



digital readiness
assessment

The first step toward a
future-ready workforce



welcome to brighter

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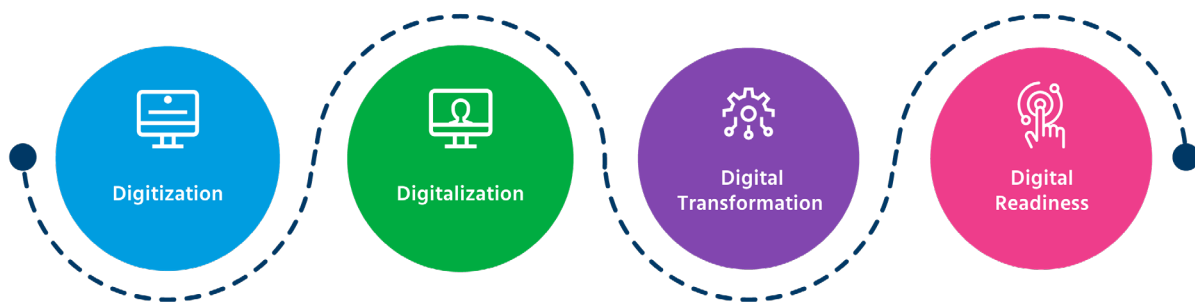
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Introduction

Digitization, Digitalization, Digital Transformation & Digital Readiness

The shift from the industrial revolution to the information revolution has altered existing paradigms. The only difference between the two is that we don't yet fully understand and comprehend the extent of the information revolution, and it is a work in progress. The information revolution has given way to the digital revolution that is impacting every aspect of the business. From a simple business strategy to the entire workforce, the digital revolution and its impact are truly ubiquitous.

The extent of the digital transformation is vast and, in some ways, carries within itself parts of digitization as well as digitalization – two terms that are often used interchangeably but have contrasting meanings. The need to address the uncertainty of the digital revolution has never been so imminent at the organizational as well as at the individual level, failing which organizations could head toward becoming entirely obsolete.



1. Digitization

In layman's terms, "digitization is the process of converting information from a physical format into a digital one." David Burkett, Digitisation and Digitalisation: What Means What?

2. Digitalization

Closely associated with both digitization and digital transformation, digitalization is the way in which the process of digitization is used to strengthen business processes.

3. Digital transformation

The term 'digital transformation' refers to: "The profound and accelerating transformation of business activities, processes, competencies, and models to fully leverage the changes and opportunities of digital technologies and their impact across society in a strategic and prioritized way, with present and future shifts in mind." - How to Approach Digital Transformation in your Organization - A CIO's Guide to the Changing Digital Landscape, Innovation Value Institute.

The past decade has witnessed monumental digital transformation with social media, smart devices, 4G and 5G internet, advanced analytics, cloud, artificial intelligence, among others, seeping into the very fabric of how organizations conduct their business. Businesses that have undertaken modernization amid the digital transformation, displaying agility in adapting to the digital ways, are already in a pole position, enjoying an advantage over their competitors.

From apartment condominiums to the healthcare industry, every sector and service is taking the digital route for enhanced customer experience. Many apartment condominiums in Delhi/NCR have gone digital with apps for entry approvals, bill payments and maintenance requests for ease of use for residents and administrators. The healthcare industry, too, is witnessing a transformation by facilitating appointments, tracking reports and maintaining patients' health indices digitally. **Today, every business is striving to add value for its customers, which is where digital technologies play an essential role.**

The banking and financial services industry (BFSI) has almost been forced to undergo digital transformation at a breakneck speed. The industry is witnessing a surge in tech-savvy competitors and the way they are leveraging data to fulfill customer needs. Fintech startups, digital lending and payment apps are all the rage in the market today. The traditional banks, facing competition, have had to accelerate their shift toward the digital world to retain customers and reimagine possibilities for them.

Banking apps have replaced branch visits, loans are now issued using digital documents, and insurances are easily available at the click of a mouse. The digital transformation journey of the BFSI sector has truly made a difference in the customer experience. Their digital transformation has not been limited to an upgrade in their IT infrastructure, which is how businesses view digital transformation often. But for businesses to truly champion the future of work, every aspect of a business, right from processes and strategy to its building blocks and its workforce, should be ready to embrace this transformation.



Digital transformation is not about technology—it is about strategy and new ways of thinking.

