

Building the digital workplace

The ways and places that people work are changing fast in the age of mobile technology. Remote work is turning into digital work, remaking not only schedules and commutes but also the ways organizations operate and the relationships between employers and employees. The business case for these new ways of working is becoming clearer, and the impact will ripple across society in ways that go beyond how people do their jobs.

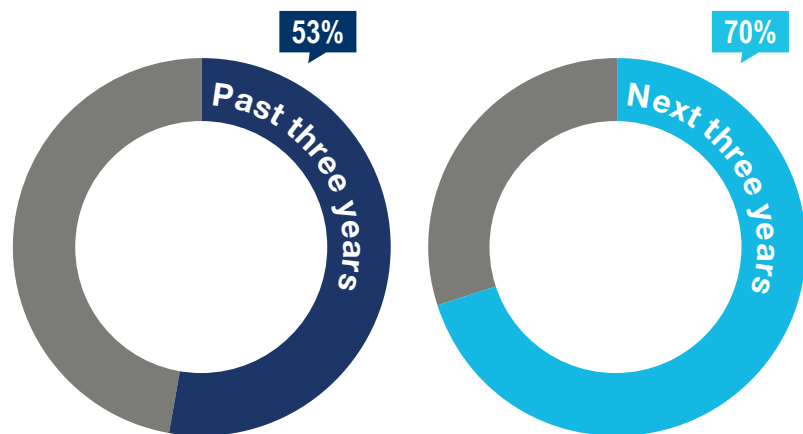
Getting there will take some work. Oxford Economics worked with Citrix in early 2017 to survey 600 business and IT executives around the world and across industries about their path to the digital workspace. We found that, ten years into the smartphone era, mobile strategies are still maturing and the transition to digital work is far from complete. Additionally, momentum is building as the understanding of mobility evolves from a set of technologies to a way of thinking, organizing, and working that makes all information available anywhere, anytime to all appropriate users.

This momentum is supported by a substantial commitment of resources. Investment in the development of digital work has increased for more than half of our survey sample in the past three years, and a strong majority of respondent organizations expect spending to rise in the next three years. Additionally, big changes that are under way in workplace design, policies, and culture will help these investments pay off.

Fig. 1: Betting on the digital workspace

Q. How has your organization's spending on virtual work changed over the past three years? How do you expect it to change over the next three years?

"Increased" and "Increased significantly" responses



Already, a small group of respondents—about 12% of our survey sample—provides a glimpse into the future of work. These companies have better-developed strategies for mobile and digital work than their peers, and they have made quantifiable progress on the road to the digital workspace. They also are more likely to realize value from these changes.

Transformation at this scale inevitably brings challenges as well as opportunities. Data security must be maintained across remote locations, and on mobile devices that may belong to contingent employees. Tech support has to increase its reach, a variety of productive work environments must be designed and supported, and employees need to develop the discipline to balance the demands of this new way of working to avoid burnout.

What makes these challenges worth the effort is the promise of happier, more engaged workers, greater efficiency and agility, and more robust financial performance. Beyond these business propositions, changing ideas of how and where we work could eventually influence everything from urban planning and resource use to employee diversity and specialized career tracks.

Wherever new ways of working take us, they start with a handful of practical steps; this paper focuses on defining those steps and measuring the progress leading organizations are making toward the digital future.

Meet the Digital Workspace Leaders

We isolated a group of organizations (about 12% of our survey sample) that demonstrate the strongest capabilities for mobile technology and virtual work. To qualify for this elite group, organizations must:

- Have a **coherent, integrated strategy** for transforming their business around mobile, or have **core processes** that were built primarily for mobile.
- Have changed virtual work strategies to **support off-site work** environments.
- Be able to **accurately measure the effects** of mobile technology and virtual work on their organization.
- Be **realizing significant value** from virtual work.

These leading organizations are performing at a higher level than their peers in a broad range of areas, including financial results and attention to the human factors that technology-driven strategies often overlook.

