



# Reinventing the IT workforce

By Kenneth L. Cundari and David Quinney

The performance and business impact of IT cannot improve unless execution improves. And IT execution, in the end, is determined by how effectively an organization leads, enables and engages its IT workforce.

Today, organizations both public and private are turning to their IT professionals to complete an ever-growing and more complex agenda. Across a wide range of activities—next-generation networks, post-merger integration, the rapid rollout of new products and services—their skills and knowledge are critical to the success of the organization. That's why current performance issues with the IT workforce have gotten the attention of senior executives in almost every industry.

But years of relentless cost cutting have left many companies and government agencies vulnerable when it comes to the ability of their IT workforce to meet organizational goals. The percentage of projects delivered on time and within budget remains low. In many cases, morale and loyalty are suffering: Nearly three-fourths of 650 companies surveyed last year by META Group reported morale problems in their IT departments. Retaining skilled workers is difficult, and it promises to become even harder as the economy turns around in some parts of the world. The average age of the workforce is increasing, and critical

knowledge capital is preparing to leave the IT shop for the golf course. Workforce management has become exceedingly complex, involving coordination of different people and cultures in multiple global locations.

In short, CIOs are finding that the management and development of their IT workforces is as vital now as any of the more traditional technology-based measures and areas of focus.

All the strategies, and all the savings generated from initiatives such as server and data center consolidation, will not translate into business value unless the workforce is both enabled

and engaged in the critical work of the organization. Ultimately, the performance and business impact of IT cannot improve unless execution improves. And execution, in the end, depends on how well the IT workforce performs.

## Smart investments

When companies cast an unflinching gaze on how they are currently investing in the performance of their IT workforce, the picture is often not a pretty one. CIOs tell us that a majority of their investment budget is spent to support business capabilities. When money is reinvested in the IT organization, most of that is allocated

to infrastructure upgrades. At the very bottom, representing about 1 percent of the total budget, are IT workforce investments—most of which are earmarked for ad hoc training.

Many IT executives overlook the enormous potential of workforce investments to drive high performance. Based on her experiences as the vice president of IT strategy and development for a major US brokerage firm, one executive notes that “many of us in our profession have analytical mindsets that serve us well most of the time, but can be an obstacle to seeing the business value of workforce investments. This is not touchy-feely stuff. Anywhere from 40 to 70 percent of the IT budget is tied up in our people. Why wouldn’t one want to optimize an investment like that?”

But how and where does one invest for maximum return? Few IT executives have at their disposal the hard business metrics they need to target and track investments in people. Without a holistic and integrated picture of all the human capital components that need to be running optimally for the IT workforce to execute at high levels, IT executives may make one of several possible mistakes. They may “serially invest” in one-off projects, for example, that are delegated to whomever is available at the time. Or they may tackle only one part of the problem—say, at the team level—without making simultaneous investments at the individual and enterprise levels. The result: The capability of the workforce does not improve, projects take longer and technology change fails to produce the expected business benefits.

### **Seven dimensions**

Accenture’s research and client experience have shown that the effective implementation of IT

workforce transformation initiatives requires the coordination of investments in seven integrated capabilities (see “The Accenture IT Workforce Maturity Tracker,” page 60). These investments are made as part of a comprehensive change program that is linked to a wider IT transformation program.

Because an organization is only as strong as its weakest capability, each component must be managed along a maturity curve so that benefits flow from one dimension to another and so that partial gains are not subsequently lost because of competing priorities. Through this coordinated approach, organizations ensure that the IT workforce is enabled to perform in ways aligned with the needs of the business and, simultaneously, engaged at an emotional level so that a deeper connection is established and maintained with the organization.

### **“Talent management” and “workforce enablement”**

Two of these dimensions—talent management and workforce enablement—are very closely connected. *Talent management* refers to the capability to effectively acquire and manage the work of the best-performing individuals in critical jobs. *Workforce enablement* refers to the learning, knowledge management, collaboration and other performance needs of both individuals and teams.

These dimensions are especially important to an IT organization. They ultimately determine whether the IT workforce has the right skills and competencies, in the right quantities and locations, and leveraged in the right way, to get the job done most effectively. Can individuals find the information and experts they need? Can teams collaborate effectively? Tools such as the Accenture IT Work-

## High performers are increasing the sophistication with which they address the cultural issues that underpin the adaptability and changeability of the IT organization.

force Maturity Tracker (see page 60) can help organizations assess where they stand now with workforce capabilities and tools, as well as where they need to improve.

