Aspire
Strategic HR & OD Business Partner Programme

The role of the HR Business Partner

in enabling digital transformation

February 2018

Report by:

Vanessa Labuschagne - HR Project Manager, South Gloucestershire Council
Vicky Hayter – Strategic Manager-HR Business Relations, Somerset County Council
Tamsin Kielb – Strategic HR Business Partner, Wiltshire Council
Maria Chakraborty – Lead HR Business Partner, Devon County Council

Contents

1. Executive Summary

In 2010 the Government published their 'Digital by Default' strategy which drove digital transformation to the forefront of public service agenda. With a background of austerity, local government has to do more with less money and drive efficiencies. Customer's expectations of the services they receive are being shaped by a high level of access to and use of technology in the mobile and digital world that they experience in other areas of their life. To respond to these challenges, as well as meeting the needs of their own staff, local government is increasingly focussing on digital transformation, with the need to work in a more agile way and offer greater accessibility. Given the critical requirement for Local Government to digitally transform, as well as the significant opportunities and risks associated with it, this report explores the role HR could and should be playing in enabling digital transformation within organisations.

To understand the role HR Business Partners (HRBPs) can play in enabling digital transformation we undertook external research in addition to conducting interviews within our own Authorities, amongst both Lead Officers and a range of staff. Our aim was to be able to use our research to respond to the following questions:

1. What are the drivers and outcomes organisations are hoping to achieve?
2. What is happening in reality and what can we learn from that?
3. What is the role of the HRBP?

All four organisations were clear that digitalisation is a priority, however, each are at different stages of the journey. They all recognise the importance of improving their digital capability primarily for the reasons referred to earlier around austerity, as well as improving how they serve their communities and being available 24/7.

The research identified a number of key areas that we believe are critical outcomes to the success of digital transformation and where HRBPs should be involved. It demonstrated that the employee experience is key and therefore critical to organisations achieving the maximum ROI/ROE (Return on Investment/Return on Expectation) of any digital change. Therefore, if organisations do not fully consider the role their staff play in ensuring the success of any changes and ensure the right employee experience, then this will be at the detriment to the organisation and ultimately the delivery of service to their customers.

Both our internal and external research identified how the HRBP could add value to this agenda including addressing challenges raised by digital transformation. A framework helps to summarise the key ways in which the HRBP can contribute:

1. Understanding the business
2. Clarity of vision

3. Strategy & Design from an employee perspective
4. Staff engagement
5. Leadership development
6. Training in digital skills
7. Staff Development e.g. attitudes
8. Recruitment
9. People focussed measures
10. Culture change

2.   Context & background

The Government published their 'Digital by Default' strategy in 2010 which drove digital transformation to the forefront of public service agendas in order to '*drive better services and lower costs*'[1]. Alongside this customer service expectations are being shaped by use of technology in the digital world that they experience elsewhere.   This is coupled with the shift from a 'parent-child' style relationship with Local Authorities to one where residents are able to do more for themselves.   Customer expectations of what sort of service they should expect to receive in the digital age is much higher than previously. The need for organisations to work more in a more agile way and offer greater accessibility are also factors that have led to an increased focus on digital transformation across all organisations, including the public sector.

In addition there is the added driver of a background of austerity; with the need to do more for less money and drive efficiencies. This puts digital transformation high on the agenda for Local Government. Residents have already felt the impact of budget cuts and the reduction of services, with many Councils stating that there are no further savings to be made without reducing or ceasing services. Councils therefore have to think about how they work smarter to deliver their services. Deloitte[2] note that '*the digital age is moving at such a fast pace that it is fundamentally transforming the way organisations operate, be it in the private or the public sector, and is requiring them to develop new ways of thinking about service delivery that influence the way operating models are designed.*'

Digital transformation represents an unprecedented opportunity to achieve both better outcomes for our residents, realise financial savings, reduce pressure on frontline staff, and deliver both improved services and outcomes to residents. However, there are also significant challenges and risks if digital transformation is not done well. Negative publicity, employee disengagement, poor returns on investment and data breaches are a few examples.

Whilst digitisation is high on organisations' priorities, the PPMA's recent report 'Skills for digital change'[3] identified that '*the term 'digital means different things to different* people' and similarly we have found that a 'one size fits all' definition for what 'Digital' is has been a challenge. After

much discussion we reached agreement on the following as the most comprehensive definition for the purposes of this report:

'Digital is a culture shift about transforming the way we work across the whole service delivery. It's a key enabler around everything we are trying to achieve and do.'[4]

The Swedish Ministry of Finance[5] have identified the following principles of digitalisation which resonate with the local authority ethos and help to explain the approach to digital:

The PPMA's research also highlighted that Local Government felt that the reasons why they needed to develop digital skills was for:

- *'Improving services to the public*
- *Increasing workforce productivity*
- *Cost saving'* [6]

Whatever the drivers, given the focus on digital within the Public Sector, it was clear that this was the theme that we wanted to explore further. We sought to identify what the role of HR was in relation to digital, and what value HRBPs could bring to our organisations to support them in achieving their digital aims. Given the critical need for Local Government to digitally

transform, as well as the significant opportunities and risks, this report explores the role HR could and should be playing in enabling digital transformation within organisations.

Defining the question and objectives

The focus was on exploring the strategic and commercial value that a HRBP can and should add and given the significance and critical importance for organisations to get 'digital' right, we refined our question to explore and identify the role the HRBP should play in enabling digital transformation. Consequently we agreed the three key focus areas for this report should be:

1. What are the drivers and outcomes organisations are hoping to achieve?
2. What is happening in reality and what can we learn from that?
3. What is the role of the HRBP?

3. Research methodology

We initially undertook some external research in order to help us define our project as well as direct our primary research in a more focussed way. We then conducted a series of interviews and surveys within our own organisations, coupled with further secondary research from leading digital providers such as Microsoft and Gartner or leaders within the Public Sector field, such as the PPMA.

Primary research undertaken:

A key aspect of our research was to understand and learn from our own organisations, including what digital means within the organisation, the approaches we have taken and/or are taking and the impact these have had on the ROI. Using external research we identified a number of key questions we felt were important to explore and identified those we felt would be able to provide us with the insight we required. Lead Officers for HR and IT in each of our Authorities were interviewed. We then adopted a mixed methodology to ensure a broad cross-section of the remaining organisation was interviewed. This gave a view of activities and impacts.