David L. Rogers

The Digital Transformation Playbook

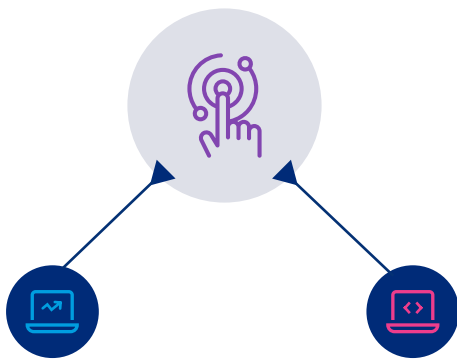


4. Digital readiness

Digital readiness is defined as the employees' readiness level in an organization undergoing a technology transformation or going digital. Digital readiness refers to the level of behavioral competencies, cognitive skills and digital proficiency of an organization's employees that helps them to adapt and manage the digital transformation process. It indicates whether the employees possess the necessary skills to use information technology, proper behavioral tendencies and cognitive abilities to manage the transformation effectively.

Digital readiness

The level of readiness in the employees of an organization that is "undergoing a technology transformation" or "going digital" to successfully participate in the same



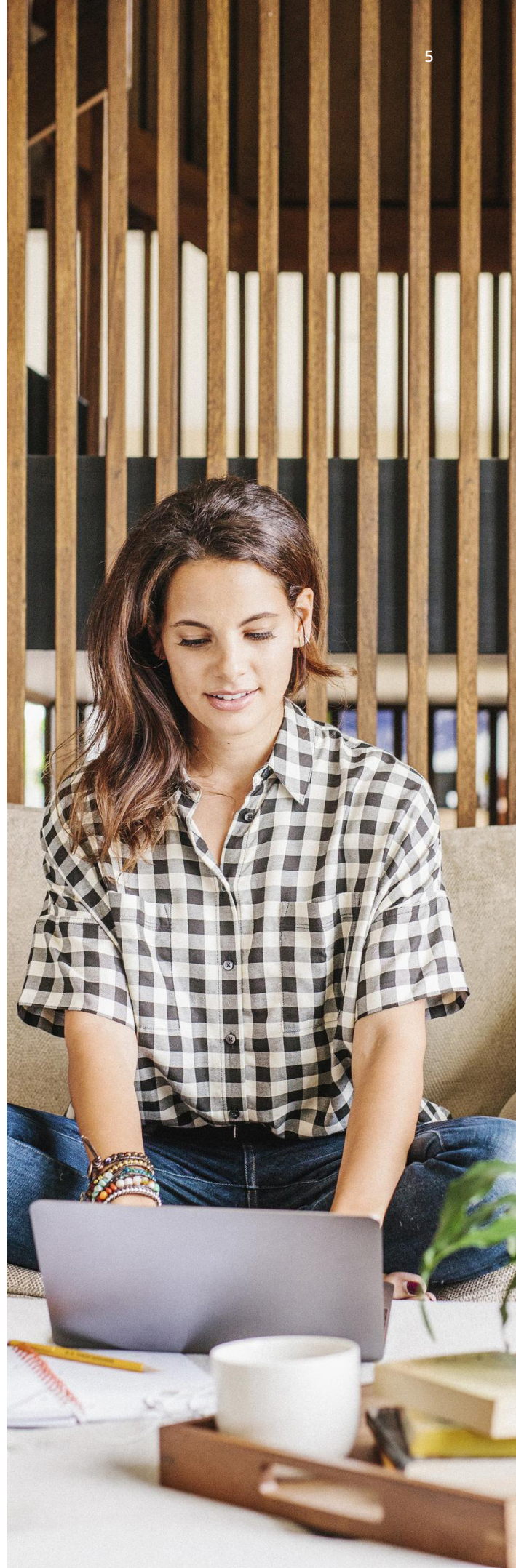
Digital potential

Behavioral competencies and cognitive ability of the employees to adapt and manage the digital transformation process

Digital proficiency

Employees have the necessary knowledge, skills to use digital tools and technology to improve their effectiveness.

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Digital readiness is simply the ease with which employees and organizations can transition to digitized workflows, using software and other technology. The eventual goal is to streamline the way business is done, and customers are served.

