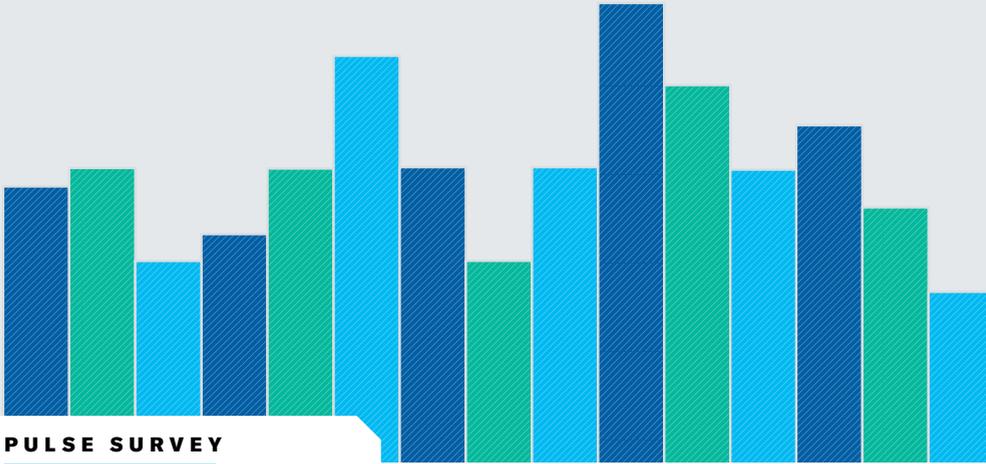




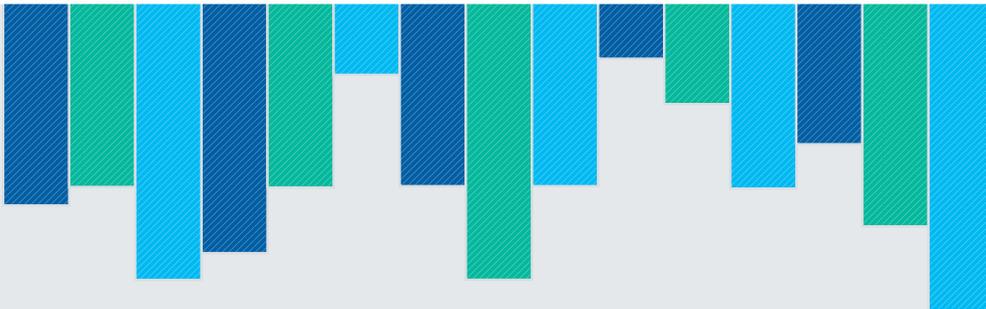
**Harvard
Business
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ANALYTIC SERVICES



PULSE SURVEY

Digital Acceleration Redefines the Future of Work



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To better understand how the Covid-19 pandemic has changed the speed of digitally enabling work, the workforce, and the workplace, we sponsored research by Harvard Business Review Analytic Services, and they surveyed leaders in a variety of industries and geographies. Bottom line, what we've been hearing from our customers and partners aligns with this research: The global pandemic not only forced companies to speed up their digitization efforts, but this new, faster speed is becoming the norm. And to further explore how to get and stay ahead, Harvard Business Review Analytic Services gained insights from some of the top minds in business transformation on how to make your acceleration efforts stick.

As you'll see in the following report, Harvard Business Review Analytic Services found that not all digitization efforts are created equal. Enabling remote work was top of mind at the start of the pandemic, but now companies are looking for ways to glean more business value and sharpen their competitive position with their acceleration efforts.

And not everyone in the C-suite—fairly or not—is seen as equal when it comes to championing digital acceleration. Regardless, the report is proof positive that for the foreseeable future, the speed of business is getting faster and will continue to impact the future of work.

We hope you find this report as valuable and interesting as we did.