For the purposes of anonymity, the four Authorities have been labelled A, B, C and D. The following were engaged with as part of our research:

- Interviews undertaken with all Heads of IT and Heads of HR in the four Authorities
- Interviews held with staff working on corporate digital transformation in Authority A, C and D
- Interviews with all Senior Management Team in Authority B

- Interviews with a range of staff in Authority D where parts of their service have been digitised or digital change has happened (13 employees at all levels of the organisation in different grades and roles)
- Interview with all HRBP's in Authority C
- Survey sent to all staff in Authority A

Secondary (external) research reviewed:

The research undertaken outside of our own organisations included the following:

- PPMA research – 'Skills for digital change. HR & IT working together for positive change in local government'.
- Microsoft – 'The Human perspective – why managing people change really matters' – completed to support Wiltshire Council's digital strategy
- Gartner – various reports and a conference call
- Various articles identified through internet research on digitisation

4.   Project Scope

The focus of this report is within the Local Government sector as it is most relevant to our organisations, and all primary research was focussed within our own Councils.

We have made the assumption that organisations have already put the 'customer journey' at the heart of their digital strategy, and subsequently focused this research on how staff enable the customer experience, rather than the customer experience itself and therefore, what is HR's role in supporting the organisation to maximise its returns.

5.   Constraints

The biggest challenge for us was to be able to allocate time to work together on the report, largely due to conflicting work priorities. We had the benefit of some allocated 'project days' as part of the Aspire course. However, keeping the momentum going outside of these days required each of us to take turns to pick up driving the project forward.

We were keen to utilise digital solutions as much as possible due to the geographic spread amongst the team which would help to reduce the time that could potentially be wasted in travelling to meet. We used Trello and WhatsApp to communicate as a team and Skype as much as possible for team catch ups. There was a learning curve for several of us in terms of trying new technologies. The digital approach proved a constraint in some ways due to connectivity issues or our organisations not being at the same stages in terms of their roll out of IT. For

example, we could not all use SharePoint for document storage. However, it did highlight some of the challenges in relation to implementing digital change.

As previously mentioned, it also proved a challenge to reach a shared definition of digitisation, but also a common approach to writing the report as we each brought our own ideas, experience and perspectives in terms of what should be included.

6.   Research findings

To understand the role HR can play in enabling digital transformation we undertook external research in addition to conducting interviews within our own four Authorities. All four organisations were clear that digitalisation is a priority. However, each are at different stages of the journey. They all recognise the importance of improving their digital capability primarily for reasons of austerity and the need to serve communities 24/7. Given the cross-section of interviews we undertook, coupled with the different stages of digitisation the organisations are at, provided us with a comprehensive view of what is enabling or hindering organisations currently to digitally transform and capitalise on the investments they were and are making in the digital world. Given our research, it is clear the employee experience is key to the successful adoption, utilisation and engagement of digital changes and therefore critical to organisations achieving the maximum ROI of any digital change. Therefore, if organisations do not fully consider the role their staff play in ensuring the success of any changes and ensure the right employee experience, then this will be at the detriment to the organisation and the delivery of service to their customer.

The research identified a number of key areas that we believe are critical to the success of digital transformation and where HRBPs should be involved.   The key areas were:

- Understanding the business
- Clarity of vision
- Strategy & Design from an employee perspective
- Staff engagement
- Leadership development
- Training in digital skills
- Staff Development e.g. attitudes
- Recruitment
- People focussed measures
- Culture change

Under each of these headings we have summarised the findings and the impact of these on the organisations' performance and where there are potential opportunities and/or risks and outlined the role HR currently plays in digital transformation within the organisations reviewed. These areas identify key areas for the responses to the questions we aimed to address in this report, which were:

1. What are the drivers and outcomes organisations are hoping to achieve?
2. What is happening in reality and what can we learn from that?
3. What is the role of the HRBP?

A clear vision – what does digital mean to the organisation?

Through our research it is clear that 'Digital' has numerous meanings, and can encompass many things. Reda Hameid[7] noted that '*Having asked this question multiple times in multiple contexts I can safely say there is certainly not one agreed definition. In fact, more often than not, the reaction is confusion or blind panic.*'

Our primary research supported this lack of clarity of understanding over what 'digital' meant. Whilst most of those interviewed were able to explain some aspects of what falls under the remit of digital, most struggled to articulate it in layman's terms or capture everything that falls under the heading of digital. There were also often a number of different views within each organisation, meaning there is no clear understanding of what the organisations vision is. Staff feedback ranged from '*it's about simplification,*' to '*capturing information to do something with it*' to '*it's a whole system approach.*'

The Lead Officer for HR in Authority A said they felt it was '*a different way of doing things that was enabled by technology… I struggle to see it as something separate as, to be successful it must be integrated with the business. We need to rethink how we support the community and digital is a way of supporting that process.*' Whilst the Lead Officer for IT described it as '*being able to do something in an electronic way… but it is much broader than just IT….it is what it enables, such as new and agile ways of working.*'

The Lead Officer for HR in Authority B is of the view that '*We need to embrace the development of AI as a system including with partner organisations as this will assist with the service offer, but will have implications for the workforce. There is clearly some work to be done to ensure that staff in roles that can be replaced by AI have appropriate skills to enable them to be more future proof and add value to the organisation*'. The Lead for ICT had a similar view and saw digitalisation as an opportunity for '*New ways of working to manage a smaller number of staff. Externally it is about opportunities for collaboration with partners.*' All members of the senior team were enthusiastic about the opportunities digitalisation could provide. A number expressed a view that the digital capability of customers was underestimated and that more could be made of the digital offer to them. A number of observations were made about opportunities to replace

transactional teams with a digital system. Although this is true, the message to employees needs to be carefully considered, as the Gartner research highlights that the most successful organisations on digital journeys made the employee experience their focus.