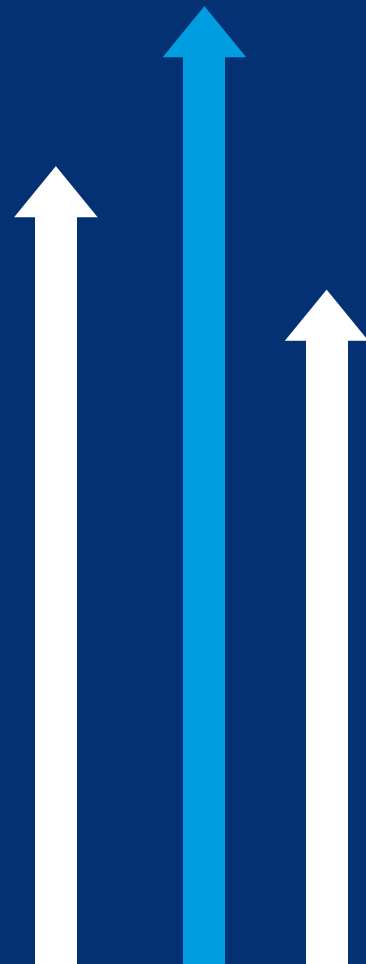
Damien Martin
Shufti Pro



Employees are the building blocks of any business, and organizations must proactively train them to undertake digital transformation for their personal and professional growth. For an organization to completely transform every facet of its business, to be in sync with digital technology, its employees have to onboard the digital readiness train.

Like any other organizational practice, I've always believed digital readiness begins at a personal level and then ties itself into the work culture. The faster our employees are able to adopt technology in their personal lives, the easier they find it to apply the same skills at work...We believe strongly in strengthening the current employee force and building their skills, as opposed to replacing digital novices to fill in the gaps.

Damien Martin
Shufti Pro



Challenges in achieving the digital objective

Every organization's digital transformation strategy needs to be prepared well to accommodate the varied aspects of digitalization.

It needs to have a defined objective, an all-encompassing business plan, and a workforce ready to take on the challenges that hinder achieving the digital goal.

There are two facets to digital transformation – a cultural change, starting at an organizational level and trickling down to an individual level, and an actual shift in technology, with an infrastructural update using new technologies in processes and operations. However, the real power of digital transformation lies at the human level, with people who execute it.

When an organization decides to start its digital transformation journey, its employees across all levels, from CXOs to the administrative staff, need to be digitally ready to contribute actively. For a business to truly embrace technology, organizations will have to cross many hurdles that obstruct the path to digital transformation.

One challenge organizations face in achieving a digital-ready workforce is that some workers may have a mindset block or simply not be willing to learn what they need to in order to achieve digital readiness. I've personally worked with people who will preface any digital training or digital skill acquisition challenge with saying no they are unable to learn new digital skills or they simply would rather not. Overcoming the mindset block and being willing and able to learn new digital skills is a huge challenge for many companies who want their workforce to be digitally ready.

Stacy Caprio

Founder, Growth Marketing



1. The lack of understanding of the broad scope of the digital movement

Organizations are often unable to explain to their employees the broad scope of the digital movement and how deeply it affects every facet of their business. While technology continues to transform everything it comes in contact with, companies often overlook the microscopic changes required to stay attuned to its pace. The skills gap is already becoming a reality for most businesses, something with which not many organizations have been able to come to terms.

Employees often don't understand why their organization needs to change, which can be a significant bottleneck. They are unable to comprehend the importance of digitalization in terms of the avenues for new growth and opportunities to expand. Organizations need to have a dialogue on the vastness of digital transformation and keep employees at the center stage of this exercise.



2. The lack of a human-centric business strategy

The first thoughts on digital transformation are that of technology implementation, hike in budgets and infrastructural updates, etc. However, the most significant challenge is often the one that dictates all of these – the business strategy that needs to put humans at the forefront of the digital revolution. Business strategies often overlook the skills gaps prevalent in the industry due to the multi-generational workforce and the fast pace of technological change.

An inside-out approach ensures that your employees are in line with the larger vision of the organization and can contribute to the process of digital transformation.

Upgradation to new technology needs to be accompanied by training and reskilling efforts to get employees at par with the pace of business that you envision for your organization. A digital readiness assessment for employees can be the first step toward evaluating their stance on digital technologies and devising a strategy that accounts for their learning agility. The digital transformation strategy needs to have a human-centric approach for maximum impact.



For us, digital transformation has to do with improving or streamlining processes using technology.

It is not about upending the workforce, but supplementing them with tools that are based on the equipment they already use--like their mobile device--and making it an integral part of their workday.

Maryanne Steidinger
Webalo Inc.



