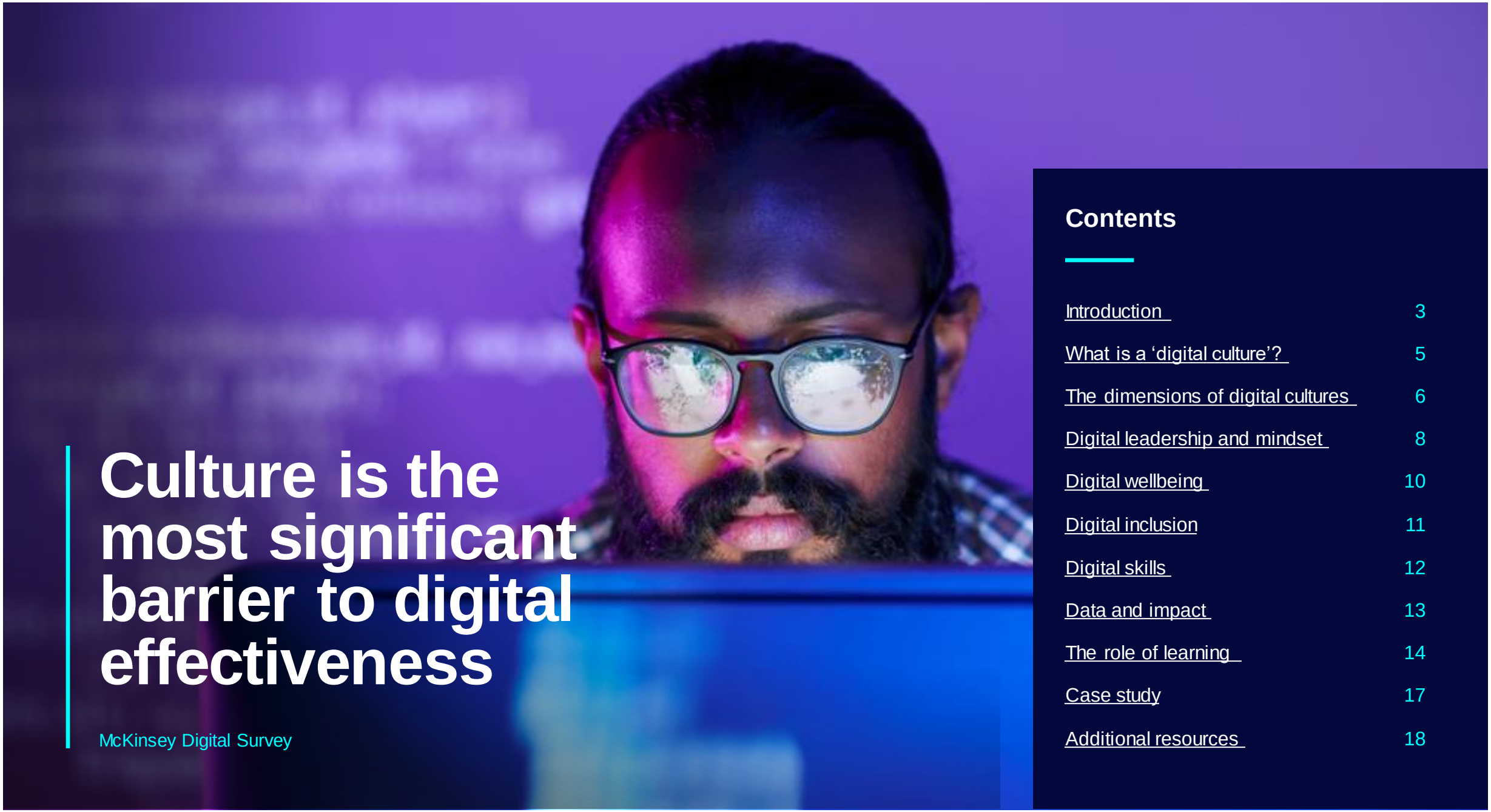
Thriving digital cultures

2023 Learning report

Capita



Culture is the most significant barrier to digital effectiveness

McKinsey Digital Survey

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Introduction

While 'digital' and 'culture' are two words which can often feel overused within organisations, the numerous ways in which digital technology has defined modern society and work are undeniable.