Greg Pryor
Executive Director
Workday

Digital Acceleration Redefines the Future of Work

As corporate and work environments continue to evolve, digital acceleration spurred by the Covid-19 pandemic has only heightened expectations about the speed and effectiveness of that evolution. That pandemic-related digital acceleration was necessary to secure immediate economic survival, but it ended up doing something more—setting a new normal in terms of organizational speed. So, while the original intention was to quickly enable remote work, organizations now see digital acceleration as a more permanent part of the effort to realize business outcomes.

Eighty-six percent of the 326 business executives across different functions surveyed by Harvard Business Review Analytic Services in April 2021 say their organization had accelerated its digital transformation during the pandemic. Of those 279 executives who responded that way, 91% plan to maintain the heightened pace of digital transformation post-Covid-19—or to move even faster—speaking to just how permanent they view this shift in speed to be.

That “great acceleration,” however, did not always come with optimal results in terms of productivity, scope, or speed. After all, the survey reveals that not all companies were well-prepared for the digital acceleration necessary during the pandemic. Fewer than half of survey respondents (45%) strongly agree that they were able to accelerate digital initiatives and stay productive at the same time. Only one-quarter of respondents strongly agree that they were able to accelerate the digitization of all the processes that they set out to digitize during the pandemic, and just 28% say they have been able to transform as fast as they needed to over the past year.

HIGHLIGHTS



91% of survey respondents who accelerated digital transformation amid the pandemic **intend to maintain that swifter speed** and not return to the effort's pre-pandemic pace.



72% of those respondents point to the CEO as **the executive who most prioritizes digital acceleration efforts**.



53% of those respondents recognize that **creating a corporate culture that better supports digital efforts is their top priority**.



“Digital isn’t just about technology, it’s a different way of operating. It’s not something you buy or implement. It’s something you become by transforming your mindset about digitization,” says Josh Bersin, a global industry analyst and president and founder of Bersin & Associates.

Nigel Guenole, director of research for the Institute of Management at Goldsmiths, University of London, observes that the pandemic has increased people’s expectations about how business is done digitally, which also includes how employees conduct work. This expectation is no longer limited to the workforce of one business unit or one organization. With the boundaries between organizations disappearing due to digital connectedness, employees need to be able to collaborate and conduct business digitally enterprise-wide as well as across multiple organizations.

To be able to meet expectations and maintain digital acceleration longer term, companies will likely need to rethink their approach to transformative processes and technologies. A successful digital acceleration into the future requires creating a strategy that not only helps companies seize current opportunities and address immediate challenges of

the post-pandemic recovery, but also becomes a springboard for a more digitally forward-looking organization.

“Digital isn’t just about technology, it’s a different way of operating,” says Josh Bersin, a global industry analyst and president and founder of Bersin & Associates, an industry research and advisory firm. “It’s not something you buy or implement. It’s something you become by transforming your mindset about digitization.”

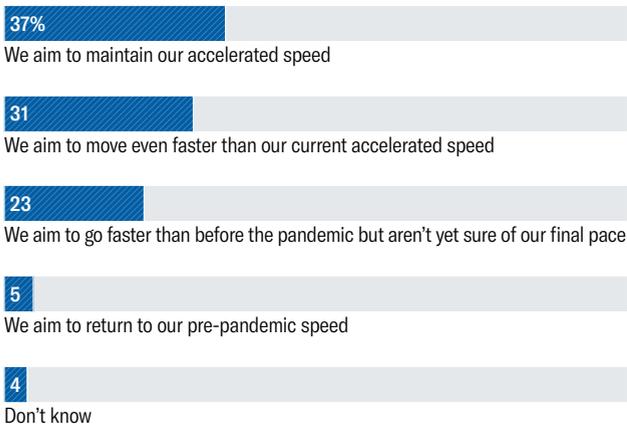
This report discusses how organizations view the short- and long-term benefits of digital acceleration and the steps they are planning to take to achieve these goals. It delves into the importance of creating the culture that supports digital acceleration and how management can align around the goals and scope of digital acceleration. Finally, it explains how companies can use technologies to not only enable digital acceleration but also involve employees in creating a more productive workplace, no matter where it is.

FIGURE 1

The Need for Speed

A vast majority of organizations intend to keep up digital acceleration

Which of the following statements about digital acceleration best describes your organization moving forward?