3. The lack of a culture of experimentation

Technology is making processes more efficient and streamlined. At the same time, technology is altering the roles of employees. Employees are no longer working in silos and constantly collaborating for knowledge sharing.

Digital transformation is challenging business frameworks and touching every aspect of our personal and professional lives. With the changing technology, the workplace culture is also recasting itself. However, human beings are naturally averse to significant changes, which is a challenge.

The newness of digital transformation needs a space where organizations, and employees, can take risks and embrace failures as a stepping stone to success. This culture of experimentation, of giving a safe space to take risks, is all part of a sea change. Organizations need to proactively instill a digital culture by starting in a small but significant manner. Everyday tools that employees and organizations use to operate should be added to the digital readiness checklist as a first step to introduce technology as part of daily work.



4. The lack of digital-savvy leaders

The right change can only be brought by the right people who lead the way. Digital-savvy leaders are catalysts for an organization in its digital transformation journey. Digital leaders don't need to possess all the tricks of the digital trade. In fact, they need to be the voice of reason and promote digital readiness and agility for the overall growth of the business and its employees.

Digital-savvy leaders are an added advantage to the digital transformation. They can aid the pace of digital transformation by setting a positive example.

The need for a digital readiness assessment for employees

According to the World Economic Forum's Future of Jobs Report 2020, more than 80% of the companies worldwide have already accelerated their ongoing digitalization process in response to the COVID-19 crisis.

Digital readiness is an essential part of the transition into the new 'future of work.' Companies are launching key interventions in digital upskilling to ensure that they are well prepared to grow. In this context, we expect that digital transformation will be a more pronounced imperative for all organizations, ranging across various industries soon.

Digital transformation is rapidly changing organizations. The rise of digital technologies has accelerated the pace of disruptions but also created immense business opportunities for growth. There are multiple benefits of embracing the digital transformation strategy for your organization, ranging from enhanced customer experience to improved agility and innovation across functions and departments.

Digitalization also offers a chance for business leaders to align everyone for a shared purpose and facilitate greater levels of collaboration across the organization. COVID-19 crisis has united most business leaders. They agree that the importance of employees' and organizations' digital readiness has increased more than ever and has become vital for the survival of businesses.

Organizations need to use precise diagnostic assessments to understand the digital readiness of their existing workforce and provide them with the right resources and training to prepare them for the challenges of digital transformation. To effectively manage the digital transformation process, organizations need to focus more on developing their workforce to adapt to the transformation process and become ready to go 'digital.' This is where a digital readiness assessment comes into the picture.

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What is a digital readiness assessment?

A digital readiness assessment is a tool to test the knowledge, skills and behaviors that underpin employees' preparedness and readiness levels to adapt to the organization's digital culture. It evaluates whether the employees possess the potential and proficiency to adapt and manage the digital transformation process.



The digital readiness assessment for employees is important in today's milieu. It ensures that your employees are actively contributing to the growth of the business.

Digitalization is no longer in the future. The digital era has already dawned upon us, and its power can't be underestimated. Businesses must align their workforce with the future of work. Poor people decisions and bad hires can lower the pace of your digital transformation strategy. Organizations must begin to assess their employees and help them aboard the digitalization bandwagon.

Use-cases of digital readiness test

1. External hiring

A digital readiness assessment can be used to hire an external candidate to lead or be part of an ongoing digital transformation project.

2. Internal hiring / L&D

It can be used to identify internal candidates to lead or be part of an ongoing or planned digital transformation project.

3. Organizational readiness

Digital readiness tests can help classify the entire workforce as per digital readiness levels to better plan training programs.

Digital readiness survey: an outside-in approach

A beginning point toward achieving digital readiness is to float a digital readiness survey at the inception to gauge a business's standpoint. Before taking it to the employees, a digital readiness survey helps analyze an organization's stance and sets a context toward which all future digital initiatives would be steered.

Mercer | Mettl's digital readiness assessment tool & framework: an inside-out approach

Mercer | Mettl's digital readiness assessment tool comprises two parts:

Digital potential assessment

Behavioral competencies and cognitive abilities of the employees to adapt and manage the digital transformation process.