Digital work in a digital world

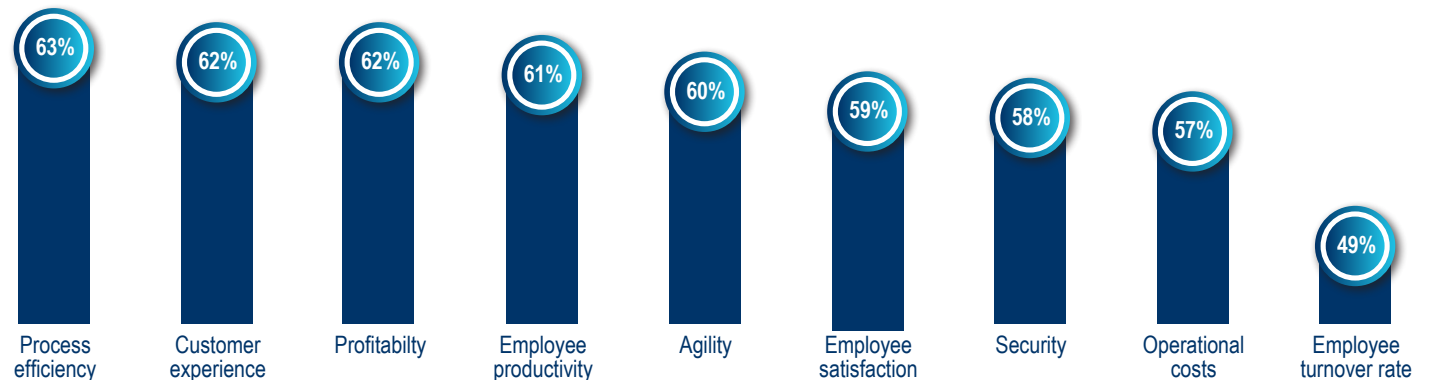
The transformation to digital work is part of a broader shift in the way people go about their daily lives. The ways we shop, date, bank, hail rides, and order dinner have changed in the smartphone era, with information available anywhere and on demand, and with individuals given much more control of various situations than they had in the past. This same scenario is playing out in the workplace. Humans are social animals and will always need face-to-face interaction, but we welcome the freedom to pick and choose when and where these interactions happen.

“Mobility is probably the most disruptive thing to happen to offices and work environments since the introduction of the desktop computer,” says Ryan Anderson, director of commercialization and business development for connected (IoT) solutions at furniture maker Herman Miller. “And I would put the consumerization of work right there with it—today most people don’t do all their work at one place, they take the technology that they have chosen to the place they determine to be most effective for what they want to do that hour or that day.”

Our survey shows that having choices at work makes people happier, and being able choose the best work environment for the needs of a given moment allows them to be more productive. Already, mobile technology and virtual work have increased employee productivity and satisfaction by substantial amounts, while lowering turnover rates. The direct benefits to employers, meanwhile, include higher profitability and increased agility.

Fig. 2: A better way of working

Q. How have mobile technology and virtual work affected your organization’s performance in the following areas? “Made somewhat better” and “Made significantly better” responses

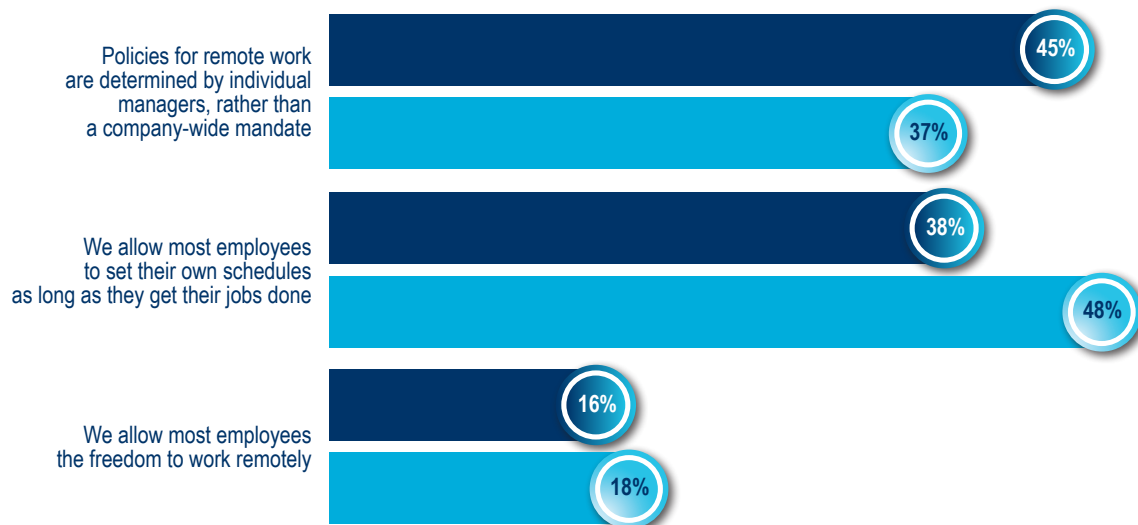


The impact of digital work will continue to grow as more organizations adapt to the new normal. Pilot programs allowing for remote work will increasingly give way to company-wide mandates (45% of respondents say individual managers set policy today, vs. 37% in three years) and more organizations will allow most of their employees to set their own schedules as long as they get their jobs done (38% today, vs. 48% in three years).