Source: Harvard Business Review Analytic Services survey, April 2021

A Digital Adrenaline Rush

The pandemic injected a shot of adrenaline into corporate digital transformation efforts. Before the pandemic, the pace of digital acceleration varied from organization to organization. Some were in the early days of implementing digital solutions in areas such as e-commerce, customer experience, business models, and employee experience, while others were in a more mature stage. With Covid-19 came an urgency around remote work, and the pandemic forced everybody to broaden their digitization efforts across their organizations, including an immediate focus on digitizing the employee experience.

That immediacy eventually reshaped what normal is. As previously noted, the survey shows that acceleration of digital transformation sparked by Covid-19 has indeed become the new normal: 91% of those who accelerated digital transformation amid the pandemic intend to maintain that swifter speed and not return to the pre-pandemic pace—and some aim to move even faster. **FIGURE 1**

The lingering effects of the pandemic are just one of the reasons for the constant need for digital acceleration. Companies are in a growth and hiring mode post-pandemic,

but a wave of employee resignations in some industries¹ and a record-breaking number of unfilled job openings² are hampering these growth efforts.

Bersin of Bersin Academy points out that organizations are finding they can't hire enough people to take advantage of growth opportunities. As a result, he says, they face a real risk that the digital acceleration started by the pandemic may be stopped by the lack of the human capital to make it worthwhile.

According to Bersin, the solution isn't to slow down the digitization of work to improve employee experience but to intensify it and thus increase engagement, retention, and productivity of the workers organizations already have. Retention especially looms as a serious issue, considering that one in four employees (26%) are planning to look for a new job when the threat of Covid-19 decreases, on top of 20% who switched their jobs during the pandemic, according to Prudential's Pulse of the American Worker Survey,³ which polled 2,000 adults working full time

In many cases, digitization not only enables and improves *employee* experience and retention but also can have a direct impact on *customer* experience and retention. Clinical trials, for example, typically require in-person meetings among medical providers, trial participants, and trial administrators. When the pandemic hit, the in-person touchpoints were eliminated. But PRA Health Sciences, a contract research organization that administers clinical trials, used its digital capabilities to collect data remotely when neither patients nor medical staff could meet in person. Kent Thoenke, formerly PRA's executive vice president and chief medical officer and now chief innovation officer at ICON plc., believes that the success of pandemic-related digital acceleration will advance the overall digital maturity of companies involved in clinical trials.

Expanding Digital Prioritization

The pandemic forced many organizations to send their workers home, which is why they immediately devoted most of their efforts to digitizing their employees' experience. "Many companies are astounded at how quickly they put workflows online and how effectively many digital tools could be used for things they didn't predict," says Bersin.

Digitizing was a higher priority for some processes than for others. According to the survey findings, the two processes that were the most digitally accelerated during the past year were, by far, remote work systems and processes (81%) and collaboration and team communication (79%). The most-cited benefit of digital acceleration achieved last year was a productive remote working system and arrangements (71%), with improved operational efficiency and reduced operating costs (52%) a distant second.