Competency	Definition
Mental agility	The ability to think abstractly, examine problems in unique and unusual ways and make fresh connections between different concepts.
Openness to learning	The tendency to learn new skills by being open to new ideas and keeping oneself up-to-date with relevant knowledge.
Resilience	The orientation to face challenges or adversity positively and manage one's emotions positively and effectively.
Collaboration	The tendency to cooperate with others to accomplish organizational goals efficiently.
Inclusiveness	The tendency to understand the importance of diversity and leverage it to achieve organizational goals.
Innovation	The orientation to approach issues differently, offer out-of-the-box solutions and challenge the status quo.
Change management	Being comfortable in unknown situations, understanding the rationale for change and finding synergies to effectively transition during the change process.



1. Tool composition:

- **Mettl Personality Profiler (MPP)** is an innovative, evidence-based personality assessment that measures critical, work-relevant personality traits. It is based on the well-established model of the broad "Big Five" personality factors. It consists of 86 items to be rated on a semantic differential scale to measure 26 facets, which form the building blocks of the assessment.

These scales span a wide domain of personality and are mapped to companies' or job roles' specific performance models or behavioral competencies to obtain the optimal prediction of job success. MPP is a global tool that is standardized and normed in various geographies, including India, the US, Europe, South Africa, South East Asia, LATAM & the Middle East. MPP's reliability ranges from 0.65 – 0.85, and estimates of convergent validity range from 0.4 – 0.75.

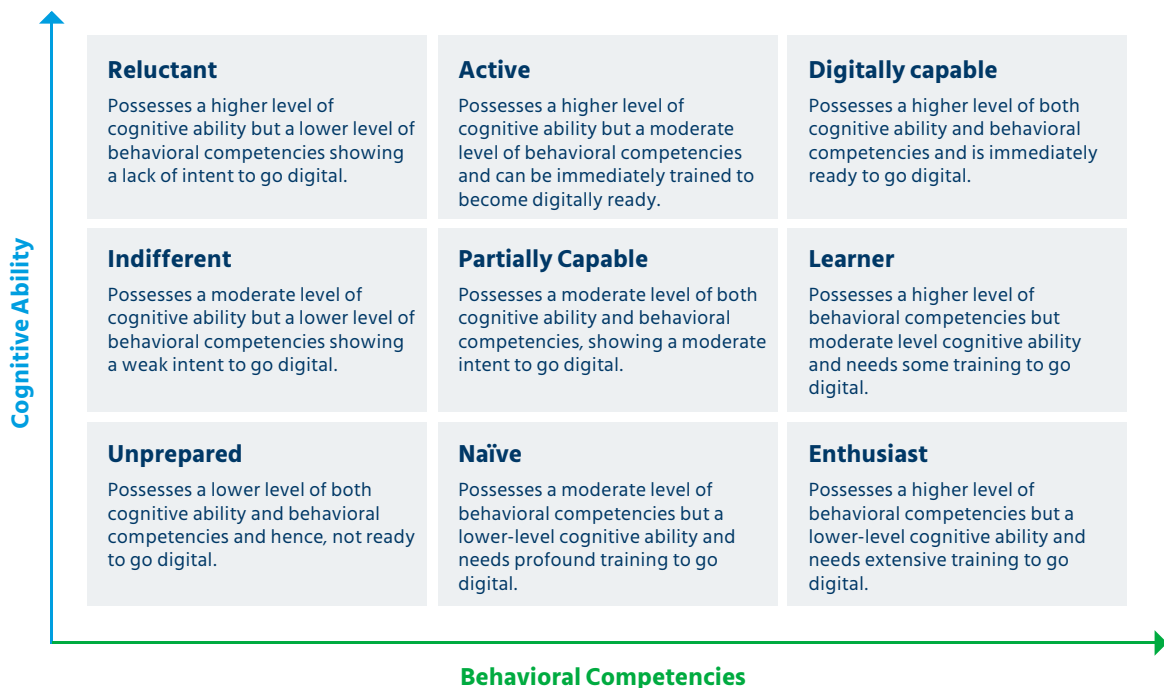
- **Mettl Test for Abstract Reasoning (MTAR)** is a nonverbal assessment tool designed to measure an individual's ability to perceive and think clearly, make meaning out of ambiguity, and formulate new concepts when faced with novel information. The tool uses geometrical figures in the matrices, and the candidates have to identify the pattern being followed and complete the pattern accordingly. Respondents need to answer 25 questions in 20 minutes. The reliability of the MTAR is .70, and the criterion validity estimates range from .24 to .32.