In Authority D the view and understanding of senior leaders on what 'digital' meant to their organisation was not translating well or being understood by staff. One employee explained '*our directors are talking AI and robots … it doesn't mean anything to us. They need to take us on a journey.*'
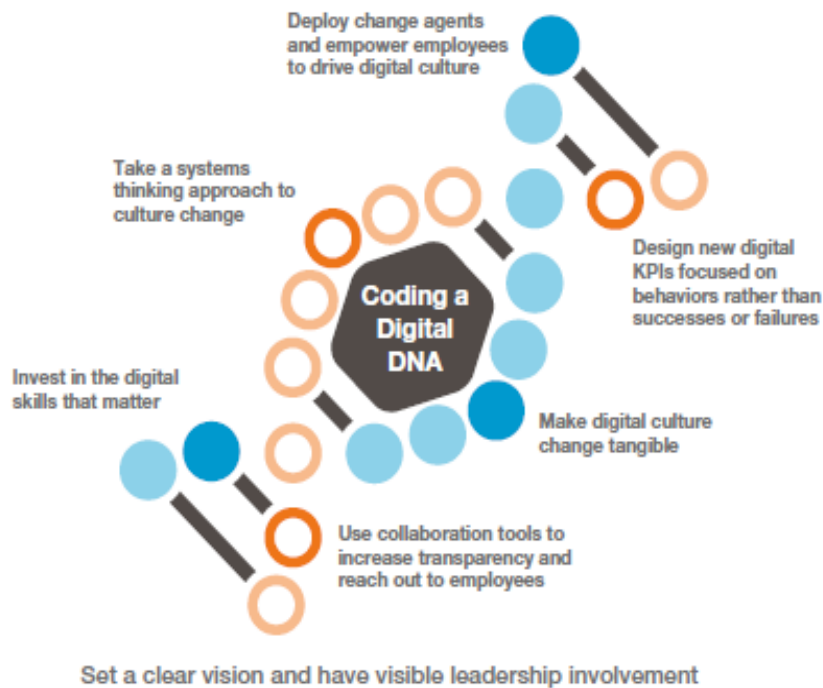
A senior manager in one Authority noted that what digital means to their organisation changes on a daily basis and also depending on who you talked too. They felt this was creating confusion and hence employees were not clear on what was expected. If managers and staff are unable to understand what digital can mean, then how can they identify opportunities to innovate and improve how we deliver our services to our customers and improve the way our staff work?

A number of the staff we spoke to felt that their organisation's primary focus was about cost, '*the organisations driver is reducing cost,*' whereas they felt it should be about improved services and efficiencies stating '*the organisation sees it as a cost saving whereas for us it's about efficiency.*' This interpretation, whether real or perceived, has a significant impact on how staff engage with and identify opportunities to digitise. Where staff perceive it is about cost cutting and job losses, it impacts their morale and willingness to innovate and embrace any changes. One employee stated '*talking about it as cost effective makes it an emotive subject as people think it's about losing their jobs.*' Others noted this was reinforced when, as soon as the change had been delivered, staff were cut before the system was even embedded. This meant the staff that remained had to try and adopt new ways of working when there were teething problems which added to their workload, whilst struggling to adapt to a reduction in resources. This creates a poor employee experience and has a detrimental impact on the organisation culture and willingness to embrace digitisation. Once a perception of why something is happening is established it is hard to shift. It is critical for organisations to be clear on their strategy; think about how, what and when they communicate and ensure their staff understand it by constantly reinforcing the message. Consideration needs to be given to the language used so it engages employees and does not have the opposite effect.

Organisations need to give consideration to ensuring they have clear and consistent messaging, so at all layers of the organisation people are clear on where the organisation is going and the role they will play. Staff need to see and understand the positive implications and 'what's in it for them', in order to innovate and adopt any changes. Where employees feel empowered they are more likely to accept and engage with the changes in a positive manner.

Capgemini[8] has identified one framework for how to enable culture change in relation to digital transformation:

Blend top down and bottom up approaches to code a Digital DNA

- Deploy change agents and empower employees to drive digital culture
- Take a systems thinking approach to culture change
- **Coding a Digital DNA**
- Design new digital KPIs focused on behaviors rather than successes or failures
- Invest in the digital skills that matter
- Make digital culture change tangible
- Use collaboration tools to increase transparency and reach out to employees
- Set a clear vision and have visible leadership involvement

HRBPs need to work with their organisation to ensure they have a clear and well thought out communication plan which engages staff regularly and provides a clear and consistent vision on what digitisation means to the organisation, what it means for the employee, what the benefits are and what the organisation expects from its staff in order to drive the right behaviours.

Strategy, design and engagement

External research highlighted that some organisations approached digitisation by adopting a separate Corporate Digital Strategy. Others opted to include a digital strand in all projects, whilst some did both. In the majority of the organisations reviewed as part of this project, Digital forms part of their Corporate Strategy but a couple also had a specific Digital Strategy. This identifies that digital considerations are also on the radar for non-technology based projects, which is helpful as part of a corporate wide approach to digitisation.

In considering the design of a digital change, a key initial requirement is to ensure those leading and involved in identifying the digital solution have the skills and knowledge required. In one case study, there was a lack of IT skills and knowledge and so the system introduced was not able to work to maximum capacity in certain areas, kept crashing and was unable to deliver everything it was supposed to. This resulted in inefficiencies in processes and duplication.

Frustrated employees eventually found alternative workarounds which were not aligned with the projects objectives.

Many of the employees interviewed felt that digital initiatives had been designed without consulting or involving them, even though they were end users. They felt there was insufficient testing or training, which created frustration, distrust and resistance with people not fully adopting the changes (either deliberately or not). One employee advised that they were restructured based on the introduction of new technology. However, the technology had not been fully tested by the end users and when introduced there were a number of issues which resulted in the system not working sometimes requiring manual work arounds which added to their work. As the team was smaller this left them feeling disillusioned and disempowered. Some of the comments included '*digitisation has made our workload heavier,*' '*us who use it every day are not involved in or consulted with on what is being bought. We should be able to test it.*' Failure to consider how to engage those who ultimately will be using the digital solution can seriously impede the ROI. This was summed up by one employee who stated '*if we were involved we would want it to work, whereas if it's imposed on us we are more reluctant or quick to pass judgment and be resistant.*' However, where staff were engaged early with design or updated and able to give feedback and had some sense of control, then they felt 'proud' and found it a 'positive' experience.