Managing talent effectively means addressing the entire employee life-cycle, including acquisition, development and performance management. John Glaser, vice president and chief information officer of Partners HealthCare System in Boston, once asked a group of his mid-level managers how many of them had regular conversations with their employees about what those employees wanted to do next in their careers: "It was striking to me how few hands went up," he says. "Now, we may not always have a perfect answer ready, but we need to at least be asking our people the question." To address this issue, Glaser has introduced what he calls a "career growth initiative" to increase the guidance available to employees about how to grow their careers in a way that also supports the needs of the business.

Organizations that effectively manage talent and support optimal enablement of their IT workforce have a comprehensive model in place that describes all their critical competencies and skills, detailed standardized role descriptions and IT career paths. Then they manage that model over time, continuously assessing their workforce, and diagnosing and closing skill gaps using a range of targeted interventions, such as learning, knowledge management

and collaboration tools, remuneration and performance feedback.

### **"Workforce adaptability" and "ability to change"**

One of the ironies that plague IT organizations is that although their people are constantly introducing change to companies through new technologies, they receive relatively little attention themselves when it comes to adapting to change. In our experience, successful companies, however, are increasingly sophisti-

cated about the way they address the cultural issues that underpin adaptability and changeability.

For example, when Igor Andronov, director of group IT at UK-based Lloyds TSB, initiated a comprehensive IT workforce transformation program, he established a two-pronged approach, with programs and measures along two axes. One axis addressed operational and pro-



cedural improvements—initiatives focused on improving workforce processes and service. The other axis, however, was about cultural change, or as Andronov puts it, about “how we interact with one another as we do our work. We said that during the transformation program we wanted to make progress along both of those axes so we would get to success, which would be a high-performing organization.”

One of the aggressive performance targets Lloyds TSB set for the IT transformation program was to improve the performance of IT service delivery by 50 percent within two years. In fact, the group exceeded that target by 10 percentage points. Says Andronov, “I think hitting our service delivery improve-

ment targets really depended on the way we went about addressing both dimensions—not only operations but also the culture.”

### **“Workforce efficiency”**

An IT workforce transformation program must always have an eye on producing as much cost savings and efficiency as possible. Every IT executive is going to look at IT workforce transformation as two parts of an equation, according to one veteran. “One is how you increase the value to the business of what you are doing, and the other part is how you cut costs,” says this executive. “When you look at the cost part, a big piece of that can come from improvements in workforce productivity, which, in turn, comes from employees who are more focused,

## **The Accenture IT Workforce Maturity Tracker**

Enabling and engaging the IT workforce in support of IT transformation requires consistent and simultaneous investments in seven important workforce capabilities (see story). These combine top-down initiatives related to exercising leadership, engaging the workforce and improving the efficiency of human capital, as well as bottom-up investments in workforce adaptability and performance, talent management and the ability to change.

But even though investments in all dimensions are important, at any given organization some areas may currently be stronger than others. How can an organization be certain where it stands right now in terms of the relative strengths and weaknesses of its IT workforce and organization?

One important aid to analysis and diagnosis is the Accenture IT Workforce Maturity Tracker. This diagnostic tool enables a rapid assessment of how a company's IT organization compares to leading practices along a five-stage maturity continuum that ranges from the ad hoc and basic to the more progressive and pioneering (see Figure 1, opposite). The tool helps quantify the impact of any limitations within the IT workforce on the aspirations and goals of the company.

An accurate and comprehensive diagnostic is possible because of the detailed information collected by the Accenture IT

Workforce Maturity Tracker about the essential characteristics within each of the seven capabilities. For example, more than a dozen characteristics essential to leadership are explored, including:

- Presence of an articulated vision and defined performance goals
- Capability of making fact-based decisions
- Employee perception of IT leadership
- Business perception of IT leadership's role
- Accessibility of senior leaders

Data is collected through observations of the organization and its interactions and interviews with key stakeholders, as well as through the examination of other supporting information, including employee development structures and organization charts. An overall assessment for each category is based on rankings for the individual characteristics.

An analysis of the gap between the “as is” and “to be” positions on the Accenture IT Workforce Maturity Tracker can enable a company to identify key development areas and potential opportunities. Skilled workforce transformation architects can then define a series of targeted workforce interventions that can be orchestrated and tracked over time within a larger IT transformation program.

know what they are supposed to do and are enabled to do it.”