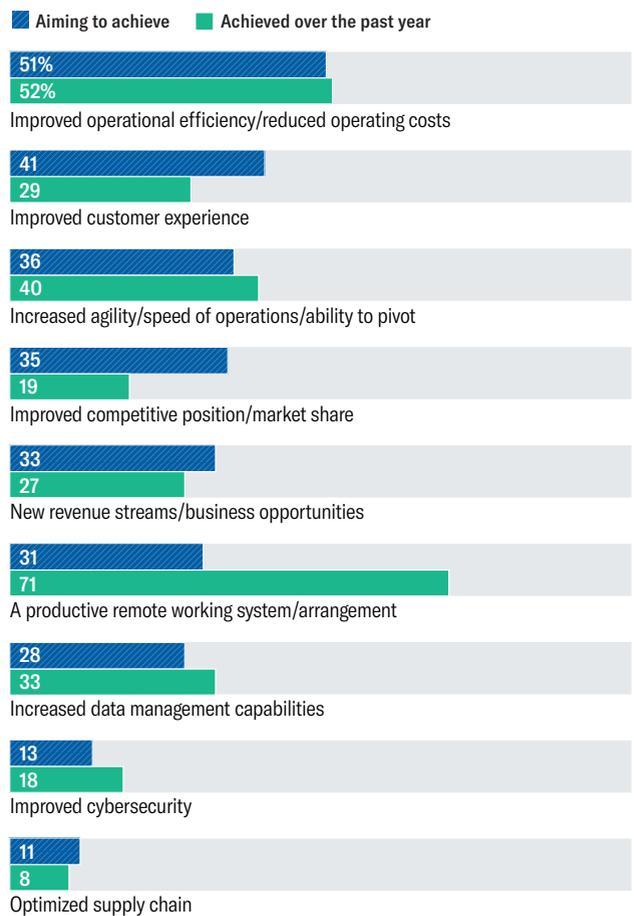
But going forward, remote work may not need the same priority when it comes to digital acceleration. Less than a third of respondents (31%) cite remote work as a benefit of digital acceleration they are looking for. Instead, what they aim to achieve from their continued digital acceleration are improved operational efficiency and reduced operating costs (51%) and improved customer experience (41%). **FIGURE 2** This shift may be the result of the intense focus and progress made in enabling remote work during the pandemic and the recognition that companies now need to make sure that digital acceleration leads to broader business outcomes.

FIGURE 2

Shifting Priorities of Digital Acceleration

After enabling remote work, companies are looking for broader business benefits

What outcomes is your organization most aiming to achieve from its continued digital acceleration? What benefits from digital acceleration has your organization achieved over the past year?



Source: Harvard Business Review Analytic Services survey, April 2021



The two processes that were the most digitally accelerated during the past year were, by far, remote work systems and processes (81%) and collaboration and team communication (79%).

Bersin points to the expected tight labor market over the next two years and the importance of making people more productive as reasons for the continued focus on efficiency.

To ensure productivity and efficiency, it is important to keep track of the right metrics, says Joe Berger, senior director, digital workspace practice at World Wide Technology (WWT). Keeping such metrics is not an easy task, considering the amount of data being generated by interactions between employees and everyone they do business with, including customers, partners, and coworkers. Instead of analyzing superficial data about the attendance or frequency of meetings, data analytics should be aimed at measuring business goals, says Berger.

A mindset focused on productivity and efficiency may change once the economy rebounds. Only a third (33%) of respondents currently view digital acceleration through the prism of growth and business opportunities, for example. “Right now, many companies are dealing with maintaining or recapturing the growth rate they had before the pandemic,” says Bersin. “Once the economy continues growing at a fast clip, businesses will feel insecurity about not growing faster than the market, and we’re going to see a business environment where accelerating growth will be a top priority.”

Aligning Culture and Technology

The interplay between technology and culture is the deciding factor in the success of digital acceleration. Digitized workflows mean that work is more interactive, things are done in real time, and the development of systems and products is continuous and data driven. To succeed, employees need to be more agile and reskill quickly when their jobs change due to advanced technologies, new business or operating models, or other factors. To succeed in their careers, they need a culture of transparency and communication, with the organization signaling to employees which skills they will need and offering training so they can acquire them.

Not surprisingly given their importance, technology and culture have been the two biggest challenges to digital acceleration. At first, the biggest challenges organizations encountered during their pandemic-inspired digital acceleration were tied to technology (constraints of legacy IT systems and tools, cited by 44%) and culture (corporate culture is not fully prepared for digital acceleration, 39%).

When the pandemic hit, technology efforts were sometimes thwarted by a culture built around traditional processes and the expectation that everybody would be in the office every day. Companies in this boat struggled with making the transition to remote work, says WWT’s Berger. He cites a company that asked its employees to come back to the office during the pandemic to pick up their desktop computers because they had no way of accessing any work-related information from home on any other device.

FIGURE 3

Tech with a Human Touch

Top changes needed to succeed at digital acceleration involve culture and technology

Based on your experience during the pandemic, what are the most important changes your organization needs to make in order to succeed at digital acceleration?