Our research has identified that the success of any digital transformation is largely influenced by the level of engagement from stakeholders. One way an HRBP could add value is through using tools such as stakeholder analysis to highlight the impact stakeholders can have. An example has been completed in in Appendix 1. This includes stakeholder ability to block projects as well as how they can contribute and how consideration can be given to the best strategy for engaging with different groups.

A number of those interviewed felt insufficient consideration was given to the ongoing resources needed to support the system once it was delivered. This included slow resolution of issues; insufficient resources to support the system and staff using it; minimal ongoing training; no explanation of changes or updates; no feedback sessions or management oversight; and reinforcement of new ways of working. One employee summarised this and the risk this can create '*I was involved in the design but now nothing gets fixed or supported as the team are stretched which is really frustrating and people revert back to the old ways. What was the point?*'

Gartner's research into the employee experience states that organisations that are starting out on digital transformation journeys should ensure that HR and other leaders work together to clarify the organisation's true value to employees. When designing digital workplace initiatives this recognised value can be used to ensure technology and processes equip and motivate employees appropriately to improve their effectiveness. Our research mirrored Gartner's findings identifying that the employee experience is key. Where this is not given a

comprehensive focus, the adoption and subsequent ROI can be hindered as well as employee morale being impacted on.

HRBPs need to partner with organisations' services, leaders and managers to ensure the people elements are considered at the start of all and any digital programmes to ensure people are engaged and supported throughout. HRBPs are able to leverage change management tools and techniques to support the change process in order to drive a positive employee experience. HRBPs need to be prepared to provide constructive challenge and guidance to senior leaders on how to manage change whilst demonstrating a clear understanding of the business context. Plans need early consideration of how and when to communicate with key stakeholders, engagement of end users, identifying change champions, UAT, training and resources for training.

Organisational culture

Deloitte [9] state '*Change management is by far the most enduring bottleneck to digital transformation. While technology adoption continues to be top of mind in all digital things, we advocate … that fundamental changes in leadership and talent attributes are far more critical to successfully embark in the digital journey.*'

A number of those interviewed felt that culture change was the biggest challenge from a people perspective in relation to digital transformation. Although HRBPs cannot change culture, they can guide senior leaders in identifying which behaviours they want to model and then work with services to identify how change can be brought about.
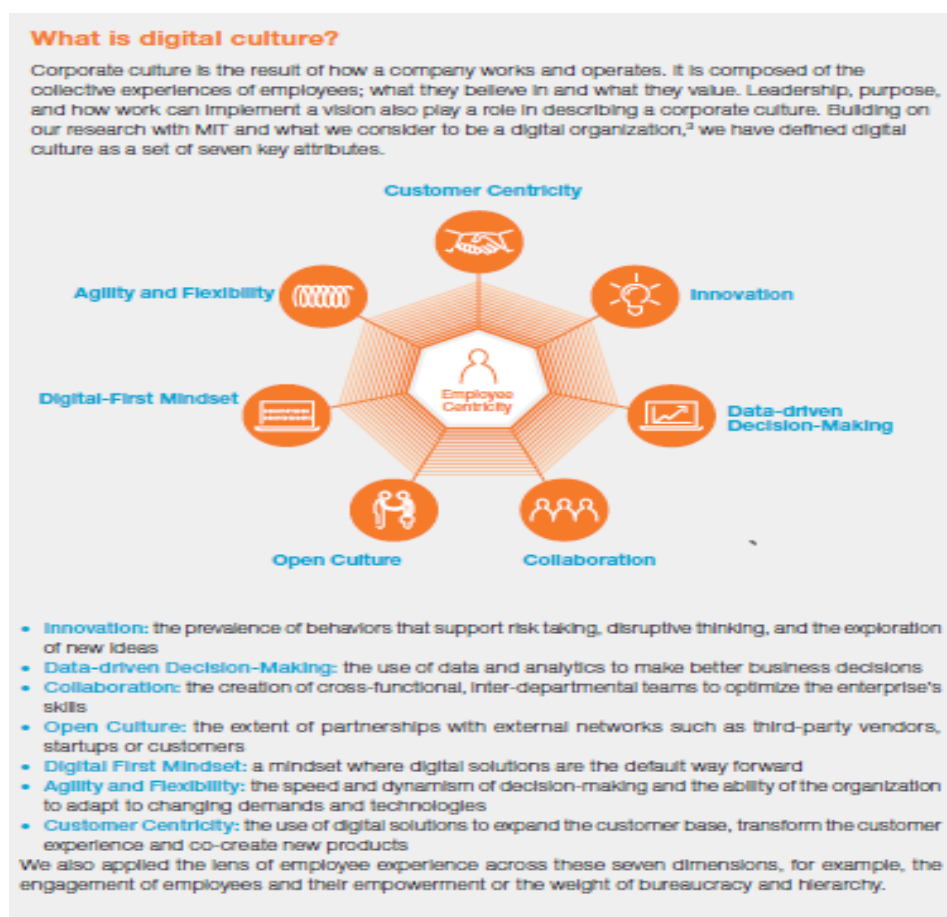
The Lead Officer for IT in Authority A felt that there was a significant disconnect between what employees were prepared to engage with from a personal technology perspective and what they will use at work. They also felt that there was a disconnect between the work that was being undertaken corporately to improve the use of technology for citizens, for instance, the rollout of Broadband, and that for staff, as there needed to be a drive to encourage staff to embrace digital transformation. In a number of Authorities it was felt that the current internal culture and structure encourages silo working and that corporately there was a need to work more collaboratively across services in order to maximise and drive efficiencies. For example, considering the broader impacts across the whole Authority, rather than just a single service. In two of the authorities this is being achieved by adopting a 'System's Thinking' approach which puts the customer journey at the heart of the process rather than using internal structural divides to determine where processes sit. This is starting to encourage collaboration across the whole of the Authority.

Having the right culture to support digitisation is essential if organisations want to maximise their ROI. Many of those interviewed talked about services digitalising in isolation or not identifying key stakeholders outside of their immediate services to engage. Comments included

'we do not even share our data with other services' 'the new system doesn't work with some of our key partners systems and so now we need to do manual uploads'. Consideration wasn't given to how a change in one service would have a knock on effect on other services early enough, if at all. Services often did not engage IT early enough in identifying their solutions or they felt that the strategy of IT was different to theirs and so there was conflict. Instead of resolving these issues early and as part of the planning, they were often ignored to their detriment.