	Mettl Personality Profiler (MPP)	Mettl Test for Abstract Reasoning (MTAR)
Test composition	86 items	23 items
Reliability (Cronbach alpha)	The reliability range is 0.63 to 0.88, and the median reliability is 0.7	The reliability range is 0.67 to 0.72, and the median reliability is 0.7
Validity	Convergent validity estimates range from 0.4 to 0.75	Convergent validity estimates range from 0.33 to 0.25
Norming & standardization	34000+ respondents across different geographies	1200+ respondents across different geographies
Adverse impact	Free from adverse impact bias. The mean group difference is majorly not significant among ethnic, age and gender groups.	
Team members	Members of SIP (Society of Industrial and Organizational Psychology)	
Tool development	In accordance with APA (American Psychological Association) and EEOC (The Equal Employment Opportunity Commission) guidelines.	

Based on the competencies included in the digital potential framework, an Individual can be classified into 9 categories. It helps organizations to identify employees on their level of digital potential based on their score on cognitive ability (mental agility) and 6 behavioral competencies (Openness to learning, resilience, collaboration, inclusiveness, innovation and change management), which can be taken as the first step toward laying down a developmental plan.

In the matrix, an individual's average score on a set of six behavioral competencies has been used on the x-axis and an individual's score on cognitive ability on the y-axis. A cognitive ability score represents the ability to think abstractly and uniquely examine problems, which, in turn, also facilitates the learning process. Since digital readiness requires a higher ability to learn new digital tools and technologies, the mental agility score has been used to represent the specific digital capability level of the respondent along with their scores on behavioral competencies.

The matrix gives a clear picture of the individuals' understanding vis-a-vis digital capability level. The 9-box matrix further maps the individual to decide on the next course of action, ranging from an introductory session on digital readiness to training programs designed for specific digital skills required by the employee to perform their job efficiently.



2. A brief description of profiles in the 9-box:

- **Unprepared**

Description: Possesses a lower level of both cognitive ability and behavioral competencies and hence, not ready to go digital.

The immediate course of action: One needs to start a conversation with them about how digital transformation will benefit the business and is critical for the future of individual employees.

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- **Indifferent**

Description: Possesses a moderate level of cognitive ability but a lower level of behavioral competencies, showing a weak intent to go digital.

The immediate course of action: Instill a sense of urgency to achieve digital readiness and explain the primary benefits of digital readiness, which include higher productivity, higher organizational performance and better innovation capabilities.

- **Reluctant**

Description: Possesses a higher level of cognitive ability but a lower level of behavioral competencies, showing a lack of intent to go digital.

The immediate course of action: Explain the extent to which digital readiness is a priority for the company. Converse about the impact of digital technologies in disrupting the present business models and creating new ones.

- **Naive**

Description: Possesses a moderate level of behavioral competencies but a lower-level cognitive ability and needs profound training to go digital.

The immediate course of action: Identify the digital technology in which they need immediate training. Explain to them the importance of this specific digital technology in the present competitive digital landscape.

- **Enthusiast**

Description: Possesses a higher level of behavioral competencies but a lower-level cognitive ability and needs extensive training to go digital.

The immediate course of action: Since they already possess a digital mindset, it is essential to identify the digital technology in which they need to be trained. Please consider that this training should not be of high pace or highly advanced at the onset.

- **Partially capable**

Description: Possesses a moderate level of both cognitive ability and behavioral competencies, showing a moderate intent to go digital.

The immediate course of action: Devise a long-term plan to develop them as future digital talent and share the objectives of digital transformation with them clearly.

- **Active**

Description: Possesses a higher level of cognitive ability but a moderate level of behavioral competencies and can be immediately trained to become digitally ready.

The immediate course of action: Develop a plan with their inputs to utilize their capacity to think and act digitally.

- **Learner**

Description: Possesses a higher level of behavioral competencies but moderate levels of cognitive ability and needs some training to go digital.

The immediate course of action: Develop a plan for continuous digital learning, helping to upskill through bite-sized content.

- **Digitally capable**

Description: Possesses a higher level of both cognitive ability and behavioral competencies and is immediately ready to go digital.

The immediate course of action: Identify them as digital coaches and appoint them as mentors to make others digitally ready by motivating others to adopt digital technologies.

Digital proficiency assessment

It refers to the necessary knowledge and skills to use digital tools and technologies to improve one's effectiveness. The digital proficiency assessment is a measure of how effectively an individual can:

- Locate, retrieve and manage digital data, information and content.
- Interact, share and collaborate through digital technologies.
- Protect devices, content, personal data and privacy in the digital environment.

