Harvard Business Review ANALYTIC SERVICES





CONTENTS

- 5 THE POTENTIAL OF EMERGING TECH
- 6 THE EMPLOYEE EXPERIENCE
- 9 DIGITAL WORKPLACE OF THE FUTURE





Technology's growing role in workforce engagement

To attract and retain top talent, business leaders need to embrace new technologies that can reinvent the experience of work and adapt to changing employee needs.

Alex Cho President, Personal Systems

Building work environments and experiences that people love; engaging employees in what they do and in ways that inspire them to go above and beyond—as leaders, this is our charge.

More engaged employees are more loyal to their company, they increase customer satisfaction and they are more innovative—

ultimately helping create stronger brands and businesses. With this mission in mind, traditional office spaces that are filled with cubicles, and that were built primarily for individual-focused work, are being transformed. In their place are the Offices of the Future that use technology more than ever to engage employees, and that are being built to accommodate rapid workforce, workplace, and workstyle changes.





By 2020, the workforce will be predominantly Millennials and Gen Zs. Not only do they expect more freedom in where and when they work, but they have grown up with Uber, Twitter, and smartphones at their fingertips. And at the most basic level, they want the technology experiences in their life to be mirrored by the experiences they have at work. They want to live One Life.

To meet these changing expectations, the workplace is already becoming more open and adaptable, and the Office of the Future will continue enabling those trends. In this new report, one of the most interesting sets of responses from executives was around how much more they expect IT, HR, and facilities teams will work together in the next three years to deliver Office of the Future experiences. This is an important dynamic, and one that will help realize a significant new reality about the Office of the Future: that the address on an employee's business card has increasingly less in common with where that person actually works.

Enabling work from multiple places means businesses need to consider different types of physical spaces and to expand what they consider "the office"—something for facilities and HR teams to coordinate on. And IT will need to be part of the discussion as well, to ensure that more flexible work environments are also more secure and resilient work environments.

The workforce and workplaces that define the Office of the Future are undaunted by distance, and changing workstyles are no different. The generation of FaceTime, WhatsApp, and Skype have entered the workforce and brought with them the belief that connecting virtually is just as good as face-to-face interaction. They expect technology at work to let them share materials instantly, connect at the press of a button, and have constant access to information and opportunities to learn.

The Office of the Future will reinvent work, changing it from a place people go, to something they do. It will be less about a single space they call their own, and more about a set of experiences that allow them to work on their own time, in their own way, and that add meaning to their lives.

Highlights

- 95% Agree that engagement has a direct impact on their organization's performance.
- 54% Say technology is a key consideration for candidates to accept a job offer.
- 86% Believe that technology has a greater impact on employee engagement today than it did three years ago.



The potential of emerging tech

War is being waged for talent, and the spoils will go to those organizations that arm their recruits with the technology that makes them work more effectively and creatively. Technology is now the primary way that organizations engage with their workforce. According to a Harvard Business Review Analytic Services survey of 677 executives, the overwhelming majority—86%—believe that technology has a greater impact on employee engagement today than it did three years ago, and a similar number say that technology will continue to be a major factor in engaging the workforce in the years ahead.

There are high expectations about what that technology should be able to do, whether that means accessing enterprise data anytime, anywhere, or giving users the power to choose their own devices and workspaces. In fact, executives in the survey say digital workspaces that allow people to work from anywhere at any time are one of the top five attributes critical for future success. Only three in 10 executives, however, say their organizations have successfully developed the kind of digital workspace that makes access more effortless.

"Technology has not made work easier. It's made work harder," says Josh Bersin, founder of Bersin and Associates, a talent management consultancy. "People are working a lot of extra hours, and they're overwhelmed." He believes there is an opportunity for companies to simplify the work environment technologically and create services that put the employee experience at the center. The average employee spends too much time trying to figure out how to get their work done instead of actually getting it done. "It's not the quality of the technology. It's the ease of use of the technology," he says.

Mobility places a lot of power in the hands of users, putting pressure on organizations to provide a technology experience that truly engages individuals as the workplace shifts from being device-centric to focusing on the user experience. IDC predicts that within

the next three years, the majority of G2000 companies will have adopted a future-workspace model—a flexible, intelligent, collaborative virtual/physical work environment—to improve employee experience and productivity. These companies will utilize the employee experience as a key differentiator to build and maintain customer relationships.

"Workforce engagement involves a complexity of factors: corporate culture, leadership, communication, recognition, compensation, and the motivation of each individual."

Employees expect their workplace technologies to work as seamlessly as consumer devices. They expect to be treated like consumers. This is a different mindset for IT professionals, who are used to controlling all the levers of enterprise technology.

They must now think more like service providers—understanding and anticipating what users need to keep them productive, connected, engaged, and excited to do their jobs. At the same time, organizations must accommodate as many as five different generations in the workforce and all the different work habits they bring with them.