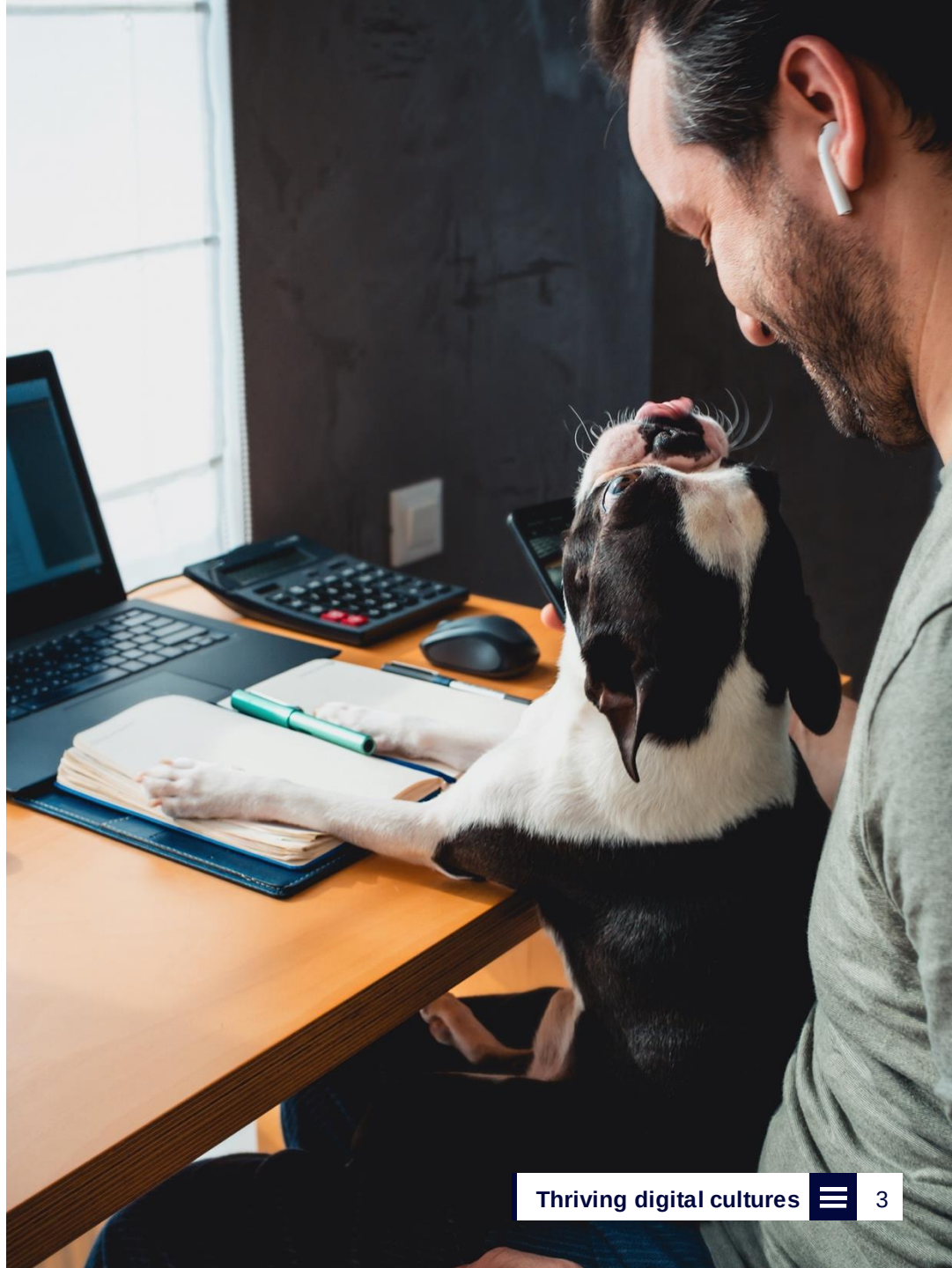
During the pandemic, the popular communication and meeting platform Microsoft Teams saw daily active users jump from 32 million to 145 million in the space of weeks - it reached 270 million in 2022.[1] The shift to hybrid and remote work, the digital requirements it brings and the growing necessity for a digitally competent workforce are going nowhere.

This year has also witnessed the explosion of ChatGPT. According to Goldman Sachs economists, as many as 300 million full-time jobs around the world could be automated in some form by this newest wave of artificial intelligence.[2] Without the mindset, knowledge and skills to leverage these technological advances, organisations risk being left behind.

Investigating how technology and people interact, and how digital cultures are formed and thrive, therefore remains essential to understanding the ever-changing future of our digital age. So, what exactly is a 'digital culture', and what is it made up of?

This report will explore how digital culture is defined and the critical dimensions that we believe play a fundamental role in establishing a thriving digital culture, asking:

- What role does digital leadership and mindset play in the new world of work?
- How can we create effective, accessible digital experiences to promote digital inclusion and positive digital wellbeing in an era of screen fatigue and digital overload?
- How can data play a critical role in informing the decisions we make?
- What role does learning play in contributing to the development of digital cultures?



Digital cultures are fundamentally about people.

Organisations must evolve beyond focusing digital transformation solely on technological advances, tools or skillsets, and shift their efforts to strike a balance between the need for technical and human approaches to work.

Digital strategies which exclude people are not an option. Shaping an environment where leaders, teams and individuals are engaged with the potential of digital technologies, are enabled to adopt digital mindsets, and are continuously included in digital decision-making, is key.

Scott Hill, Chief People Officer, Capita

What is a ‘digital culture’?

