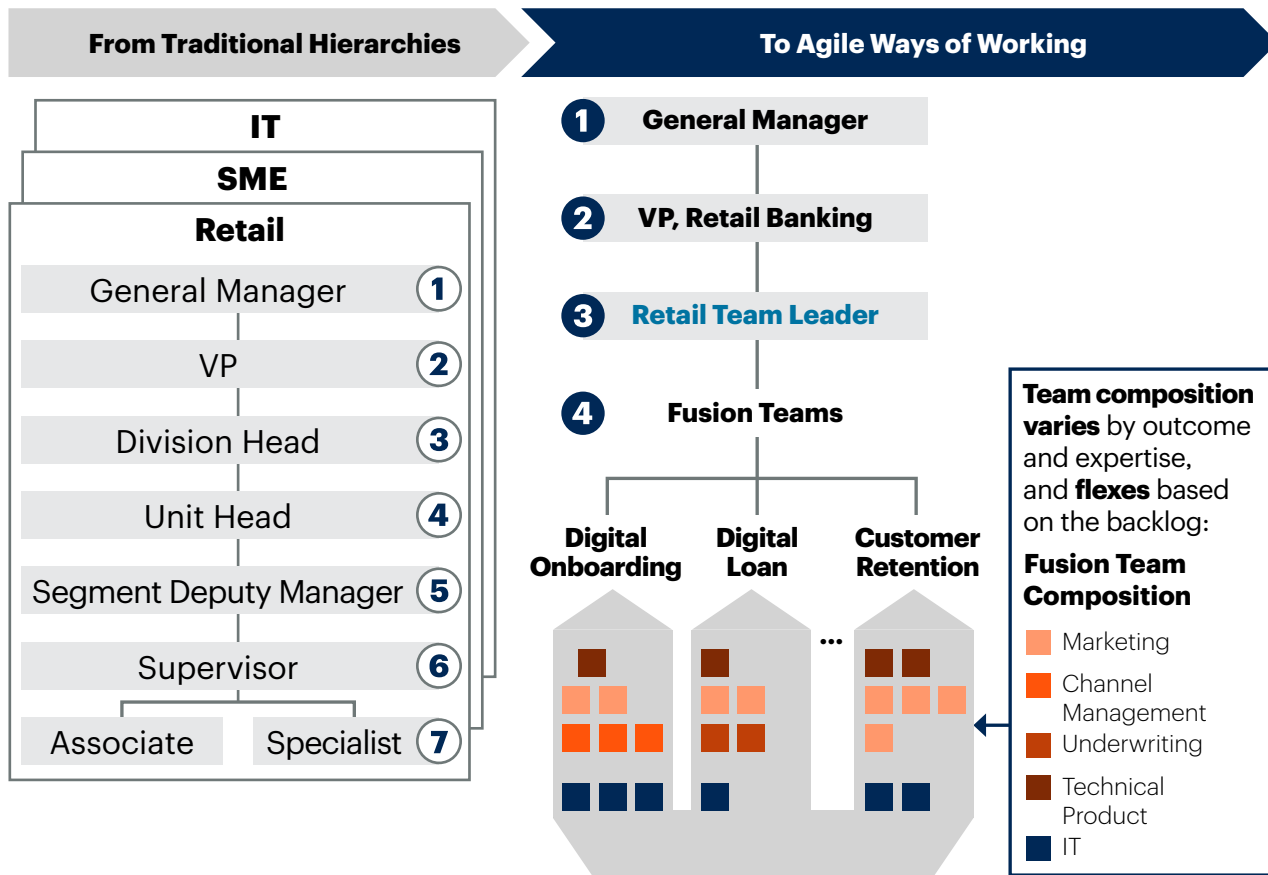
Technology producers outside of IT need expert support from people outside their teams but often struggle to identify the right colleague. In response, leading organizations are developing a new technology model for the enterprise in which teams are organized around business or customer outcomes, pooling digital talent, including technical and governance experts, from throughout the enterprise. Team members are accountable for shared objectives, encouraging domain and technology experts to drive the business or customer goals their fusion team supports, not just the traditional metrics their departments measure.

Rather than trying to fulfill the vast demand for data and technology solutions centrally within IT, İşbank (the largest private bank in Turkey

and among the 100 biggest banks worldwide) established customer- and business-strategy-aligned fusion teams. These groups work together on areas such as retail banking or small and medium enterprise (SME) banking (see Figure 4). Each team has a leader from outside of IT and blends IT and business domain expertise.

Organizations that expedite digital business transformation push their technology and analytics work closest to the point of value creation, far beyond the IT department, according to our conversations with hundreds of tech and other business leaders. They also reduce the bureaucratic footprint of the corporate center, such as IT, by diffusing central resources into their fusion teams and setting up mechanisms to create together new ways of working for digital business.

Figure 4. How İşbank Set up Fusion Teams to Break Organizational Silos



Source: Adapted From İşbank

Employees Want More Technology Work to Be Standardized and Automated

When employees outside of IT shift from being mere “end users” to becoming producers of analytics and technology solutions, the tools and IT support they need also changes. Meeting the demand will require CIOs to fundamentally rethink their roles and the role of the IT staff.

For instance, automation and technology tools can manage the work of technology producers (both within and beyond IT) much more efficiently, reliably and securely. Employees’ predisposition to this kind of automation is surprisingly positive when it’s sold as making their jobs easier, rather than merely cutting costs. Seventy-one percent of technology producers outside of IT believe at least a quarter of their work activities can be performed better or faster by machines.

In addition to İşbank, companies such as Adidas, TD Bank, T-Mobile and PSEG have set up central engineering teams that automate and embed consistent practices (e.g., for API and cloud integration or app testing) in the central platforms and tools used by distributed technology producers. The result: a new set of platforms or digital foundations handles the time-consuming, administrative and redundant work, freeing up technology producers outside of IT to work on more higher-value tasks, such as improving the digital customer experience and digital products or service offerings.

COVID-19 has pushed the appetite for digital transformation to an all-time high. Seven in 10 boards of directors have sped forward with their digital business initiatives in the wake of the ongoing disruption. And this interest is not just coming from the top: Seventy percent of rank and file employees are open to adapting their roles and skills to support digital business. IT and other business leaders should exploit

this opportunity to their long-term advantage. Organizations that turn their technology producers outside of IT into force multipliers and instruments of change will respond more effectively to threats and opportunities, faster than the competition.

¹ We surveyed almost 5,000 employees — across functions, levels, industries and geographies — to assess the analytic and technology activities in their jobs and the level of unnecessary effort employees exert when using and building analytic and technology solutions. We call this unnecessary effort “digital friction.” We quantified the costs of digital friction by calculating the median of hours wasted by employees on account of digital friction, median employee salaries and average attrition rates. We then used correlations and regression analysis to test for almost 130 factors, ranging from organizational practices to leadership behaviors and mindsets, to understand the actions business leaders can take to minimize digital friction. Finally, we spoke with more than 100 CIOs and other business leaders to find practical examples of how leaders can minimize digital friction and harness the full potential of broad-based analytic and technology work.

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