What keeps executives awake at night: The war for talent and change management What will be the greatest workforce challenges to overcome in your organization over the next three years? The ability to train, recruit, and retain people with the right skills for the right jobs 55% The willingness of people to change 46% The ability to innovate and solve problems 39% A high degree of employee engagement 36% Skills required by new technologies and new ways of work 32% Agility and flexibility among legacy workers 31% The ability to collaborate internally and externally 29% The willingness of people to take risks 22% Figure 1 Source Harvard Business Review Analytic Services Survey, February 2019

A resilient, engaged workforce is most critical for success Which of the following attributes do you believe will be most critical to your oranization's future success? How successful has your organization been at incorporating these attributes? Critical Successful at implementing A resilient workforce that can evolve with changes in technologies and new ways to work 24% A workplace organized around highly engaged, high-performance teams 46% 24% Automated technologies that handle routine work, so people focus on more strategic and innovative work 39% 11% Digital workspaces that allow people to work from anywhere at any time 36% 31% Machine learning and visualization tools that turn high quantities of data into valuable, actionable insights 32% 10% Collaboration tools (UC applications, whiteboards) designed to allow people to connect and create both in person and remotely 23% Productivity tools (displays, accessories, headset; software applications) designed for people to get their job done efficiently 27% 26% Open environments where ideas can be imagined and shared 19% 24% Figure 2 Source: Harvard Business Review Analytic Services Survey, February 2019

The Employee Experience

Executives recognize that workforce engagement is essential to the success of any organization. Nearly all (95%) agree that engagement has a direct impact on their organization's performance and that without fulfilled employees, satisfying customers is an insurmountable challenge.

In fact, the greatest challenge organizations face over the next three years will be the ability to train, recruit, and retain people with the right skills for the right jobs (see Figure 1.) At the same time, nearly half of respondents say the future success of their organization depends on a resilient workforce that can evolve with changes in technologies and new ways of work (see Figure 2). Yet only a quarter of respondents say their organizations have succeeded in cultivating such a workforce. Almost half (46%) of executives surveyed see the future workplace organized around teams of highly engaged, highperformance teams.

Workforce engagement involves a complexity of factors: corporate culture, leadership, communication, recognition, compensation, and the motivation of each individual. By definition, workforce engagement is a very personal issue. Most executives surveyed (70%) offered a personal response when asked to name the most important driver of employee engagement. The common themes of these individual responses revolved around culture, mission, purpose, and teams in the workplace.

Technology is foundational to the higher-order elements that create a great employee experience: the ability to collaborate, to communicate, and be productive, and having the right tools to do one's work. On the flip side, outdated or legacy technology can be a major contributor to frustration and disengagement in the workplace, says Jacob Morgan, founder of FutureWorkUniversity. com and author of The Employee Experience Advantage: How to Win the War for Talent by Giving Employees the Workspaces They Want, the Tools They Need, and a Culture They Can Celebrate.

"If your employees don't have the tools and resources ... It doesn't matter how great your culture or how beautiful your space is. They just can't be effective or productive at their work."

Jacob Morgan



Workers want the right technology, not the bleeding edge

How important are each of the following technologies for attracting and retaining talent at your organization?

On A Scale Of 1 To 10, With Ten Being Extremely Important And 1 Being Not At All Important Showing 8-10, Important To Extremely Important.



52%

Having the right collaboration technology for video and audio conferencing

42%
Having the latest hardware devices for the work you do (e.g., desktop, notebooks)

41% Having the right displays and accessories 22%

Having cutting-edge technologies (e.g., virtual reality, augmented reality)

Figure 3
Source Harvard Rusiness Review Analytic Services Survey February 2019

"If your employees don't have the tools and resources they need to do their job and to learn effectively, it doesn't matter how great your culture or how beautiful your space is. They just can't be effective or productive at their work," he says.

Organizations that don't have the right technologies in place can end up creating an environment where it's hard to communicate or it's hard to collaborate, or where flexible work options aren't possible. "When employees can't easily learn new things or they need to duplicate each other's work, they get frustrated. Then, over time, they become disengaged and, ultimately, they leave," says Morgan.

Technology and Talent

More than half of executives surveyed say that technology is a key consideration when candidates are deciding whether or not to accept a new job. A similar number say that the design of devices is important to attracting employees—and keeping them engaged after they're hired. Executives clearly recognize the role of technology in keeping employees productive and actively engaged, but only 27% of organizations measure the impact of their technology's user experience on employee engagement.

On the other hand, users—including the executives in our survey—are constantly assessing their technology experience. One-third believe their competitors have superior technology—something that should concern any organization. Nearly half say that the technology they use at home is more user-friendly than the technology they have at work. "It used to be that the office was where the most advanced technology was," says Bersin. Now it's the opposite. "You can do amazing things at home with smart devices," Bersin adds. "Then you go to the office and you have a bunch of stuff that doesn't work."

What do organizations need in order to attract and retain talent? Very few respondents (22%) put much weight on cutting-edge technologies, but they do want the right applications and the right hardware (see Figure 3). "People want tools that fit into the flow of work," says Bersin. "They want systems and tools that work like an application on their smartphone and that integrate with everything they are already using."