In simple terms a digital culture has been described as “the relationship between people and the use of technology”.[3]

While this may seem obvious, definitions of digital culture vary and it is important to recognise that it is a concept which may not always be perceived in the same way. Relating to organisational culture alone for example, the academic literature has more than 50 definitions, including employee anecdotes, organisational rituals, and corporate symbols.[4]

The World Economic Forum (WEF) calls digital culture the driving force of digital transformation, stating that organisations with a strong digital culture use digital tools and data-powered insights to drive decisions and customer-centricity, while innovating and collaborating across the organisation. They propose that when implemented purposefully, digital culture can drive sustainable action and create value for all stakeholders[5]. Aligned to this view, Charlie Gere, author of Digital Culture, proposes that it is neither new nor determined by technology: rather, technology is a product of digital culture.[6]

Despite varying perceptions, what is important for an organisation in defining its unique view of digital culture is consistency. Only with a consistent definition and common understanding can work be done to identify and operationalise solutions to develop a digital culture with relevant and measurable outcomes.

Why do organisations need one?

Research shows that it is the most intensively digital-using sectors that are making the largest contribution to productivity growth at the aggregate economic level.[7]

Digital culture is now a necessity in our ever-changing landscape and according to research,[8] vital to:

- Rapidly respond and adapt to the changing organisational landscape.
- Leverage technology effectively.
- Deliver stakeholder impact.

It is expected that global GDP will be up to 14% higher in 2030 as a result of the accelerating development and adoption of AI[9]

The dimensions of digital cultures

Given the varying definitions of digital culture and the breadth of cultural nuance, pinpointing the dimensions of what they encapsulate is not an exact science.

The WEF[10] offer the following useful framework and pillars of digital culture:

- Collaborative.
- Data-driven.
- Customer-centric.
- Innovative.
- Purposeful and sustainable.

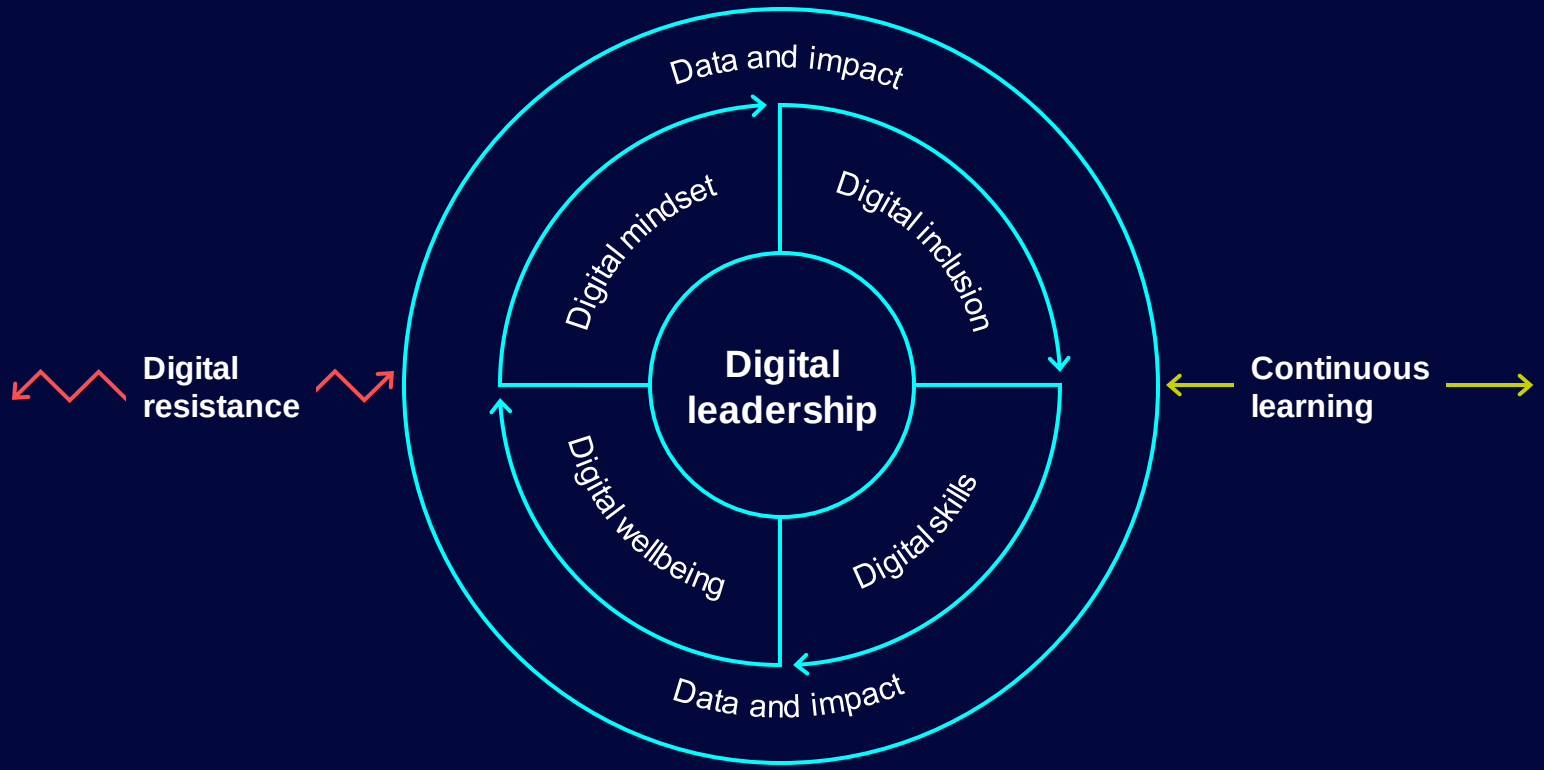
These provide a clear critical view of the types of behaviours we might expect to see as part of a digital culture.

