

Monthly Research Commentary

31 May 2010

IT's Role in Engaging and Energizing Employees

David Moschella, Research Director, dmoschella@csc.com

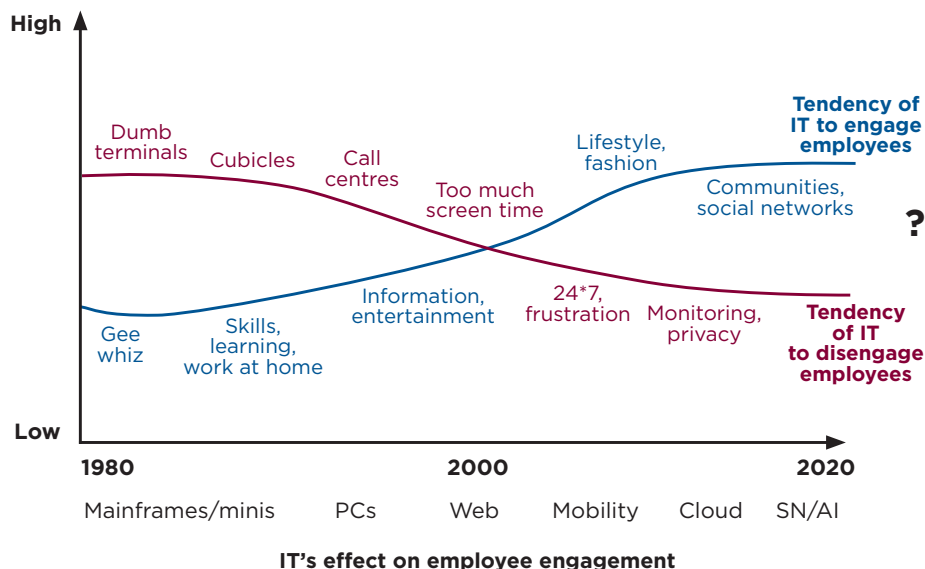
Most CIOs and other Enterprise IT leaders believe that the employees in their firms see the services provided by Central IT as primarily constraining and/or dulling. Less than 10 percent of these senior IT executives believe that the services they provide are viewed by employees as energizing or engaging.

That's one of the key messages that emerged from our Executive Forum conference in London last week. While not entirely surprising, the fact that so many IT leaders see the net effect of their work as largely demotivating to their firm's employees is a sobering reality. It's one of the reasons we chose Employee Engagement as the focus of our first project in our new *Changing Nature of Work* research domain. Both the full project report and the conference survey results are available to clients at www.lef.csc.com. In this month's commentary, we will take a broad look at the pros and cons of IT from an employee engagement perspective, and outline how Enterprise IT should respond.

Everyone recognizes the value of employee engagement. Who would argue against the importance of employees' willingness to go the extra mile, the need to better leverage the skills and ideas of today's highly educated workforce, or the power of engaged employees to respond to necessary business change? Yet most companies know that this is an area where they could do better. Relentless cost pressures, unstable global business conditions and a growing sense of societal unfairness can easily erode the morale of the modern firm, widening the gap between workers and management.

How much can IT help? While it is probably impossible to quantify how employee engagement is affected by individual factors such as business conditions, management style, and the technological culture of the firm, many firms believe that the use of modern IT tools such as social media needs to be part of the solution. However, it seems clear to us that there are ways in which IT can improve employee engagement, and ways that it can undermine it. Supporting the former and mitigating the latter should be the aim of the IT component of any employee engagement programme.

The general nature of these pros and cons is shown in the figure below which depicts our view that the net effect of IT on employee engagement has indeed often been negative, but should become increasingly positive over time.



Let's look first at the case for IT-related disengagement as shown by the red line in the figure. It is easy to identify the ways that IT can be demotivating to employees. Ever since the mainframe days, it's been clear that few people really want to spend their day in front of a terminal entering data, and offices where employees mostly sit in their cubicles staring at screens often have a less than invigorating atmosphere. Call centres are another iconic example of the dispiriting modern workplace. Even those of us with more varied occupations often wonder if we spend too much of our lives in front of various electronic displays. More recently, the combination of mobility and working from home can sometimes make us feel as if we are on call 24*7. Finally, fears of Big Brother may well grow as the ability to monitor employee location and activity becomes ever more powerful.

Fortunately, the upside of IT seems equal to the challenge. There has always been a *gee whiz* aspect of IT that appeals to many workers, especially those who remember what information management was really like in the pre-IT era. During the 1980s and '90s, the personal computer and the internet enabled important new forms of ongoing learning that offered significant career opportunities. Over the last decade, IT has become increasingly inseparable from education, entertainment, lifestyle and even fashion, as what was once mostly a business tool has also become a powerful source of fun, flexibility and status. Social media and the next wave of consumer technologies promise to lift these benefits to an even higher level as IT becomes the foundation of our personal communities and networks. In short, one could make a strong case that the web is now the single most engaging place on earth.

Of course, the balance between these engaging and disengaging perspectives will vary considerably by industry, company and individual, but we think the positive story will generally have the edge. However, what really strikes us about the figure is how much of the history and culture of Enterprise IT is associated with the red disengaging line, and how the blue line is largely synonymous with a more consumerized approach to IT. This is the main reason why we believe that the use of consumer technology in the enterprise can have important employee engagement benefits, a point made strongly at our conference by Unilever CTO, Chris Turner.

But as Ulrich Loth of W.L. Gore made clear in his presentation, no technology can be a substitute for an open, trusted, face-to-face management culture tightly aligned with business strategy. This is why the promotion of consumerization and social media technology programmes alone is unlikely to resolve today's engagement challenge, and why our own research will increasingly look at how many traditional management processes must change to better steer the information-driven firm of the future.

To more fully energize the workplace, modern consumer technologies must be supported by a management culture that truly believes in supporting resourceful human beings rather than exploiting the available human resources. But for those companies that really want to openly engage with their employees, information technology will be an important tool. Enterprise IT organizations should increasingly partner with their management and human resources teams to develop a more effective and engaging workplace. Our research will continue to help clients work towards that end.

Leading Edge Forum

CSC's Leading Edge Forum (LEF) is a global thought leadership community that assesses the growing intersection between business and IT.

The research memorandum above is part of a monthly series of market commentary from the LEF Executive Programme, an annual retainer-based research and advisory service for CIOs and other business/IT leaders from large organizations. LEF Executive Programme members enjoy access to a global network of world-class subject matter experts, peer-level executive conferences, in-depth study tours and on-going advisory services.

For more information about the LEF Executive Programme, visit lef.csc.com.