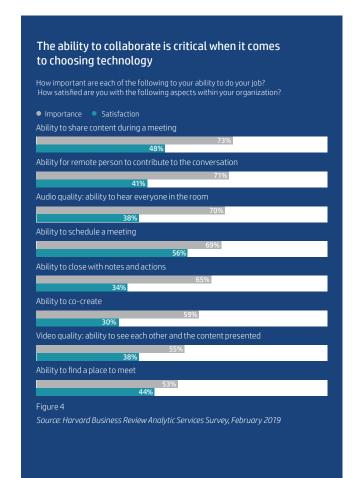




For example, more than half of respondents (52%) say that collaboration technology for video and audio conferencing is important for attracting and retaining talent. "But we actually have too many collaboration tools," says Bersin. "The right solution is to integrate the ones you have, and select them for the right purposes."

When it comes to the technology that executives must have to do their jobs, their choices tend to fall short of what they need. Nearly three-quarters (73%) say that they need to be able to share content during a meeting, but fewer than half say they have that ability. Seven out of 10 need good audio quality, but only four in 10 say they are satisfied with that quality today (see Figure 4).

"Very few respondents put much weight on cutting-edge technologies, but they do want the right applications and the right hardware."







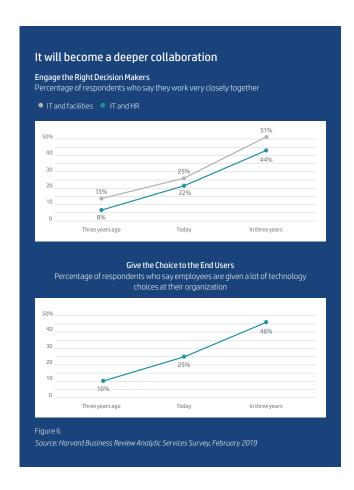
Connecting the Workforce

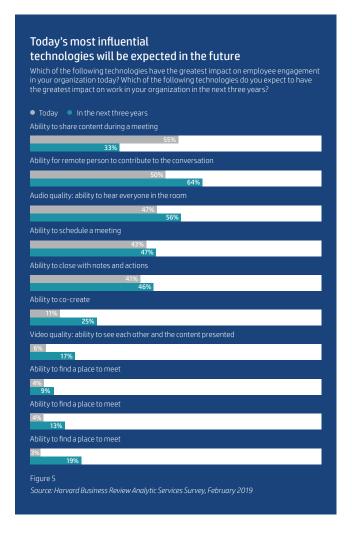
Not that long ago, every worker relied on a landline and a personal computer to stay connected. Today, smartphones and tablets, data and analytics, and cloud-based platforms have the greatest impact on workforce engagement (see figure 5). Within the next three years, however, executives expect that artificial intelligence, the internet of things, robotic processes and augmented reality will have a far greater impact on work than they do today. Mobility—and the smartphones, personal devices, and displays that make it possible—will still be important, but these things will be simply expected—just as electricity and internet access are today. Their impact will be noticed most if they are not up to date and ready to work with the technologies that will shape the very near future.

Digital Workplace of the Future

As work becomes more open and distributed, people need the right tools to stay connected, to do their job better, and to promote engagement. And as technological ecosystems become more virtual and user expectations evolve, IT professionals need to develop a strategic approach and work across functions to orchestrate a user experience that keeps the workforce not only productive but also creatively engaged.

To achieve that, respondents predict that IT professionals will be working more closely with facilities management, human resources, and the users themselves to determine how an organization's technology can help define the workplace and the culture (see Figure 6).





"One of the things IT decision makers need to work on the most is understanding the human side of work, and that means partnering with other teams like HR," says Morgan. "They need to find out what employees value most and then figure out how to use technology to make those things come to life."

At the same time, the workplace is no longer a defined space. For many people, there is a series of workspaces. "A lot of organizations are creating multiple workspace options for employees, with some open spaces, some closed spaces, collaboration spaces, and quiet spaces like little Zen garden areas," Morgan adds. "All of these different spaces can be infused with technology to make work more effective, productive, and efficient."

One such example is a conference room with technology that allows users to collaborate and share information with people anywhere in the world. Some facilities even have sensors to monitor traffic to see how employees are using their space. "It's not just about the software that you're using. It's about the physical technology that you interact with," says Morgan.



To create the workplace of the future, organizations should keep the following in mind:

- Effective technology deployment begins with an understanding of the human side of work.
- Technology is more than software, cloud services, and applications; it is about the physical technology as well—the devices, the sensors, and the design of the spaces where people meet and work.
- The right technology can draw people in and help them bring their full self to their work every day.

While technology alone can't create an engaged workforce, it plays a crucial role that will only become more crucial in the future. "Technology, culture, and physical space—you need all three of those things together to create a truly experiential company," says Morgan.

"Technology, culture, and physical space—you need all three of those things together to create a truly experiential company."

Jacob Morgan