The question remains though, how are these behaviours achieved? What are the foundational aspects of an organisation which might drive the right mindset, skills and data to nurture a digital culture? What underpins a digital culture to enable such outcomes as collaboration and customer-centricity?

In asking these questions we identified the following underlying dimensions of digital culture:

Digital leadership, mindset, inclusion, wellbeing and skills.

We also noted the importance of recognising the role of digital resistance and continuous learning, as opposing and compelling forces which can hinder or heighten the capacity for an organisation to develop a thriving digital culture. Much like a learning culture, which weaves learning into the fabric of how things are done in any given organisation, a digital culture requires much of the same continuous learning and empowerment to experiment, fail and learn.

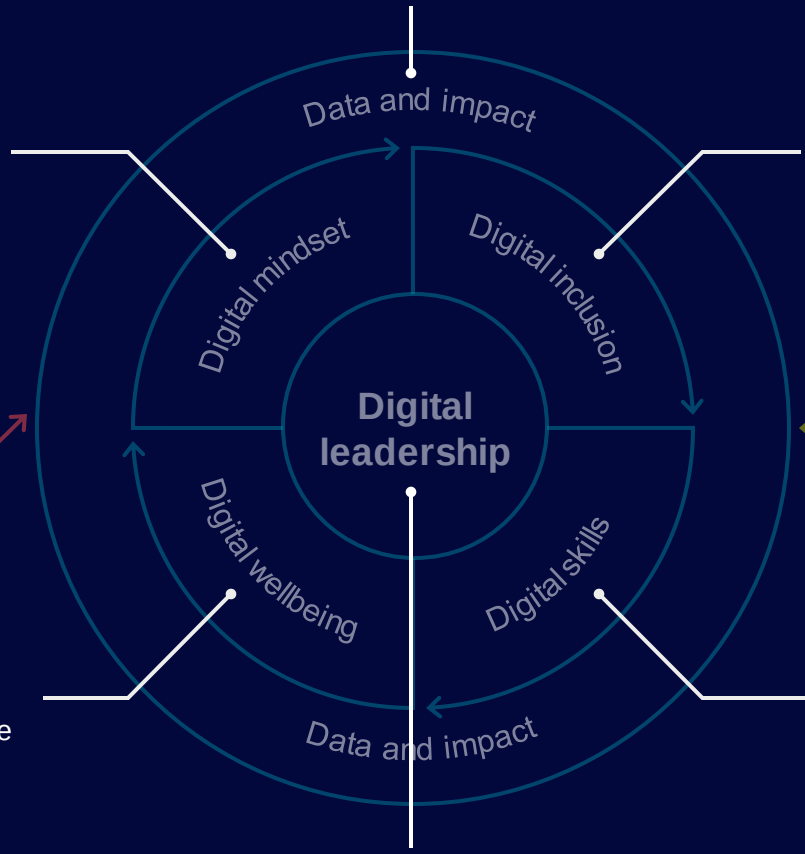


The dimensions of digital cultures

Data is a vital foundation to a digital culture, which must employ data and analytics to inform decision-making, and measure the impact of digital initiatives.

A digital mindset is essential to digital leadership, yet must extend throughout the entire organisation, driving employees to spot digital opportunities and maximise productivity and performance.

Inclusion is an often overlooked aspect of digital cultures, but essential to encouraging equitable participation in digitally-led processes and initiatives across the organisation.



In the same way that technology professionals must continue to upskill themselves in the continuously changing landscape of their roles, the entire organisation must commit to staying afloat of digital trends and embedding continuous learning into the flow of work.

Continuous learning

Without the right mindset and knowledge, digital advancement may be resisted (consciously or unconsciously), with progress significantly hindering organisational progress.

Digital resistance

Use of digital tools may have negative implications for employees, for example blurring the work-life boundaries, creating an 'always-on' mentality, constant video meeting fatigue, or creating specific challenges for certain groups such as neurodiverse groups. Ensuring a considered and responsible use of digital is crucial to promote positive wellbeing and reduce friction.

Not everyone in the organisation requires deep technical skills, but a foundational level of competency is now essential to facilitate productive, collaborative working, especially in a hybrid working world.