Digital proficiency/competence is emerging as an important competency in this century. Focusing only on implementing digital tools or technology is not sufficient.

Organizations should also focus on assessing the present proficiency levels and train them as per their specific needs or requirements of the role. Different people have different levels of preparedness for using digital tools and technologies. Therefore, it is important to assess each employee's present levels of readiness/proficiency to offer them customized training on specific digital tools as per their present preparedness levels.



1. Tool description

A set of 25-30 MCQs and dichotomous item format (yes/no, true/false).

We define three subskills of digital proficiency as follows:

- **Information and data literacy**

This subskill assesses the test taker's ability to locate, retrieve and manage digital data, information and content. It also assesses whether the test taker can perform well-defined and routine searches to find data, information and content and organize, store and retrieve data, information and content in digital environments.

- **Communication and collaboration**

This subskill assesses the test taker's ability to interact, share and collaborate through digital technologies. It also assesses whether the respondent can select appropriate digital technologies to share data, information and digital content through various appropriate digital tools.

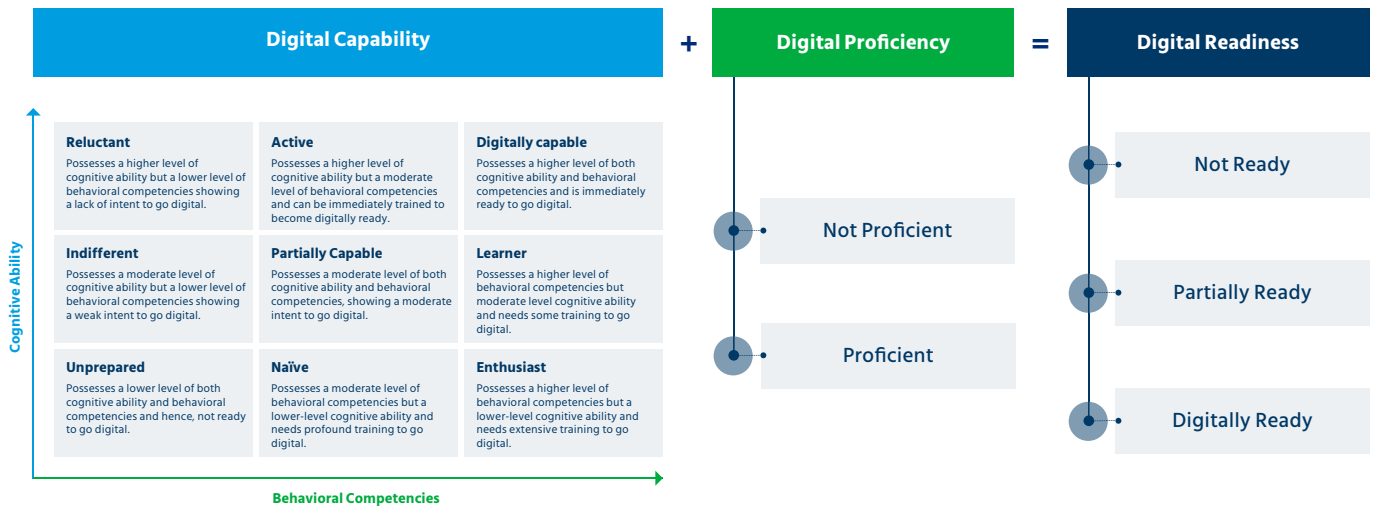
• **Information and data literacy**

This subskill assesses the test taker’s ability to protect devices, content, personal data and privacy in the digital environment. It also assesses if the respondent can differentiate between risks and threats in digital environments and select safe and secure measures to protect personal data and privacy.



Digital proficiency classifies individuals into proficient, partially proficient and not-proficient so that necessary steps can be taken to train them on digital systems and impart basic technical know-how for improved productivity. Digital-ready employees should be deemed digital leaders to help the rest of the workforce come up to speed.

The two most important aspects of a digital readiness test are evaluating the potential, consisting of behavioral and cognitive competencies. And proficiency, consisting of the necessary knowledge and skills. An employee must possess the ability and the willingness to learn to excel in the age of digital transformation. Employees need to be resilient to transforming technologies and possess mental agility, openness to understand and manage change, a collaborative and inclusive outlook, an innovation-focused approach to genuinely imbibe the digital way, and the right knowledge and skills to do it effectively.

Scientific decisions based on validated analytics must be made to ensure a high ROI. It is also important to identify your employees’ true potential and proficiency to take the necessary recourse for their training and skilling.