Fig. 3: The cultural evolution

**Q. Which of the following are true of your organization?
Which do you expect to be true in three years?**
Select all that apply for each time period

■ Today ■ In three years



While most organizations expect a majority of their employees to work onsite in three years, it is important to remember that digital work need not happen only in offsite locations. The rise of the open-plan office encourages more collaboration in conference rooms and pushes people to seek out quiet places to work. At the new London offices of the Swiss bank UBS, many workers no longer have assigned desks. “A key theme that seeded our planning around space and around technology was recognition of differences between how people used to work vs. how they want to work now,” says Andrew Owen, managing director of UBS corporate services. “We were adapting to those changes and designing for them.”

Onsite or off, digital work requires some attitudinal adjustments by both executives and the people they manage. Nearly two-thirds of respondents (61%) already allow employees to conduct personal business during work hours as long as they get their jobs done—something remote workers are likely to do as a matter of habit. And over two-thirds of respondents say their managers are sufficiently prepared to manage a virtual workforce.

However, better strategies are needed to limit the potential hazards of digital work. While most respondents (79%) say they encourage employees to pursue balance between their jobs and their personal lives, nearly 60% say employee burnout due to constant connectivity is a problem for their organization—the same number that says they expect employees to be available after hours. Fortunately, when managed effectively, the rewards are evident.

Fig. 4: Life in the always-on economy

Q. To what extent do you agree with the following statements?
“Agree” and “Strongly agree” responses



Change is hard, but executives in our survey view the effort as worthwhile. Already, substantial numbers say virtual work has affected employee capabilities in areas ranging from creative problem-solving (69%) to innovation (68%), customer service (66%), and collaboration (63%). Two-thirds say approaches to virtual work allow them to attract and retain superior talent.

Yet for most organizations, the transition to digital workspaces is still underway.

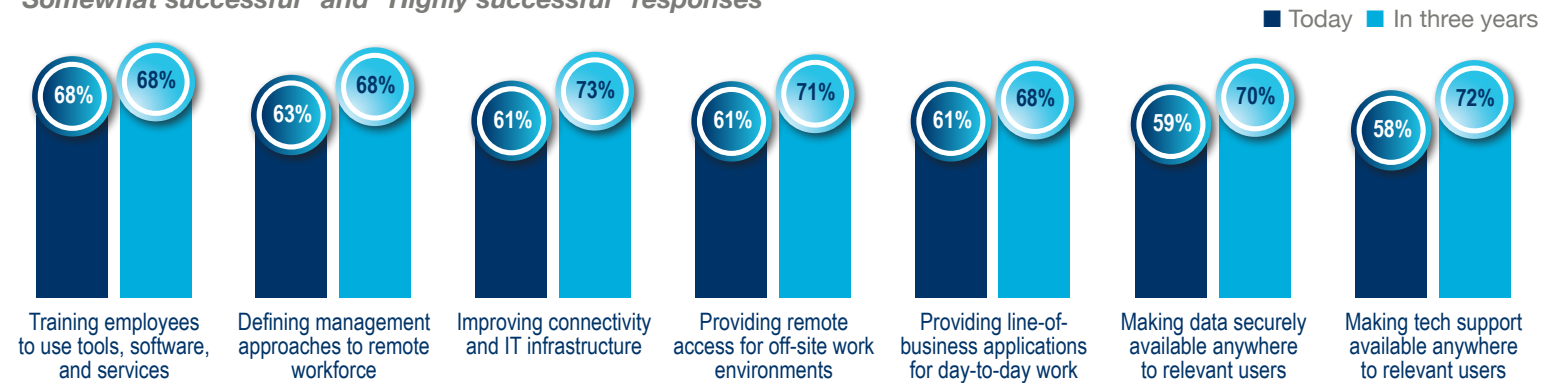
Blueprint for the future

For all the progress in the development of digital workspaces, much work remains to be done. Just 12% of respondents say their organization is realizing full value from virtual work, but that number rises to 39% for our Digital Workspace Leaders. Clearly, different approaches to transformation yield different outcomes, and Leaders are ahead of their peers in making changes to leadership and management culture (72%, vs. 35% of non-Leaders), workflows and business processes (74% vs. 33%), and HR policies (71% vs. 31%).

More tangible changes matter, too. Relatively slim majorities say they have been successful in supporting virtual work by providing remote access for off-site environments as well as line-of-business applications for day-to-day work (both 61%); almost as many (58%) are making tech support available anywhere to relevant users. Those numbers rise somewhat in the next three years, but none cracks the 70% mark; Leaders are well ahead on providing apps today, and expect to have significant advantages over other organizations in every category in three years.

Fig. 5: Building digital workspace infrastructure

Q. How successful are your organization's efforts to support virtual work in the following areas?
"Somewhat successful" and "Highly successful" responses



Concerns about security are rated as the top barrier to digital work.

64% have highly effective methods for securing mobile technology.

31% have policies to safeguard information when contingent workers leave.