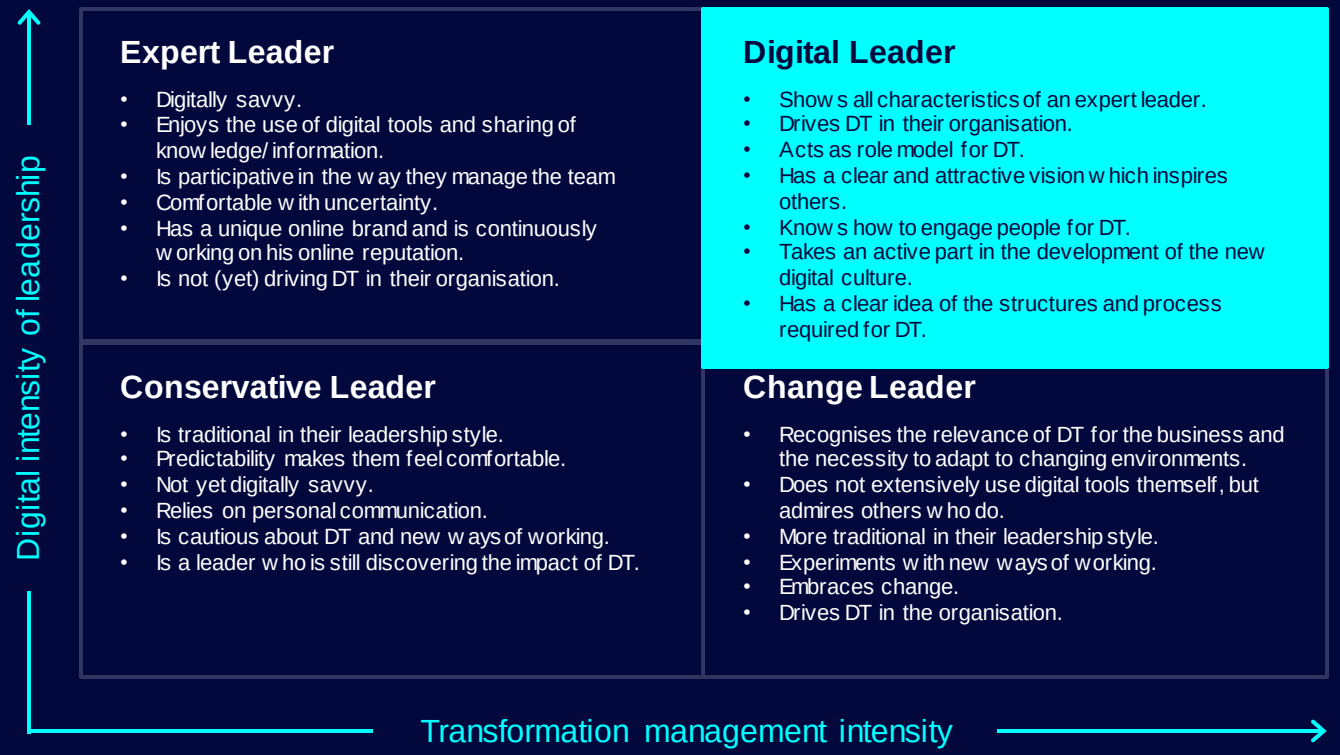
Without digitally competent leader's organisations will fail to grasp and exploit new technologies as they arise, failing to grow and remain competitive.

Digital leadership

The shifting landscape for leaders is perhaps greater than ever before. Not only in terms of technology but a vast range of skillsets such as empathy, sustainability and social responsibility. Leaders must strive to upskill themselves in digital not in silo, but alongside these emerging focus areas where technology could play a pivotal role in solving complex challenges.

The term “digital leader” has been defined by sociologist Utho Creusen as, **“a digital company leader who does not necessarily have detailed technological knowledge, but rather a specific mindset”.**[11]

Only 35% of leaders feel they are capable of leading in an increasingly digital world[12]



As a leader they demonstrate the ability to learn and to flexibly adapt to these new challenges via nonlinear thinking, adopting new perspectives in contrast to conservative approaches. A personal curiosity to learn and try in pursuit of innovation are key. Creusen points out that a general understanding of software and technological context is important to evaluate new developments, but technology is not in itself the driver for change, it is an enabler.

Dweck (2014, 2016), Marasek (2016) and Braehmer (2017) add that digital leaders have two main competencies in addition to being a transformative leader: **a digital mindset that enables them to view digitalisation as a chance for innovation, and digital skills that they can leverage as a role model.**

A digital mindset is defined as…

“a set of attitudes and behaviours that enable people and organisations to see how data, algorithms, and AI open up new possibilities and to chart a path for success in a business landscape increasingly dominated by data-intensive and intelligent technologies.”[13]

Digital mindset

A digital mindset is integral to the role of the digital leader but must also extend beyond leaders and managers to everyone in the organisation.

