

Gartner Research

Change Management and Communication Unlock Data-Driven Business Value

Alan D. Duncan

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By Analyst(s): Alan D. Duncan

Initiatives: Chief Data and Analytics Officer Leadership

CDAOs who effectively employ change management and communication techniques wield more influence and impact with their data and analytics strategies than those who do not. This research helps them master these skills.

Overview

Key Findings

- An overwhelming majority of chief data and analytics officers (CDAOs) report that effective communication is critical to success: influencing skills, stakeholder engagement and effective communication plans are essential.
- Respondents to our survey cite that communication, collaboration and creativity are the most crucial leadership competencies for the success of a CDAO.
- With the need for businesses to create a digital workforce in pursuit of accelerated digital transformation, every employee is now an information worker. The resulting changes in the workforce needs careful and persistent focus on people, their knowledge and skills, not technology.
- Quick wins build momentum, but lasting change takes time because people must learn new skills and behave in new ways. Change management is more than telling people a change is happening. It is the psychology, sociology and neuroscience that builds lasting change in organizational behavior and skills.

Recommendations

To be successful with their data and analytics leadership agendas, CDAOs must:

- Implement modern change management methods. Invest in executive coaching to hone your communication, leadership and change management skills.

- Win with your D&A strategy by emulating the change management practices already adopted by your higher-performing peers.
- Teach your workforce the fundamentals of data-driven behaviors by applying the lessons taught in data literacy. Use a “from ... to ... because” approach to ensure that data creators, consumers and intermediaries have the basic skills, knowledge and competencies that are required.

Strategic Planning Assumption(s)

- By 2023, data literacy will become an explicit and necessary driver of business value, demonstrated by its formal inclusion in over 80% of data and analytics (D&A) strategies and change management programs.
- By 2024, 40% of organizations will deploy continuous learning technologies to better support organizational shifts toward real-time performance, feedback and coaching.

Introduction

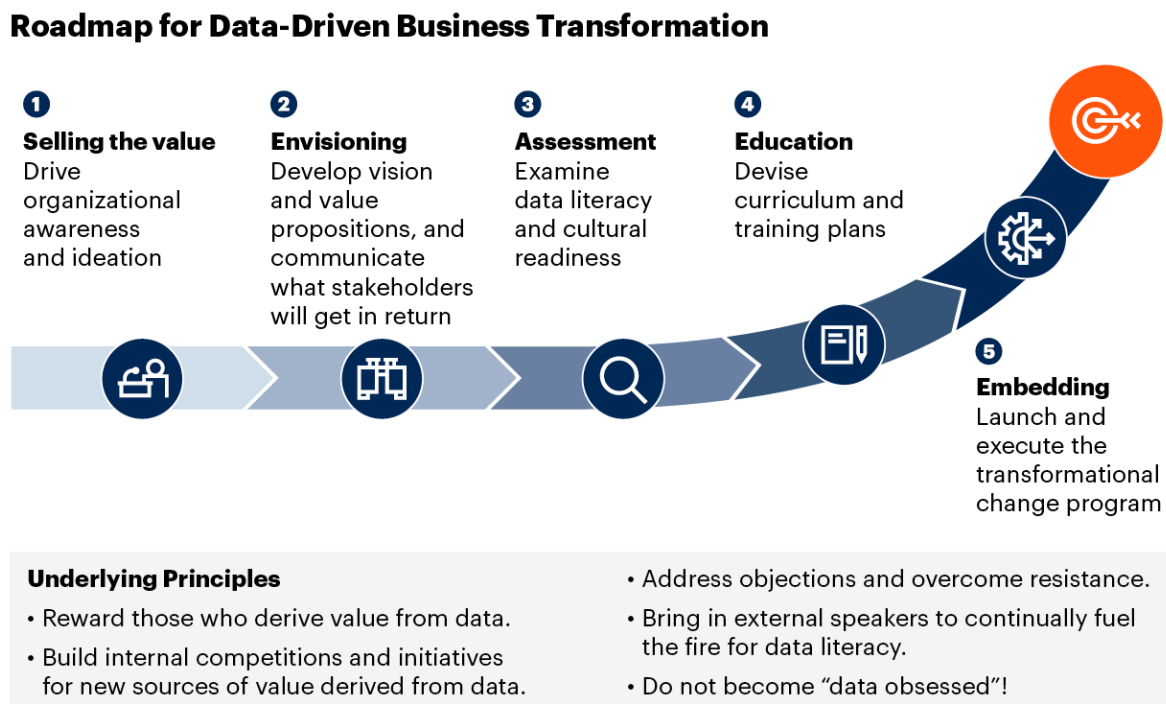
The Gartner Chief Data Officer Agenda Survey for 2022 ¹ hypothesized that the success gap is increasing between chief data and analytics officers (CDAOs) (see Note 1) who actively address change management factors in their data and analytics programs and those who do not. We found:

- There is an increasingly sharp contrast between high and low performers, in terms of focus, emphasis and behaviors. For example, those who invest much more in resources and talent are 1.8 times more effective and successful with their data literacy programs.
- Talent shortages, culture challenges and lack of resources/funding most often hinder success, with intention often not matching investment.
- Respondents who are actively addressing change management and data literacy within their programs are accelerating their success, in contrast to the low-performing group, who are doing a lot less of these.

Digital skills are critical, including a high-level understanding of the application of sensors, robots, digital twins, mobile technologies, the cloud and seamless collaboration. However, there is a fundamental element that flows through all of these — data. The need to understand how insight can be derived from data through analytics and artificial intelligence (AI) is foundational to how every employee engages in today’s digital businesses.

CDAOs must address cultural and data literacy challenges within their strategies and delivery programs (see Figure 1 and Roadmap for Data Literacy and Data-Driven Business Transformation: A Gartner Trend Insight Report). If they do not, they will continue to fall short in terms of delivering measurable business outcomes.

Figure 1: Roadmap for Data-Driven Business Transformation



Source: Gartner
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Analysis

Demonstrate That You Care About Your Staff to Get the Best Out of Them

CDAOs who successfully lead on change management and organization design make significant strides in motivating, retaining and getting the best out of a more resilient workforce. (See Organization Design and Change Management Primer for 2022.)

Although CDAOs are able to identify that there is an inherent need for data-driven business decision making, it can be difficult to link this to specific business benefits and outcomes without effective change management strategies. CDAOs are still struggling to articulate the rationale for investing in data and analytics solutions. Many data and analytics strategies still do not connect with the business's goals or communicate any analysis of stakeholders' needs. And those that attempt to, struggle to demonstrate measured success and ROI.

All CDAOs must work hard to emulate their top-performing peers. Predominantly, that means focusing more on the people than on technology delivery. CDAOs must relentlessly foster a working environment that is conducive to learning, collaboration and curiosity. Provide support for workers who use information as a substantive part of their job. Be a counsel and mentor to help others achieve their potential.

Recommendations:

For CDAOs:

- Define and communicate D&A strategies based on specific measurable business outcomes and clearly defined use cases. In program planning for D&A initiatives, focus on business use cases that emphasize product innovation, customer relations and service, reduced time-to-market and data monetization. Align workforce planning, talent management and data literacy initiatives to these areas.
- Align your personal objectives and performance to your areas of influence.
- Develop skills that may be unfamiliar or uncomfortable for you to excel. Seek help — you are not alone. You can learn all of the so-called “soft” skills.

For chief executive officer:

- Appoint a business-oriented CDAO, not a technologist or a top-notch data scientist unless they also demonstrate an ability to explain, using business terms, what they do and what their vision is.

Exercise Influence, Not Power: Be a Leader

75% of respondents to the CDO survey ¹ reported that they have responsibility for data-driven culture change. Influencing, engagement and communication planning are paramount. The most important competencies for CDAOs are people-oriented: leadership — not management — skills. The most specific domain knowledge and skills competencies — D&A domain expertise, program management, technology skills and financial acumen — are much lower.

Gartner's vision for CDAOs is one of a liaison between the technical and business worlds. Becoming a data-driven organization and changing decision-making methods to include more data are not easy things to achieve. It is simpler to fall back on expertise or to “do as we have always done” or even to find the data that supports predrawn conclusions.

Don't wait to be invited to the table — set your own agenda and work on outreach to stakeholders every single day. In that, all CDAOs must work hard to emulate their top-performing peers.

Recommendations:

- Invest in your leadership effectiveness. Get coaching on communication and change management techniques, and practice them relentlessly. Hire an executive coach. The role of the CDAO can be a highly political one, and it can be very stressful trying to balance competing demands. All executives should have their own executive coach, and the CDAO is no exception.
- Plan and execute a data-driven business transformation campaign, and invest much more in the data literacy competencies of the workforce.