When it comes to efficiency, one of the biggest challenges is managing a global workforce. Companies must acquire and retain their most important skills in the right locations, enabling IT services to be delivered as cost-effectively and efficiently as possible. The difficulty of global sourcing, in turn, introduces many complexities on the people side of the organization. For example, a distributed IT organization requires handing off work to different locations or departments within IT, coordinating virtual teaming or forging service-level agreements with vendors. Optimizing workforce efficiency in this environment means ensuring that resource

supply and demand are balanced, critical resources are reallocated quickly, and work handoffs are handled with no loss of productivity or quality.

**“Leadership” and “employee engagement”**

If an IT workforce transformation program is to succeed, the need for change must be fully embraced at the most senior levels of the company, and the change program itself must be led by the CIO. While many process improvements can be delegated, the change management program itself cannot, and senior leadership must be actively engaged in the process all the way through.

Under Andronov’s leadership, for example, Lloyds TSB has invested

Figure 1

			Strategic focus	Visionary and inspirational
Leadership	Shortsighted and uninspiring	Predominantly tactical	Strategic aspirations	Equipped for performance
Workforce enablement/performance	Individual “lone stars”	Career and performance frameworks	Managed for performance	Integral to success and proactive activity
Employee engagement	“Irrelevant”	Good intentions, ad hoc actions	Good intentions, planned activity	“Way of life”
Workforce adaptability	Rigid and reactive	Individual adaptability	Adaptable mindset	Proactive and supported
Ability to change	Limited and reactive	Individual champions	Awareness and advocacy	Right workforce at right cost
Talent management	Skills and portfolio mismatch	Tactical skill management	Key roles planned and managed	Smart sourcing
Human capital efficiency	Underutilized but overworked	Limited measures	Measured and managed allocation	
	Level 1 Ad hoc	Level 2 Basic	Level 3 Proactive	Level 4 Progressive
				Level 5 Pioneering

## Good leadership in an IT organization means being brave enough to set metrics and then live with the consequences of success or failure in meeting them.

a considerable amount of time and resources in engaging the executive and managerial teams in the transformation program. Beginning with his direct reports, and then moving to the senior executive and management teams, Andronov has overseen more than 40 three-day off-site workshops where participants discuss how change happens, what an effective team is, what individual leadership styles mean and what expectations leaders should have for their people and one another.

Notes Andronov: “The executive in charge needs to carve out enough time to lead the transformation program as well as the developmental growth of the people. I can’t expect someone else to do it, and I can’t expect my people to expect someone else to do it.”

Good leadership is always courageous. In the case of the IT organization, that means being brave enough to set metrics, communicate them clearly and broadly, and then live with the consequences of either success or failure in meeting them. The impressive results delivered in the second year of the Lloyds TSB IT workforce transformation program, for example, came only after the group failed to meet its performance targets for the first year. But the team had the courage to persevere.

This kind of leadership has a profound and positive effect on the engagement of the workforce, something that has been a sore spot in IT organizations of late. For Partners

HealthCare System’s Glaser, effective leadership and the engagement of the IT workforce have much more to do with relationships than with reporting structures or management tools. “In a leadership role,” he says, “any time you work with someone, there are two levels of connection. One is a task connection; it says, ‘Here is what we need to do—let’s find the budget and the people—and here’s how we need to manage this project to success.’

“But there is another connection,” continues Glaser, “which is an emotional one. It says, ‘I need to understand enough about you, what’s going on inside your head and in your broader world, so we have a tie that’s about more than the task.’ ” It’s that tie that energizes people and makes them feel that leaders care about their performance and professional growth. “Much of what I do involves simply recognizing the gifted talent in this organization, giving them opportunities, and then supporting them and clearing away the underbrush so they can be free to do their brilliant work. Cool things get done because exquisite people do them.”

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Workforce investments and programs executed along the seven dimensions discussed here are a critical part of a larger IT transformation program. This approach enables IT executives to move beyond cost to the broader performance metrics that are vital to achieving higher levels of performance: reductions in cycle time and error rates; elimination of low-value work and rework; improvements in productivity; and overall increases in the quality of execution.

Based on the value delivered, IT workforce transformation can do more than meet today’s needs. It

can also help fuel the next waves of innovation and business change.

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