When it comes to learning, a digital mindset is about using technology to facilitate and enhance learning, rather than replacing traditional methods entirely. It requires a willingness to embrace new technologies, as well as an understanding of how to use them effectively to achieve educational goals.

In a large-scale study since 2017,[14] six dimensions of the digital mindset were identified:

- Openness and agility.
- Proactivity.
- Creativity and design motivation.
- Customer centricity.
- Critical faculties.
- Open-mindedness in dealing with failure.

Digital wellbeing

Workplace wellbeing has received increasing attention over the past few years, and with the shift to remote and hybrid work, mental health and digital work are increasingly in the spotlight.

Some specific concerns around digital technologies (as cited by CIPD) include that they can deskill jobs through automation, create precarious work through the 'gig economy', damage work–life balance by encouraging 'always-on' work climates, weaken social relationships, and damage our health through the physical effects of blue light and screen time. These effects have sometimes been labelled 'technostress'.[15]

There are multiple forms of technostress, and it may be triggered in certain circumstances where:

1. There is a high technology dependency.
2. A gap between what we know and need to know is perceived.
3. A change in work culture bought about by technology is detected.

Digital wellbeing: The impact of technologies and digital services on people's mental, physical and emotional health.[16]

The five key domains of technostress[17]

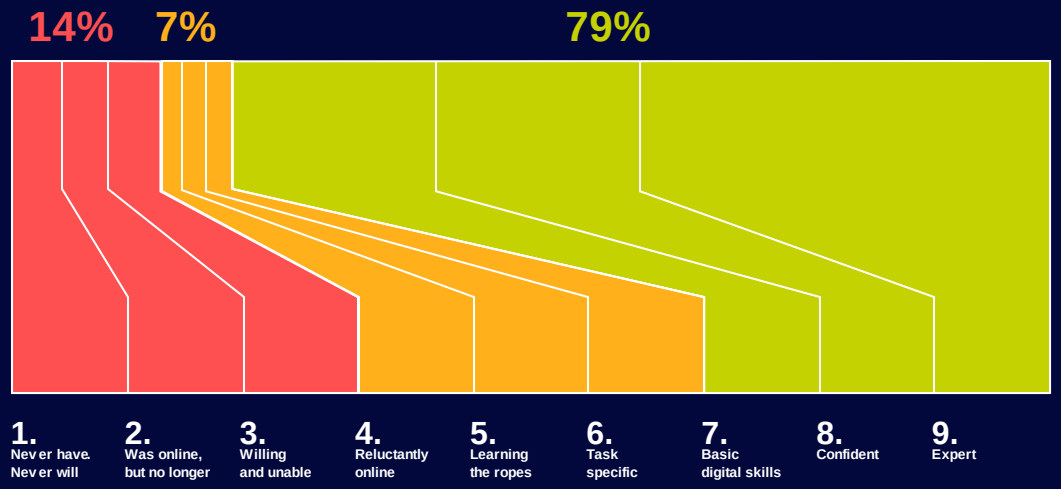
Stressor Stressful stimuli and demands experienced when adopting new technologies	**Strain** Psychological, physiological, or behavioural responses	**Outcome** The results of sustained strain caused by technology
Techno-overload **Techno-invasion** **Techno-complexity** **Techno-insecurity** **Techno-uncertainty**	**Psychological** • Emotional exhaustion • Overwhelm • Mental fatigue • Lost confidence, lower self-efficacy **Physiological** • Cognitive fatigue • Elevated cortisol • High blood pressure • Low mood **Behavioural** • Resistance to change • Rejection • Emotional negativity • Task avoidance • Maladaptive behaviours	**Individuals** • Poor memory • Anxiety • Fatigue • Job dissatisfaction • Rejection of new ideas • Burnout **Organisations** • Lower productivity • Poor task performance • Technophobia • Resistance to change **Technologists** • Low feature adoption • Low utilisation • Low end-user satisfaction • Churn

Digital inclusion

The United Nations define digital inclusion as: **“equitable, meaningful, and safe access to use, lead, and design of digital technologies, services, and associated opportunities for everyone, everywhere”.**[18]

The UK Government’s digital inclusion scale illustrates that only about 60% of the adult population are confident or expert with digital technology.

UK population digital inclusion scale



Why does it matter for organisations?

Social responsibility. Digital inclusion is of growing importance for organisations as demographics shift and the demand for skilled workers grows. A lack of digital inclusion within society may create a first barrier to entry into the workforce.

Achieving workplace equity. In a workplace context, inclusion is critical for participation. In this sense inclusion is not only access to digital devices and services but being able to participate equitably and contribute and influence organisational processes and outcomes.

Empowering employees to thrive. Skills are integral to inclusion – ensuring all employees are equipped with a common understanding of how to access and use digital tools. This demand for digital skills to foster inclusion is now critical in hybrid settings to enable collaboration and innovation.

