



The COVID-19 pandemic has accelerated the pace of digital transformation. Companies in the construction and energy industries made progress that was expected to take eight years in just one.

It's impressive because people's willingness to adapt to digital technologies, processes and working patterns was a key limiting factor before the pandemic struck: COVID-19 forced people to work differently.

In March 2020 Mott MacDonald and management consultant Lane4 published a paper examining the role of people in digital transformation.

Long-term, data shows that fewer than 20% of large companies succeed in their digital change initiatives, despite the substantial expertise, time and funding invested. Many digital leaders focus on the adoption of new technology, but forget the crucial importance of people to successful digital transformation.

Ten digital leaders from four infrastructure organisations, all pursuing digital transformation for several years, agreed that people are the biggest challenge.

Academic research underlines the critical importance of winning people's co-operation and support for the success of any change. It confirms that without investing in people, organisations will struggle to realise the promised value of digital transformation.

Investing in technology is relatively straightforward. But transformation requires all individuals and teams across the organisation to adopt new behaviours and digital ways of working. The pace is often determined by the slowest adopters.

Changing longstanding behaviours, embedding new work processes, tackling resistance to change and ensuring all people are invested in the digital transformation journey requires skilled leadership. Inability to adapt quickly can result in substantial waste and damage organisations' morale and reputation too.

# Barriers to progress

One of the most common blockers is the perception that digital transformation is about new IT products. All the digital leaders we spoke to felt that this was one of their key battlegrounds: when people assume 'digital is about IT' they think of it as something their IT department has to implement and don't participate in achieving change. Clearly defining what digital transformation means for the organisation and individuals improves engagement.

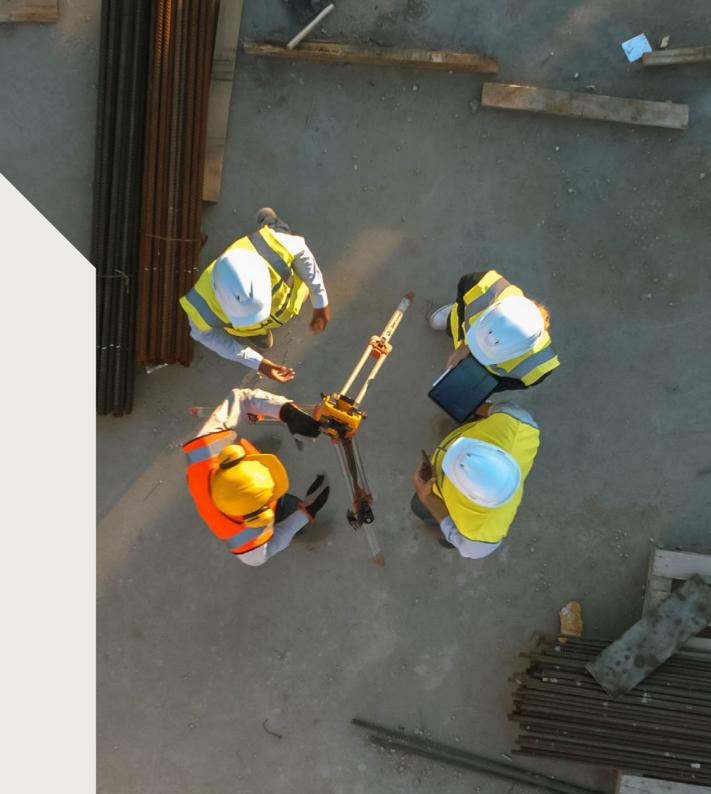
When leaders only superficially support digital initiatives, desired behaviours aren't adopted by others in the organisation. To be successful, leaders have to be authentic in championing change.

Digital transformation can be blocked by resistance to change, which manifests in different ways. Some employees believe that the programme will fail anyway, making them reluctant to adopt new behaviours. Leaders need to build trust in digital by showing how it delivers promised benefits.

People fear that new technology threatens their jobs. They need reassurance that their expertise is valued, while understanding how digitalisation is likely to affect them.

A tendency to 'stick-with-what-we-know' can stymie adoption of new technology or new behaviours, even when the benefits have been shown. Strong negotiation skills and emotional intelligence are required to shift people towards new practices.

People have strong team, company and industry loyalties, creating **resistance to ideas**, **technologies and processes 'not-invented-here'**. It is important that people are helped to feel like they own the solution, and that their reservations are heard and addressed.





1.

### Focus on the 'why'

It's easy to focus on the 'how', especially if it involves new technology. Leaders should never lose sight of the 'why', making clear the benefits that digital transformation will have on business performance.

2

## Show people how they'll benefit

Demonstrating personal as well as business advantages fuels enthusiasm and confidence. Leaders should also ensure they recognise and reward success as people make progress on their digital transformation journeys.

3.

### Co-create the transformation

People don't like to feel that change is being 'done to them'. Leaders need to listen to people's needs and feedback, actively co-creating the change so everybody has ownership.

4.

### Provide a crystalclear narrative

Leaders need to develop a clear communications strategy so everybody understands: why digital transformation is important; what it means for their part of the business; the benefits of digital solutions; and what they personally need to do. 5.

### **Provide structure**

It's easy to assume that change will happen organically once the technology is rolled out, but this will result in digital transformation that is not linked-up across the organisation.

Leaders need a structured and co-ordinated approach to mobilise the entire business.

5.

# Develop digital skills and skills for digital

Digital skills such as data science, machine learning and digital security must be complemented by the skills everybody needs to make digital transformation successful. These include hard skills such as digital literacy or soft skills such as the ability to innovate, experiment and communicate.

# See. Act. Impact.

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