Others felt the organisation did not encourage those on the frontline to innovate or identify opportunities; instead they were often presented with a fait accompli which didn't always drive the best efficiencies or encourage them to embrace the change. A number of staff we spoke to felt that they would be better placed to identify solutions that would work for the customer and themselves. They often felt disempowered and unable to influence. Which in turn resulted in a reluctance to adopt the change or as one employee put it *'we look for faults in the system'.*

Capgemini[10] have developed the model below defining digital culture and the key attributes that are required.

What is digital culture?

Corporate culture is the result of how a company works and operates. It is composed of the collective experiences of employees; what they believe in and what they value. Leadership, purpose, and how work can implement a vision also play a role in describing a corporate culture. Building on our research with MIT and what we consider to be a digital organization,[3] we have defined digital culture as a set of seven key attributes.

- **Innovation:** the prevalence of behaviors that support risk taking, disruptive thinking, and the exploration of new ideas
- **Data-driven Decision-Making:** the use of data and analytics to make better business decisions
- **Collaboration:** the creation of cross-functional, inter-departmental teams to optimize the enterprise's skills
- **Open Culture:** the extent of partnerships with external networks such as third-party vendors, startups or customers
- **Digital First Mindset:** a mindset where digital solutions are the default way forward
- **Agility and Flexibility:** the speed and dynamism of decision-making and the ability of the organization to adapt to changing demands and technologies
- **Customer Centricity:** the use of digital solutions to expand the customer base, transform the customer experience and co-create new products

We also applied the lens of employee experience across these seven dimensions, for example, the engagement of employees and their empowerment or the weight of bureaucracy and hierarchy.

Capgemini[11] highlights that in order for organisations to digitally transform, the culture has to change. 62% of those who responded to their survey considered culture as the number one hurdle to digital transformation. Culture is created, not by the stated values or behaviours of an organisation, but by collective employee experiences, what they believe, as well as by leadership, purpose and how the organisation works. Therefore, if organisations want to digitally transform then they need to ensure their organisational culture supports this. HRBPs can work with their organisations to understand the current culture and partner with them to identify what needs to change in order to create the right culture to enable digital transformation.

Leadership

Senior leaders need to embrace technology and lead by example if they want the rest of the organisation to follow. Failure to 'walk the talk' will impact the authenticity of what the organisation is hoping to achieve. This is another area where the HRBP can work with the organisation to identify the leadership competences that are needed to move the organisation forwards. This will include capacity to embrace digital transformation.

In Authority A, the Lead Officer for IT highlighted the impact digitisation had on agile working, but that it required a significant culture shift for it to be fully adopted. In order to try to influence this, they ensure they work off site once a week and Skype into meetings rather than always assume that they need to be office based to try to encourage staff to work differently. At a local level there are often criticisms in relation to agile working and whether staff can be trusted to work in this way. However, by role modelling this approach to agile working at a leadership level, staff had commented that this is a start at achieving culture change.

Lead Officers in Adult Services in Authority B were the most enthusiastic about the possibilities that digitisation could provide. They were particularly excited about the options for working with clients and partners in co-producing records. There was recognition that there needs to be a cultural shift to get to a point where this is feasible. Lead Officers for Children's Services were equally keen on the flexibility that digitalisation could offer to the team and service users. Pilot projects involving apps on phones have provided more accessible ways of communicating with young people. Further opportunities on a broader scale would be welcomed.

Managers also play a critical role in ensuring the changes are fully embraced and can also help escalate and resolve issues. This was supported by comments such as *'anything new creates panic and I don't think we can change that ... but good management helps. They can provide clarity around what is expected and how we can resolve issues or at least empathise!'*

Senior leaders have a significant impact on whether the organisation can digitally transform. This is in part because they set the tone of the organisation by what they say and do. HRBPs can work with and coach their senior leaders in considering the appropriate tone for the

organisation. This can include ensuring they have the digital skills. Where leaders lack digital skills, it can be apparent to staff who already have digital skills. This can create disconnect that hampers the development of a digital culture[12]. It would also involve ensuring they articulate a clear vision and set out their expectations for managers and staff. This in turn ensures they and their leadership teams role model the behaviours they expect from staff such as openness, collaboration, curiosity. There may need to be redesign work to value and behaviour frameworks to reflect the attributes of digital culture. Role descriptions may need to be redesigned and KPI's adjusted to align with the corporate strategy. Mentors for staff may be needed.

Training & Development

Staff in one service area felt that consideration was only given to one-off training and was more a tick box exercise than ensuring people were fully equipped and competent to use the system. They noted that some people only used the system occasionally but there was nowhere to go for additional support and training. Comments such as '*we have had no in-depth training and are expected to learn as we go*', '*there was no training, no user group to feedback to and resolve gaps in our knowledge*' and '*we need to train staff better*', were quite common. As a result, many felt they were not fully capitalising on the benefits of the system (which they genuinely wanted to) and this was creating frustration. One manager noted that he didn't know how to get the data back out of the system to analyse and use it to inform decisions, which had been one of the project goals.

The importance of effective training was echoed in Authority A where the need to enable staff to understand the new technology was highlighted following the rollout of Office 365. All staff had the relevant kit, but were unable to utilise the full suite of programmes because the training was limited. The Lead Officer for IT said that they felt in future it would be important to utilise a range of training approaches, such as video links or peer one-to-ones, in order to embed a better understanding of the software and enable staff to develop their skills. This was echoed in the PPMA research that highlighted that training was a key factor in enabling successful digital transformation, but it went on to say that '*Overwhelmingly the people we spoke to pointed to successful digital change being more about attitude than formal training. Not that there aren't specific skills to be learned, but 'traditional' training is not necessarily the right route. Often more informal learning may work better, accompanied with a clear understanding of 'what's in it for me and how does it make my job better'*[13]. The report goes on to highlight the importance of recruiting people with the right attitude rather than necessarily the existing skills. There is clearly a cost associated with delivering training; however, this is offset, at least in part, by the potential to not fully realise savings or drive efficiencies as a result of staff not being able to use the new technology.