Source: Harvard Business Review Analytic Services survey, April 2021



The most-cited benefit of digital acceleration achieved last year was a productive remote working system and arrangements (71%).



By implementing health-related digital tools and platforms, companies can help employees find the resources and programs to deal with mental health and other issues.

Looking ahead, culture and technology compatibility will likely figure prominently in continuing digital acceleration efforts. Respondents recognize that creating a corporate culture that better supports digital efforts is their top priority (53%). **FIGURE 3**

This culture priority is followed closely by the need to integrate technologies into a more seamless system (49%) and the urgency to make technologies more user-friendly/people-centric (46%), which makes sense given how many (44%) say that the constraints of their legacy IT created one of the biggest challenges they experienced in the past year's digital acceleration efforts.

Berger believes that trust is the key ingredient of a culture that supports digital acceleration. "If you don't have trust that the employees working remotely will get their jobs done, the whole concept falls to the wayside," he says.

Another reason why culture has become pivotal stems from the way the pandemic affected how employees view employers' responsibilities regarding the well-being of the workforce. While issues such as empathy, diversity and inclusion, or social justice are not new, they took on a new level of prominence as people became worried about their physical and emotional health. Some groups of employees paid a higher price for their well-being, ability to make a living, or career growth prospects than others did.

Companies can use technology to maintain a culture of equity and caring. Digitally empowered human resources departments can monitor hiring and career path trends and implement programs aimed at diversity and inclusion to ensure equitable workforce practices. By implementing health-related digital tools and platforms, companies can help employees find the resources and programs to deal with mental health and other issues. Enabling remote work fulfills the need for flexibility, which helps employees with their well-being and work-life balance. Meanwhile, communication technologies, whether mobile channels, collaboration tools, or digital signage in the workplace, can keep employees up to date about health risks and share other important information, helping create a safe workplace.

Aligning Management throughout the Enterprise

Digital acceleration works only if it involves all parts of the organization. "Great companies learn that it isn't just the

tech. It isn't just the HR, it isn't just line of business. All three are related. And not one of them can fall behind without holding up the others," says Bersin.

Such an enterprise-wide effort requires a champion at the very top of the organization, and CEOs have shown they are up to the task. Seventy-two percent of survey respondents point to the CEO as the executive who most prioritizes digitization acceleration efforts, followed by the chief information officer/chief technology officer (47%), the chief operating officer (31%), and the CFO (21%). (Chief human resources officers, or CHROs, are among the least likely to be seen as digital acceleration champions, which this report will discuss at the end of this section.) The high involvement of the CEO in digital acceleration bodes well for businesses, as initiatives spearheaded or backed by CEOs are typically more likely than others to succeed.

While top executives agree on the need for digital acceleration, most are not yet fully aligned with the areas, speed, and scope involved in such an effort. Respondents strongly agree (61%) that executives at their organizations believe that continued digital acceleration is critical for staying competitive. However, fewer respondents strongly agree that their executives are aligned when it comes to how to proceed with digital acceleration in terms of its scope (28%), speed (29%), and areas that most need digital acceleration (31%).

The good news, according to Bersin, is that top-level executives across all functions are more likely to collaborate better since the pandemic, which removed many of the barriers that traditionally existed between executives, such as bureaucratic scheduling of meetings involving C-level executives representing different functions. C-level executives worked together during the pandemic, meeting virtually and having town halls with their employees every week.

The challenge will be to maintain that openness and collaboration without having the external pressure of the pandemic. The University of London's Guenole says that the right approach starts with the recognition that digital transformation should be driven by business needs. He gives an example of a company that every year solicits ideas for digital initiatives from all lines of business across the organization. The ideas are then fed to the evaluation committee for prioritization.

While all functions have a role in digital acceleration, the pandemic has brought employee experience to the top of corporate agendas, putting the spotlight on human resources

professionals. And yet the survey shows that just 8% of respondents view CHROs as champions of digital acceleration, a far lower number than is seen for other functions.