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Mercer | Mettl's digital readiness model has been designed after extensive primary and secondary research.

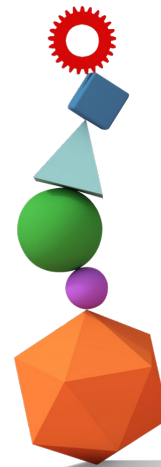
It leans on the research conducted by the Human Capital and Employment Unit (Joint Research Centre) on behalf of the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission – Digital Competence Framework for Citizens (DigComp 2.1).



A step-by-step process of implementing the building blocks for a digital-ready workforce

Every business has its set of competencies that are must-haves in the digital age and another set of competencies that are considered 'good-to-have.'

A good starting point is to take an inside-out approach to empower your employees to achieve the business objectives the organization has laid down in the present and the times ahead.



It all starts with identifying which processes are to be digitalized and which technology solutions will be integrated to achieve so. Once this is clear, it is important to assess the need for customization. Having all technical specifications reveals the digital skills that are needed to use the new applications, systems, etc., making it easy to organize a training at the right time and ensure a digital-ready workforce.

Maryanne Steidinger

Webalo Inc.

Here is a 5-step approach to maximize your ROI on your efforts toward digitizing your workforce:

1. Create a digital transformation strategy considering the business context and broader objectives

Before you set out on your digital transformation journey, understand the final destination, objective, means and context of the strategy. It helps organizations to have set expectations and a shared vision. It also helps accurately represent and calculate the ROI.

2. Create a competency framework based on the business needs of today and tomorrow

A competency framework can be a powerful starting point of a digital transformation strategy and should consider changing job roles. While organizations usually possess the basic skills and competencies, it is highly advisable to bring in subject matter experts who can deep-dive into the requirements of your organization. They can devise an extensive list of competencies, sub-competencies and knowledge of digital tools that need to be assessed through a futuristic lens.

Employees need to learn, unlearn, and relearn the rights skills, competencies and tools required to perform the jobs of the future to truly embrace digital trends. This new competency framework can be a foundation for all your digital transformation pursuits, such as hiring, skills gap identification, training and developmental programs.

Mercer | Mettl's team of experts has created an ideal digital readiness checklist competency framework that serves as a solid beginning point and can be tailored to suit the finer details of any organization.

3. Assess your workforce on these competencies using the digital readiness assessment

Once subject matter experts have helped you zero down on your present and future competencies, a valid and reliable digital readiness assessment tool can be administered to identify skill gaps and proficiency levels. The digital readiness assessment enlists the gaps in the knowledge, behavior and aptitude of an individual that is a deterrent in the way of him/her reaching the digital goal faster.

4. Identify the level of digital readiness of each employee and commence the training process

The digital readiness assessment framework not only helps in skills gap identification but also places every employee on a path of training and development based on their level of digital readiness.

5. Measure the ROI through business impact to continue innovating your digital transformation strategy

Digital transformation is not a short-term plan. It is a gradual process. Thus, it is essential to create a roadmap with significant milestones for the ease of calculating ROI and keeping organizations and their employees motivated throughout the process. The journey to digital maturity can be uncertain. It is advisable to have predefined checkpoints and success metrics to track the progress of your digital readiness plan and calculate the ROI throughout the process to make amends and keep innovating when necessary.

Mercer | Mettl can help your organization create accurate and future-ready competency frameworks for each job role, considering the skill sets and proficiency levels required to perform that job in the present and future. Competency frameworks act as the base for assessing employees on their digital readiness, further helping organizations create L&D programs through accurate training needs identification and develop digital-savvy leaders who can continue the digital transformation journey.



Digital readiness includes aggressively leveling up your skill set for today, while being prepared to pivot tomorrow if necessary.

Tim Brown
Hook Agency



Conclusion

Successful digital transformation has to commence at an individual level and needs a human-centric approach.

The displacement of jobs is not the solution to the burgeoning demands of the digital revolution. It requires continuous efforts from individuals and organizations to create new avenues where humans can collaborate with technology to initiate a new culture of learning.

The end objectives of your organization's digital journey might be different, but the path will intersect between human experience and technology.



About us

At Mercer | Mettl, our mission is to enable organizations to make better people decisions across two key areas: acquisition and development. Since our inception in 2010, we have partnered with more than 4,000 corporates, 31 sector skills councils/government departments and 15+ educational institutions across more than 90 countries.

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