Focus on Things That Matter and Do Them Better

The contrast between high-achieving and low-achieving respondents is stark. If we accept that high-achieving CDAOs are “doing things right” and also “doing the right things,” then the warnings are there in Table 1 for the underachievers.

Table 1: The Key to CDAO Success

| <i>Type of CDAO ↓</i> | <i>The kind of organizational-level changes they make ↓</i> | <i>The kind of team-Level changes they make ↓</i> |
|---|---|---|
| High-performing CDAOs are much more likely to ... | Attract and retain top talent | Monetize data assets or create data products |
| Medium-to-high-performing CDAOs are slightly more likely to ... | Translate customer or business needs into high-value products and services | Provide value to the organization |
| Low-to-medium-performing CDAOs are slightly less likely to ... | Promote data sharing or increased access to the right data aligned to the business case | Develop innovative products and services |
| Low-performing CDAOs are much less likely to ... | Be resilient and adapt quickly to changing business conditions | Show demonstrable, verifiable value to D&A stakeholders |
| | | |

Source: Gartner (May 2022)

A digital business is a data-driven business whose success depends on all employees being information workers who can “speak data.” But becoming a data-driven enterprise requires explicit and persistent organizational change management to achieve measurable business outcomes. And employees know their organization is serious about corporate cultural change only when they see their leaders changing their own behavior. Therefore, it’s imperative for CDAOs to become change agents focused on the transformational impacts of data-driven culture and data literacy.

Recommendations:

- Emulate your high-achieving peers: Reexamine your D&A strategy and operating model, and focus on the factors that influence success.
- Improve your own personal effectiveness: Influencing, stakeholder engagement and storytelling.

- Surround yourself with the right people, and constantly ask yourself (1) Is your D&A team fit for purpose? and (2) Is the broader workforce fit for purpose?
- Assess the skills, competencies and behaviors of the workforce, and collaborate with HR on developing a proactive talent management plan for data and analytics.

Evidence

¹ Gartner Chief Data Officer Agenda Survey for 2022: This study was conducted to explore and track the business impact of the CDO role and/or the office of the CDO and the best practices to create a data-driven organization. The research was conducted online from September through November 2021 among 496 respondents from across the world. Respondents were required to be the highest level data and analytics leader in the organization: chief data officer, chief analytics officer, the most senior leader in IT with data and analytics responsibilities, or a business executive such as chief digital officer or other business executive with data and analytics responsibilities. The survey sample was gleaned from a variety of sources (including LinkedIn), with the greatest number coming from a Gartner-curated list of more than 4,519 CDOs and other high-level data and analytics leaders. The study was developed collaboratively by Gartner D&A analysts and the Primary Research Team.

Disclaimer: Results of this study do not represent global findings or the market as a whole but reflect sentiment of the respondents and companies surveyed.

Note 1: CDAO Role Definitions

Chief data and analytics officer (CDAO) refers to the business leadership role that has the primary enterprise accountability for value creation by means of the organization's data and analytics assets, and the data and analytics ecosystem. Equivalent titles for this role are chief data officer, chief analytics officer (if the CDAO role or equivalent is not in the enterprise), chief/head of data and analytics and other variations.

Recommended by the Author

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Roadmap for Data Literacy and Data-Driven Business Transformation: A Gartner Trend Insight Report

Tool: Communicating the Need for Data Literacy Improvement

Address Both 'Skill' and 'Will' to Deliver Data-Driven Business Change

Using Gartner's Culture PRISM to Change Culture

Culture Change Succeeds or Fails in Leadership Moments

How Data and Analytics Leaders Can Overcome Resistance by Turning Saboteurs Into Allies

How Data and Analytics Leaders Must Address Emotional Impacts to Foster a Data-Driven Culture

Tool: Data Literacy Personas to Drive a Data-Driven Culture

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Webinar

CDO Panel: Success Stories on Building a Data-Driven Culture

Explore how to align the data literacy program and collectively create a data-driven culture.

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Roadmap

5 Stages to Enhance Your 2023 Data and Analytics Strategy for Digital Growth

Align all stakeholders and drive business value.

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eBook

Incorporating the Skills and Capabilities Your D&A Organization Needs

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