“Senior HR professionals used to have a little bit of an imposter syndrome, as they worried that they’re not necessarily making as big of an impact as their line-of-business colleagues,” says Guenole. However, the pandemic has clearly revealed how crucial human capital is for business performance. HR professionals can play a key role in boosting business performance by using technology to improve employee experience, recruit new employees, and increase the retention of current employees.

In addition, to help provide employees with the right skills, human resources professionals can use dashboards to monitor the number of enrollments and completions aligned with learning particular strategic skills. They can now also increase retention by using predictive data analytics to determine which employees may be on the verge of leaving the organization. “Human resources professionals need to be the facilitators who have to know the business needs and how to deliver on these goals via technology, while ensuring that the people side of the business can walk along with that,” Guenole asserts.

Creating a Hybrid Workplace

Flexibility will be key to enabling the future of work now that the pandemic showed that people can function well while working remotely. At the top level of management, it means creating flexibility for employees for mutual benefit—that is, enabling work in the workplace or from home, whichever best fulfills the needs of the organization and the employee. Getting correct that hybrid model of working partly in office and partly remote will be crucial for employee retention. “Employees who don’t like the post-Covid-19 model of work will potentially leave to go to a competitor, and companies may find it harder to attract new talent,” says Berger.

According to the Pulse of the American Worker Survey,⁴ 42% of current remote workers say that if their current company does not continue to offer remote work options long term, they will look for a job at a company that does. This sentiment signals that a “war for talent” may be looming if companies don’t address workers’ needs. That survey also revealed that 87% of American workers who have been working remotely during the pandemic would prefer to continue working remotely at least one day a week after the pandemic. Among all workers, 68% say a hybrid workplace model is ideal.

A hybrid working arrangement will likely gain even more traction. More than half of the respondents (55%) to the Harvard Business Review Analytic Services survey strongly agree that their organizations will operate as a hybrid model



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going forward. Of course, a new work model requires new thinking about creating the employee experience. The rigid employee personas—defined by function, role, or location—need to be replaced by a more flexible methodology, says Berger.

He believes creating a well-rounded employee persona starts with the understanding of a day in the life of an employee. “It’s not just about what technologies do you need to use but also what is your day like? What are the processes that this employee might be a part of?” says Berger. “The persona modeling should be around that full feature set, not just the technology applications that person might need access to.”

Guenole adds that such an approach to the employee experience is more granular and nuanced than traditional modeling and requires a precise, data-driven approach to make sure that different personas coalesce into a well-oiled organization.

But a data-driven approach when it comes to decision making isn’t limited to employee experience. In fact, such an approach can be applied throughout the organization for a variety of things. For example, data management tools that, among other things, provide the understanding of workflows and their business outcomes, are the top technology investment that companies are increasing over the next two years, with 52% of respondents ranking them ahead of collaboration learning tools (48%) and cloud-based platforms (43%). **FIGURE 4**

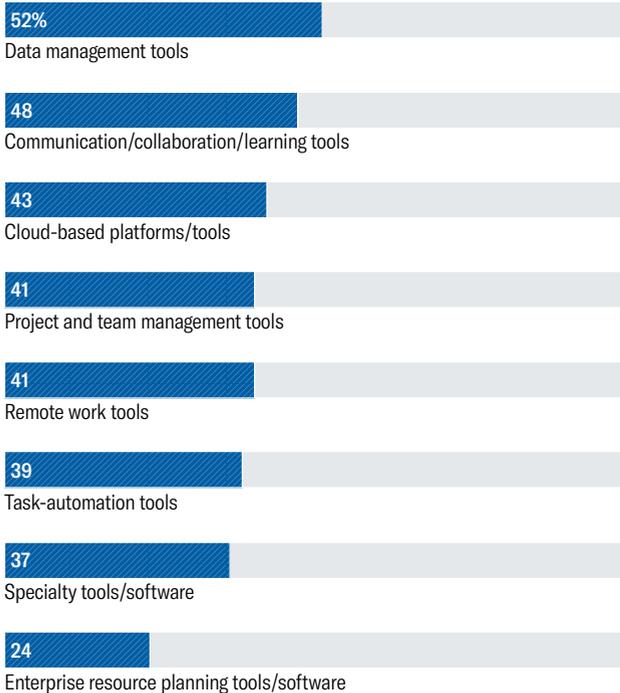
Digital workplace technologies offer the potential for multiple employees to organically create new tools, processes, and workflows. At the polar ends of each workforce are two types of employees, with programmers, developers,

FIGURE 4

Data-Driven Decision Making

Increases in technology investment desired over the next two years

What technologies/solutions will your organization be increasing its investments in over the next two years?