The HR Lead at Authority D noted it was not just about building the capabilities of their current workforce but the organisation also needs to think about how it changed its recruitment

approach to ensure they recruited the skills and behaviours needed to bridge the gap between current and future digital skill requirements. One of the challenges facing organisations is the need to define what it means by digital skills. Feedback from a number of interviews demonstrated this was not easy to define, and therefore HR has to help start the conversation and work with the organisation/services to articulate what it looks like for them as an organisation and within specific roles.

HR needs to play a pivotal role in ensuring organisations build and acquire the right digital skills it needs for now and in the future. Gartner's diagram[14] below shows where we are and what outcomes are needed to reach digitisation. This should help define the skills gap and enable a training and development plan to be devised.
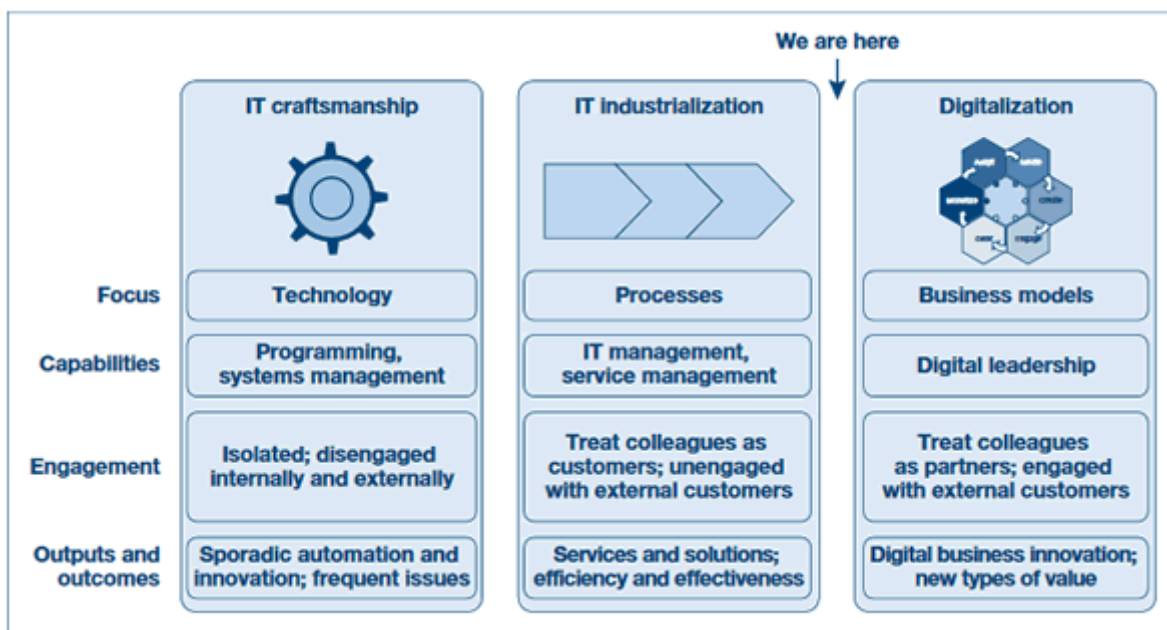
HRBPs need to work with their organisation and services to ensure they have clear workforce plans to ensure they have the right digital skills now and for the future

The PPMA research[15] identifies the importance of undertaking skills gap analyses to see where the training needs lie in relation to digital skills. It also highlights the need to adopt a range of learning methods in order to engage the greatest number of people. It suggests a range of methods such as having super-users, digital champions, holding informal technology cafes where employees can drop in with their digital questions, YouTube videos, upward mentoring and floor walking. HRBPs have a critical role to play in identifying the types of learning required and how best they can be delivered within the context of their own organisations.

Recruiting for attitude

The PPMA[16] identified that recruiting the right attitudes was key to creating successful digital transformation for the future. Research on the concept of 'The 21st Century Public Servant' has identified what is believed to be the key behaviours and values frameworks that are required for employees in the Public Sector for the future. '*Common themes around the skills and attitudes in these frameworks include:*

- Collaboration
- Leadership – not just for leaders but for everyone
- Customer centricity
- Adaptability
- 'Give it a go'
- Enabling citizens and communities to find their own solutions
- Entrepreneurial

These attributes sit well with those required to work in the new digital environment.'[17] All of these are attributes the HRBP can help support the organisation to gain through appropriate recruitment techniques.

Furthermore, the PPMA states that '*The biggest challenge is understanding where and how to plug the current skills gaps. There is not enough involvement by HR in the process of developing those skills, and historically recruitment and performance management processes have not put enough emphasis on IT/digital skills for general staff. Digital capabilities will not be developed enough unless they become an intrinsic part of the organisation design processes.*' The role of the HRBP is clear in supporting the drive to recruit the right attitudes as well as increasing the focus of digital skills in recruitment. It is important to include these requirements as part of Job Design and Job Descriptions, but also in terms of where and how posts are advertised, such as through social media, and the types of assessments used to select appropriate candidates.

Measures and Outcomes

It is also key at the design stage to consider what outcomes need to be achieved, be this financial or otherwise, and ensuring the right aspects are measured. For example, in Authority A, the key aim of one project was to roll out Microsoft 365 to all staff within a specific timeframe. This was achieved. However, although all staff had the relevant equipment, they only utilised a small percentage of its functionality due to either a lack of knowledge of how to use it or because they were resistant to the change. A more meaningful measure would have been to look at the level of the functionality accessed across the staff group. This could potentially have been achieved through a survey, but it is accepted that this is harder to measure than the number of staff in receipt of IT kit. The Lead Officer for HR in Authority A,

highlighted that with regard to digitisation, it is important not to just digitise existing processes but to consider the wider question of should the work be done in a completely different way i.e. *'Doing the right things, rather than do existing things better'.* They identified that the IT strategy did not have a 'People' element to it and so a more joined up approach needed to be adopted in order to get the most from the transformation.