A year into remote working, one survey showed that 42% of employees still don’t have all the supplies they need for working from home.[19]

Digital skills

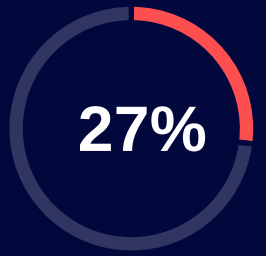
As it stands, technological innovation is developing at a faster pace than the skills needed to apply such technology. The industry accounts for 5.5% of the UK economy. That's an estimated £82.7bn and, by the government's own estimates, it could bring an additional £41.5bn to the economy by 2025.[20]

However, without the right digital skills and competencies, organisations will struggle to meet the demands of the digital age. A shortage of technical skills has been an oft-cited challenge over the past few years for organisations. While remote work allows access to a wider talent pool, organisations are at the same time faced with high turnover and wider competition for talent.

61% of HR professionals believe hiring developers will be their biggest challenge in the years ahead[21]

Yet almost three in five workers (58%) say their employer has never provided them with training to improve their digital skills.[22]

Role-specific digital upskilling and digital transformation is one of the top 3 training topics for managers in 2023.[23]



of UK workers say that they lack the sufficient digital skills required for their job role[24]

of UK IT firms find the present talent shortage and access to skills among the biggest barrier for their companies[25]

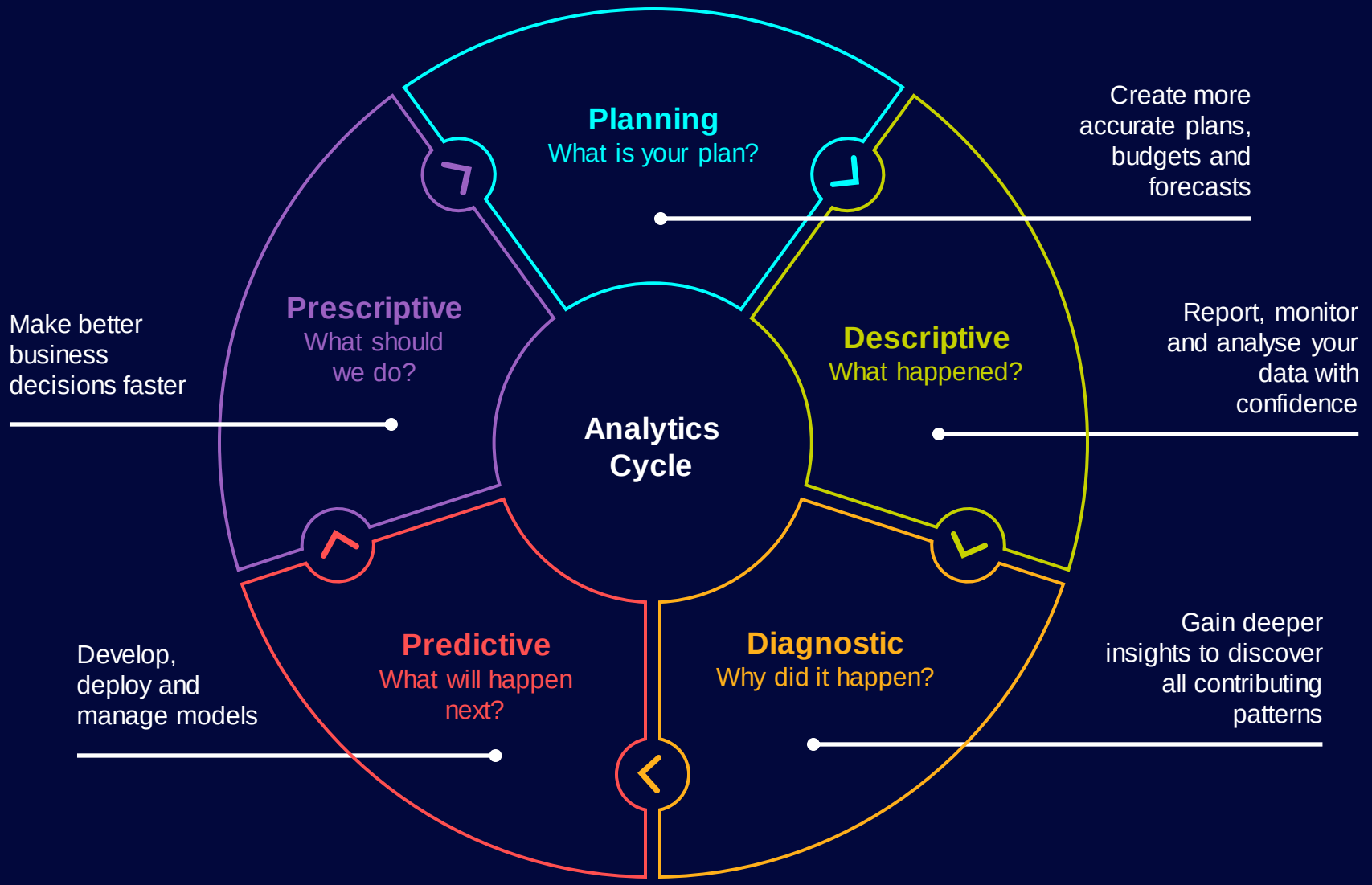
Over eighty per cent of all jobs advertised in the UK now require digital skills[26]

Data and impact

Connecting the right data to the right solutions to inform decision making and measure the impact of digital initiatives is fundamental to the development of a digital culture.