Source: Harvard Business Review Analytic Services survey, April 2021

and analysts at one extreme and those who passively use technologies delivered to them at the other extreme. But in between are those workers who can use low-code or no-code technologies to build services and applications that their colleagues can integrate into their workflows. “This is a fertile ground for organizations to encourage bottom-up innovation of the digital workplace,” says Guenole. “It brings the employee digital experience full circle, as the ideas for digitization are initiated by those who will apply them.”

Enabling the Future of Work

With the opening up of the economy and evolving employee expectations, companies must be able to maintain—or speed up—the digital acceleration the pandemic helped drive. The goal of this continued acceleration is to provide a digital workplace that will enable the future of work—by providing the type of employee experience that meets constantly evolving employee expectations. Creating such a digital workplace, in turn, will lead to higher productivity, efficiency, and growth.

“Companies have started to prioritize the digital employee experience now because they realize how crucial it is to business success,” says Berger.

The pandemic has exposed the importance of never slowing down and always being on the cutting edge of digital maturity. Less-mature companies were less successful with continuing their operations digitally or keeping their employees safe and productive once the pandemic hit. Those organizations that were on the cutting edge of digital maturity not only survived but thrived and created a caring, digitally driven workplace.

The overarching lesson from the pandemic is that the success of digital acceleration requires that culture, technology, and employee experience be viewed as interdependent and mutually supporting. The pandemic has forced companies to rapidly change how they do business, often for the better. The biggest challenge now is to make sure that they don’t fall back but continue accelerating.

“Business leaders have a huge opportunity to communicate to the company, ‘You guys did this, and we’re going to continue doing that,’” says Bersin. “We’re not going back to the same old business before the pandemic.”

Endnotes

- 1 Robinson, Bryan, “‘The Great Resignation’ Migration and What This Means for Your Career,” *Forbes.com*, June 11, 2021. <https://www.forbes.com/sites/bryanrobinson/2021/06/11/the-great-resignation-migration-and-what-this-means-for-your-career/?sh=42e0c38269aa>.
- 2 Morath, Eric, “Millions Are Unemployed. Why Can’t Companies Find Workers?,” *The Wall Street Journal*, May 6, 2021. <https://www.wsj.com/articles/millions-are-unemployed-why-cant-companies-find-workers-11620302440>.
- 3 Prudential, “Pulse of the American Worker Survey: Is This Working?” March 2021. <https://news.prudential.com/presskits/pulse-american-worker-survey-is-this-working.htm>.
- 4 Ibid.

METHODOLOGY AND PARTICIPANT PROFILE

A total of 326 respondents drawn from the HBR audience of readers (magazine/ newsletter readers, customers, HBR.org users) completed the survey.

Size of Organization	Seniority	Industry	Job Function	Regions
24% 10,000 or more employees	44% Executive management/ board members	18% Manufacturing	31% General/ executive management	44% North America
9% 5,000 – 9,999 employees	40% Senior management	12% Financial services	8% HR/training	27% Europe
17% 1,000 – 4,999 employees	13% Middle management	10% Technology	8% Marketing/PR/ communications	15% Asia/Pacific/Oceania
12% 500 – 999 employees	3% Other grades	10% Business/ professional services	8% Strategic planning	8% Latin America
18% 100 – 499 employees		8% Consulting services	All other functions less than 8% each	5% Middle East/Africa
20% Fewer than 100 employees		All other sectors less than 8% each		

Figures may not add up to 100% due to rounding.



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