Some of those interviewed who have responsibility for delivering a digital solution struggled to articulate the ROI expected and how to measure it. Many also felt in conflict with their organisations strategy (perceived or otherwise). This is demonstrated by comments such as '*the organisation expects immediate financial returns, whereas we need to invest and embed, 'The returns will come later and the organisations focus is on the financials, whereas we can't quantify that... the value of this technology is predictive analysis so we can proactively address issues before they become issues and thereby indirectly reduce the cost'*

None of those we met with had actually assessed how successful the digital programme they had introduced had been; whether it was being fully and appropriately used by staff to ensure the returns identified. Staff also commented that they had not been asked to provide any feedback on the impact or had any discussions around lessons learned. In one case study we explored, not all staff had adopted the change in technology and instead continued to do what they had always done (paperwork) and would then duplicate the process online. On top of duplicating the process, there were other cost impacts such as printing, petrol and less engaged employees. This demonstrates that if a service/organisation does not get employees to fully embrace the digital advancement then they are not capitalising fully on the benefits and with a negative impact on both financial and non-financial returns.

Many of the staff interviewed could see the benefit and need for digitisation and were keen to embrace this, if they received sufficient information and were given the skills to use it and could see the benefits. Some of the feedback demonstrates the value they see but also how that value can be impacted '*it now centralises customer reports and analysis into one database which is brilliant. It's great having information in one place that is easily accessible to those that need it,'* '*generally the new system is great and has improved what we do. However, I don't know how to run reports which will allow me to analyse the volume of work for my staff.'*

Local Authorities need to be clear at the start how they will measure the success of any digital programme. Consideration needs to be given to whether changes are made purely to save costs or whether it is wider than that. The measures need to be agreed at the outset and monitored as the programme progresses. During our research there were cases where senior leaders and managers celebrated success, but where those on the ground felt that this was superficial as they were still struggling with issues. As an organisation's culture is reflected in the employee experience, getting the journey right is critical. This includes acknowledging the learning as well as the success.

Current level of HR involvement in digitisation

It was interesting to note from the research, the current level of HR involvement in digitisation strategies in the Authorities reviewed. It showed the 'people' element of transformation had not generally been given the right level of consideration. However, there was recognition that HR needed to be involved in order to support with maximising the benefits of digitisation. A couple of Councils researched had Digital Boards/Groups with representatives from HR, to ensure there was corporate approach to digitisation which incorporated a focus on the 'people' element. In one Authority there was a project to look at how the organisation communicates and engages staff with its digital strategy.

Authority B has a Technology and People (TAP) programme which recognises the importance of balancing the two areas. However, in reality this is challenging and relies heavily on a 'tech savvy' group from across the organisation who are TAP Champions. Their role is to get early access to information and training related to digital and technological change and share that with their team. This keeps the conversation open and enables a feedback loop back to the TAP Board. The HR TAP Champions are highly engaged and have been positive in their sharing of learning and enthusiasm. Therefore, although the research clearly highlighted the elements that were key to making digital transformation successful, and the role that HR could play in maximising the success, there are significant challenges to achieving this in practice.

Conclusions

The research identified several key areas to ensuring the success of digital transformation, the challenges to that and how the HRBP could impact on both. It is clear from all our research (both within our organisations and externally) that the people elements of digital transformation – leadership, workforce planning, culture, communication, skills - are often not considered until too late and/or there is insufficient emphasis placed upon it. Where this happens, the ROI of any digital programme is not maximised and in some cases not realised at all. This does not make commercial sense, particularly given the austerity that Local Authorities are facing.

Given their role, expertise and understanding of people, organisational culture and change management, HRBPs can play a key role in enabling the organisation to digitally transform and maximise the ROI by ensuring the right employee experience.

Where organisations are digitally transforming, HR is essential for ensuring they have the right workforce capability, in the right place at the right time. However, in order for the HRBP to have the credibility to influence and ensure the right focus they need more than just their expertise and understanding of people; they need to be talking the same language as the services, and therefore it is critical they can demonstrate a clear understanding of the context.

This is further supported by Deloitte who state that HR needs to be at the forefront of any digital transformation as they play a key role in helping to shape the organisations 'digital identity.'[18] Given the pace at which the digital age is moving, ensuring an engaged workforce with the right skills in the right place at the right time will be a challenge and therefore it is critical that HR is working with its leaders to address this challenge.

Recommendations

Research clearly identified the impact HRBPs could have on the success of any digital transformation. The following sets out the key ways in which the HRBP can contribute:

1. Understand the business – having a clear understanding of the context you are working in and where the business or service area is heading is critical. This ensures that you have the credibility to take a lead role in transformation.

2. Clear vision – making sure that the vision for this project makes sense and clarifies what outcomes are being sought is imperative. It is also important to check this been tested and leaders are confident they can tell and sell the story.

3. Employee perspective – creating a strategy that has an appropriate employee focus is key. Research has shown that where the employees play a central role there is a higher rate of success. The theory being that if you get it right for your employees they will work to get it right for the customers and community they serve.

4. Staff engagement – it is crucial that staff are fully engaged and actively involved in the project at all stages including feedback and post implementation review. It is clearly worth investing in this interaction as organisations need to rely on their staff to deliver the change. If leaders are not clear that staff are on board, it could mean that benefits are not fully delivered.

5. Leadership Development – it may be that a digital project highlights gaps in leader skills and experience. Development needs should be addressed at an early stage to ensure that they can be a credible role model. Leaders need to be able to walk their talk in order to drive the project, bring staff with them and increase the chance of success.

6. Training in digital skills and staff development – a level of analysis should be undertaken to establish whether staff are suitably skilled to operate in a more digital environment. To embrace digital change they must future proof their skill sets and approach. Given the austerity in Local Authorities, creativity in providing online training and appropriate use of 'Tech Champions' is key.

7. Recruitment – consideration should be given to how Authorities recruit in a digital world. In particular, how we assess attitudes and values for our future workforce. Attitude towards digital technology and openness to learning is as important to being part of digital transformation as being digitally skilled already.

8. Measures – how the success of projects is measured is important. It should not just be about numbers of staff in receipt of new technology or applications. More important, but arguably more challenging, is measuring how the technology impacts on staff and how this is changing outcomes for the customers and communities we serve.

9. Culture – A view should be taken about what the culture should feel like and how that might be achieved. Making sure each element of the transformation is right could move the culture in the desired direction. It may be that other activities are needed to emphasise changes in behaviour. It is widely accepted that culture is the most challenging area for positive change, but the right culture is critical to the success of digital transformation.