The ideal state is to move to more of a cyclical analytics cycle, using data to not only spot patterns and identify individual trends, but to help predict and interpret the future and the best ways to leverage digital technologies for maximum benefit.

In a thriving digital culture, technology and data are therefore key enablers and data is accessible across the whole organisation, or **democratised**.




Thriving digital cultures and the role of learning

Key learning levers

- Enhance data skills across the entire organisation.
- Promote analytical thinking and experimentation.
- Demonstrate business value.

- Target behaviour change to promote digital-positive mindset.

- Build education and awareness around digital inclusion/exclusion.

Digital resistance

Continuous learning

- Build education and awareness around digital wellbeing.
- Signpost wellbeing support.

- Build workforce skills and capability across the entire organisation.

- Enhance digital knowledge among leaders.
- Equip leaders to effectively communicate digital vision.
- Target development of a strategic digital mindset.
- Behaviour change to address digital resistance.

The role of learning

So how can learning play a role in addressing these dimensions and shaping a thriving digital culture?

A learning culture is fundamental to a digital culture. Each core dimension of our digital culture model demands a level of technical knowledge, behavioural awareness, organisational process integration, and mindset adoption. With efforts to address learning across these levels, a continuous culture of learning becomes more embedded and digital resistance can be minimised.

The role of learning

Find out more about our skills bootcamps here.

What steps can organisations take to start integrating learning into their digital culture journey?

1. Assess

Benchmarking digital capability and diagnosing cultural context is critical to understanding your unique organisational needs. This involves skills analysis and planning coupled with cultural discovery. For example, we have developed a cultural health check which allows us to assess cultural content against dimensions such as learning and innovation to inform cultural change initiatives.

2. Lead

Empowering and upskilling leaders to shape a digital focus within the organisation should be a primary focus for learning and people teams. First, leaders need to be upskilled with the right level of digital proficiency to drive this agenda. They must then be able to integrate this knowledge into their strategic vision, and effectively communicate this throughout the organisation.

3. Grow

In addition to growing the relevant technical skills within the company, learning should focus on growing the right mindsets through behaviourally-focused learning and interventions. Behavioural change programmes should be the focus here, not only seeking to equip teams with new skills but the right behaviours.

4. Learn

Learning interventions focused on both nurturing behavioural change and mindset shifts, as well as addressing digital competencies must play an integral role in organisational development. These might be curated resources, bespoke programmes, or funded initiatives such as skills bootcamps. They should span from the foundational digital skills that every employee needs, through to the niche technical skillsets needed to drive change.

5. Engage

Creating engaging, inclusive digital experiences can expose employees to exciting and creative ways to use digital technology.

6. Evidence

Data is not about creating a perfect picture of the world. It should be a conversation, a way to tell a story and see how it evolves. When it comes to culture, there are multiple influencing factors which may contribute to cultural change – but at each step of the way, defining your objectives, capturing data, and testing your hypotheses about what might shape a thriving learning culture are essential to getting closer to understanding what works for you, and designing solutions that are impactful.

Case study: Transforming learning in the Royal Navy

Capita is the majority partner in the Team Fisher consortium, responsible for transforming training for the Royal Navy for Project Selborne across a 12-year partnership. The vision for Project Selborne is to deliver an optimised pipeline of competent Navy personnel, deployable at speed, with greater efficiency.

Capita is playing a vital role in enabling this transformation, leading key workstreams responsible for delivering and transforming an end-to-end modern learning service for the Navy including culture, technology, and learning and development. Recent deliverables have included:

- ✓ Digital Learning Environment homepage redesign and micro-learning modules.
- ✓ A 'Welcome to Selborne' induction for all new starters.
- ✓ L&D podcasts to support staff on their training journeys.
- ✓ Implementation of a new apprenticeship management system.

Integration of existing personnel under Team Fisher.

Consolidate 26 contracts into an integrated single service.

Modernisation of 479 learning courses.

Upskilling of 960 trainers.

Modernisation of submariner school.

>16
Workforces within the RN have received detailed CPD support (L&D)

400k
Number of DLE users benefitting from improved functionality

1000
Sailors starting each year have better initial training courses (DLE)

80+
Culture workshops delivered to RN leaders

Additional resources

- The BBC Digital Human Podcast
- The Digital Mindset, Paul Leonardi & Tsedal Neeley
- The World Economic Forum Digital Culture Guidebook
- The Digital Culture Network

Thanks for reading

For any enquiries contact Steph Bright:
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