Concerns about security are rated as the top barrier to digital work. "We know the risks are going to increase," says Farbod Karimi, chair of learning and teaching services at Algonquin College in Ottawa. Yet the big community college continues to move aggressively into the digital era. "We have had people try to do some bad stuff, and we caught them. But we are investing a lot of money to make sure things continue to happen correctly."

Three-quarters of respondents have policies to

secure mobile technology and defined approaches for employee log-ins and IDs, but fewer say they have highly-effective methods for securing mobile technology (64%) or effectively manage the use and security of employee-owned devices (63%). The numbers are worse when it comes to non-payroll employees: just 31% have policies to safeguard information when these workers leave, and 29% use software and services to secure data used by their contingent workforce.

The definition of work will continue to evolve as emerging technologies drive further advances. Spending on tools like artificial intelligence and additive manufacturing will grow in three years, but strategies for integrating them into business plans remain immature. Mr. Anderson of Herman Miller is confident that employers will catch up. "Our vision of the future workplace includes the Internet of Things and connected products that allow very different ways of planning spaces," he says. "There is a whole digital side to enabling organizations to do that better."

Conclusion

The emerging digital workspace creates great opportunities for growth and innovation, making workers happier and more productive along the way. Embracing this rapidly arriving future requires more than investing in technology or changing schedules. To realize full value from digital work, executives must do the following:

- **Recognize** that digital work is the new normal. A growing number of employees want options to work in the places and at the times that work best for them.
- **Think beyond** smartphones and tablets to next-generation tools that will shape the digital workspace. Internet-connected devices and augmented reality are changing the ways information is distributed and shared.
- **Respect** the impact digital work has on your people and find ways to make the experience work for them. Management must start discussions with employees and set boundaries to avoid worker burnout.
- **Understand** the business value of security and the challenges of a growing contingent workforce. Making sure there are processes, training programs, and a culture around security can ensure that important information stays safe—no matter where employees go.

This paper discusses the evolution digital workplaces. Please see our companion report on the mobile maturity for insights into the evolution of mobile technology and strategy and its critical role in creating new ways of work.

For more research, visit:

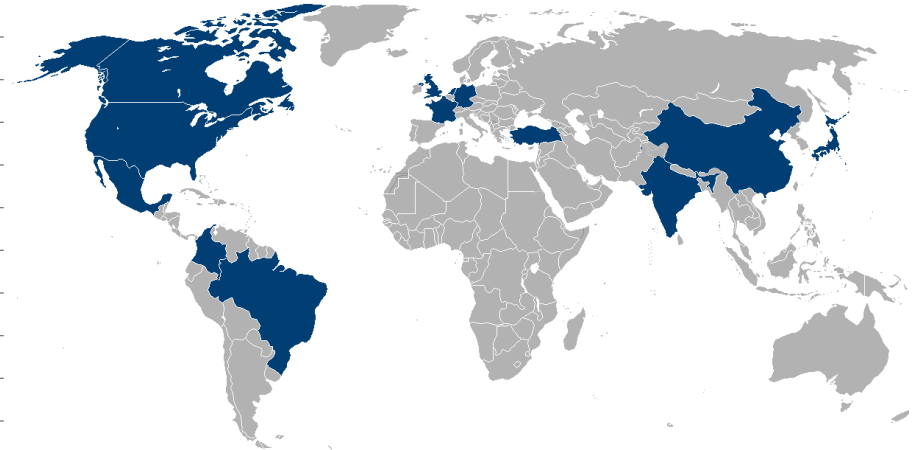
<http://www.oxfordeconomics.com/thought-leadership/digital-workspace>

About the research

Oxford Economics worked with Citrix on a global study of the ways maturing mobile technology and changing approaches to work are affecting organizations of all types.

We surveyed 600 executives around the world and across industries about how they are integrating mobile technology and digital work into their strategies. We also conducted a series of in-depth interviews with individuals from UBS, Algonquin College, Herman Miller, and the University of São Paulo, for real-world insights and lessons learned.

US	26%
UK	10%
Canada	9%
Germany	8%
France	7%
Brazil	5%
China	5%
Colombia	5%
India	5%
Japan	5%
Mexico	5%
Netherlands	5%
Turkey	5%



- **Industries:** A range, including financial services (26%), education (25%), healthcare (25%), and retail (8%)
- **Seniority:** 50% C-level, 50% direct report to C-level
- **Function:** 50% IT, 50% business
- **Age:** 14% 18–30, 46% 31–45, 36% 46–60, 4% 61–70
- **Company size:** 6% less than \$50 m in revenue, 12% \$50 m–\$500 m, 35% 500 m–\$750 m, 20% \$750 m–\$1 bn, 18% 1 bn–\$5 bn; 9% over \$5 bn