All of these factors are critical in relation to implementing any change effectively, however, the difference in relation to digital transformation is that for the most part, HR has not been involved historically and IT has led the change process. As a result, the 'people' focused elements of the change may have been overlooked. Bringing this focus to digital transformation programmes, is an area where the HRBP can add real value.

It will depend on the type of project as to where the HRBP should focus most energy. As with any change programme all of these areas would need to be given attention. However, in order to make the most impact, focussing on a strategy that gives an appropriate employee emphasis should give an HRBP the opportunity to influence all other areas, as long as the project was managed in a collaborative way.

7.   Appendix 1:   Stakeholder analysis

We thought it would be beneficial to undertake a Stakeholder Analysis to provide clarity about who needs to be engaged and to what extent, in relation to the digital transformation agenda.

Stakeholder name	Impact (L –M -H)	Influence (L –M -H)	What is important to the stakeholder?	How can the stakeholder contribute to the project?	How can the stakeholder block the project?	Strategy for engaging the stakeholder
Users	High	High	User friendly, positive impact on their work, accessibility, relevance, practical	Design, user testing, working groups, part of transformation group, super user/ trainer/ champion	Not using it, find alternatives, not use it to its full capacity, resistant to change, disruptive.	Involve and engage in the design, implementation and roll out. Reinforce what's in it for them. Training.
Line Managers	High	High	Effective delivery of their service, efficiency ROI, engaged workforce.	Role modelling, challenging resistance, design, user testing, working groups, part of transformation group, super user/ trainer/ champion	Not using it, not challenging resistance, not adopting corporate approach.	Clear messages, regular communication. Engaged in process.

Stakeholder name	Impact (L –M -H)	Influence (L –M -H)	What is important to the stakeholder?	How can the stakeholder contribute to the project?	How can the stakeholder block the project?	Strategy for engaging the stakeholder
Chief Officers/ Senior Management	Medium	High	ROI, customer service, efficient delivery of services	Approval, ensure compliance, role modelling	Remove funding and approval, allow resistance in staff group, and block the people strategy	Early engagement, regular updates and communication, update on risks
Members	Low	Medium/ High	Quality of service delivered to the community, ROI.	Promote	Remove approval, apply pressure, modify proposals	Regular communication and opportunities to engage
Transformation team	High	High	Delivery of the project within targets e.g. budget, time etc., delivering project outcomes	Impact on all aspect, can contribute to people strategy	Capability, poor engagement and communication	Buy in to people strategy, awareness of impact on people, open to challenge

Stakeholder name	Impact (L –M -H)	Influence (L –M -H)	What is important to the stakeholder?	How can the stakeholder contribute to the project?	How can the stakeholder block the project?	Strategy for engaging the stakeholder
All staff (not directly affected by change)	Low	Low	Information and understanding of corporate goals	Synergies of opportunities, review their own ways of working and transferring of ideas/ ways of working	Passive resistance, stirring up other employees	Inform on significant updates and key milestones
Trades Unions	Low	Medium/ High	Impact on staff, fair & legal treatment of staff	Encourage staff usage, give approval	Co-ordinate staff resistance	Keep updated on regular updates
Communities/ customers	We acknowledge that these are stakeholders but they are out of scope for this project.					

Stakeholder name	Impact (L –M -H)	Influence (L –M -H)	What is important to the stakeholder?	How can the stakeholder contribute to the project?	How can the stakeholder block the project?	Strategy for engaging the stakeholder
HR	Medium	High	People aspect and employee experience is considered, people risks managed, ensuring people have the skills/ training	Lead on people aspects of change and engagement	Not being engaged or supporting people processes	Regular involvement in project at all key stages especially regarding the people element
IT	High	High	Appropriate systems used, integration with existing systems, cost effectiveness, resources to implement and ongoing support	Lead on technological elements of project	Lack of resources capacity and capability	Collaborative working

Stakeholder name	Impact (L –M -H)	Influence (L –M -H)	What is important to the stakeholder?	How can the stakeholder contribute to the project?	How can the stakeholder block the project?	Strategy for engaging the stakeholder
Finance	Low	High	ROI, delivery within budget, integration with other systems	Ensuring finances of project are kept on track throughout, approving costs, commercial	Remove funding	Collaborative working
Procurement	Low	Low	Ensuring systems are appropriately and legally procured	Effective procurement	Poor procurement process – delays, capability etc.	Early engagement in process
Other services	We recognise that there may be other services that are impacted by these changes e.g. automation may lead to an increase in the number of complaints received by the complaints team					

8. References

[1] www.gov.uk/news/digital-by-default-proposed-for-government

[2] The changing role of people management in the digital age - Deloittes

[3] 'Skills for digital change – HR & IT working together for positive change in Local Government' March 2017. PPMA/ Eduserv

[4] Sonia Halliwell, Assistant Director HR&OD, Wigan Council 'Skills for digital change – HR & IT working together for positive change in Local Government' March 2017. PPMA/ Eduserv

[5] 'The Digital Culture Challenge: Closing the Employee-Leadership Gap' Capgemini Consulting

[6] 'Skills for digital change – HR & IT working together for positive change in Local Government' March 2017. PPMA/ Eduserv

[7] 'What Does "Being Digital" Actually Mean?' - Reda Hameed

[8] 'The Digital Culture Challenge: Closing the Employee-Leadership Gap' Capgemini Consulting

[9] The changing role of people management in the digital age - Deloittes

[10] 'The Digital Culture Challenge: Closing the Employee-Leadership Gap' Capgemini Consulting

[11] 'The Digital Culture Challenge: Closing the Employee-Leadership Gap' Capgemini Consulting

[12] The Digital Culture Challenge: Closing the Employee-Leadership Gap' Capgemini Consulting

[13] Skills for digital change – HR & IT working together for positive change in Local Government' March 2017. PPMA/ Eduserv

[14] Gartner: Taming the Digital Dragon

[15] 'Skills for digital change – HR & IT working together for positive change in Local Government' March 2017. PPMA/ Eduserv

[16] 'Skills for digital change – HR & IT working together for positive change in Local Government' March 2017. PPMA/ Eduserv

[17] 21st Century Public Servant as reported in Skills for Digital Change PPMA

[18] The changing role of people management in the digital age – Deloittes

[19] 'Skills for digital change – HR & IT working together for positive change in Local Government' March 2017. PPMA/ Eduserv