

IDC PERSPECTIVE

Future of Work: Strategies for the New Work Experience – Update

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EXECUTIVE SNAPSHOT

FIGURE 1

Executive Snapshot: Strategies for the New Work Experience



Source: IDC, 2021

SITUATION OVERVIEW

The Problem with Work as We Know It

For decades, technology advancements have changed the way we work, and organizations have adapted. Why is this time different? Why has work transformation – or the "future of work" – become a disruptive force that goes to the very core of corporate culture, stakeholder roles, and how business is conducted? And why are organizations struggling to support and adjust to the new work experience?

The 21st century economy requires workers to operate as dynamic and reconfigurable teams that can quickly adapt to business demands and new market requirements – anytime, anywhere, and from any physical location. The recent COVID-19 pandemic has highlighted this necessity and has laid bare infrastructure, policy, and process gaps and deficiencies in many organizations as half of the workforce became remote almost overnight. As workers return to company facilities (and recognizing that some have never left), organizations are faced with the increased challenges associated with protecting the health of employees, partners, and customers.

As organizations take stock, regroup, and pull through the health crisis, the recovery process demands a new level of agility for many enterprises, including embracing the new "normal" of a hybrid, mutable workforce, and traditional work models aren't nimble enough and adaptive nor scalable. In the new work experience, human workers operate side by side with "digital coworkers," enabling human workers to focus on higher-value activities. The future of work is about the rise of humanism as the new driver of value – with skills such as imagination, creativity, and empathy gaining prominence. All of this requires entirely new work environments, organizational structures, and metrics for success.

The pre-COVID-19 status quo presented organizations with four intransigent sets of challenges, which are discussed in the sections that follow.

Inflexible Work Environments

The work environments constructed during the first 20 years of the 21st century lack the agility required to remain competitive for the next 20 years. Manual, repetitive operations limit scalability and growth. Monolithic, bloated, nonintegrated applications hinder effectiveness and demoralize workers. The sheer number of tools and data types required to complete a work process introduces excessive friction and context switching, further depressing speed and productivity and increasing worker disengagement. Challenges related to security and connectivity limit access to corporate resources, resulting in work activities (including collaboration and innovation) that are bounded by physical structures and specific times of the day. All these difficulties came into sharp focus during the global COVID-19 pandemic.

IDC defines technology parity as the requirement that all workers have secure access to the resources required to do their jobs, no matter their preferred device or whether they are local/remote/in the field. In IDC's 2020 biweekly global surveys of over 600 senior decision makers, 38% indicated that work models will be redesigned to support a hybrid workforce (onsite and at home). However, only half of respondents thought that their organization had implemented processes and policies that would enable them to be very or highly effective in supporting a hybrid workforce.

IDC predicts that by 2023, 75% of the G2000 will commit to providing technical parity to a workforce that is hybrid by design rather than by circumstance, enabling them to work together separately and in real time. The rise of new business and operating models is redefining how work environments need to

be transformed. An agile and scalable work environment gives rise to a hyperscale, hyperspeed, and hyperconnected organization.

Talent Limitations

As the pace of technology advancement accelerates, the "half-life" of relevant and required skill sets declines. The growing need for new skills has resulted in organizations leveraging disparate ad hoc, online training programs, limiting the organization's ability to monitor progress, adjust training priorities, and measure impact. Organizations lack modern, intelligent, agile, and adaptive learning systems required to align and assess talent potential and reskill employees. In addition, traditional "one-and-done education" mindsets prevent workers themselves from embracing new lifetime learning strategies.

Even before the current health crisis, it was apparent that employees in high-performing organizations must have the minimum skills in data, coding, and/or digital technologies. The shift to a hybrid workforce is requiring entirely new workstyles and skill sets for both workers and their managers. Human resources (HR) transformation is just as important as IT transformation. By 2023, G2000 companies that deploy embedded artificial intelligence (AI)-driven dynamic learning and digital adoption platforms that support adaptive, reconfigurable teams will achieve 20% increase in productivity. For these organizations, talent is a source of competitive advantage.

Hierarchical Leadership and Rigid Organizations

Traditional static, siloed organizational structures that are function focused rather than outcome focused inhibit consensus, limiting speed, agility, and business value. Collaboration is severely hampered, which in turn restricts innovation. Organizations are reactive rather than predictive and proactive. Hierarchical decision making and top-down mandates do not align with the need for adaptability and agility. Powerless teams that do not have the authority to adapt further delay progress. Conventional balanced scorecards and KPIs do not accurately measure the capabilities most critical to a digitally transformed organization, including creativity, collaboration, and innovation.

High-performing organizations adopt an agile "squad" cross-functional operating model. The "future enterprise" has the capability to deliver agility, empathy, intelligence, resiliency, and empowerment at scale. New ways of working give rise to frictionless engagements and speed.

Misadapted Security, Privacy, and Trust

There is a constant tension between robust security and access to resources. Today's cumbersome and repetitive security protocols hinder productivity and create suboptimal employee experience (EX). For the end user, the appeal of hyper-personalization competes with the desire for data privacy. A multigenerational workforce increases complexity as security and privacy thresholds vary.

The need to create individual, temporary identities for contract or gig workers (across multiple platforms) introduces additional security risk and diminishes the experience for those workers who must manage multiple digital identities.

A new paradigm for authentication, security, and compliance is required to balance the organization's mandate to meet regulations, provide data trust, and push the envelope in innovation. By 2023, 30% of the workforce will have their own secure portable and private digital work identity, enabling them to access the tools and data they need across business entities.

In high-performing organizations, trust is at the core of their DNA, with brand equity directly linked to it. Security is transparent to worker experience.

The Future of Work

The Rise of the Digital Coworker

We're all aware that 3rd Platform and related technologies such as cloud, mobility, and social business have changed how we work daily. However, technologies such as artificial intelligence, data analytics, robotics, augmented reality (AR) and virtual reality (VR), and intelligent process automation (IPA, including robotic process automation [RPA]) are giving rise to a new "digital workforce" that is rapidly changing who – or what – is doing the work. The World Economic Forum calls this the "Fourth Industrial Revolution," and its impact is being felt broadly across all industries and many job functions.

These changes are happening very rapidly; in fact, many of us are already seeing the growing role of "digital coworkers" in our own organizations and industries. With the push to increase productivity, to reduce time to market, and to cope with the lack of digital talent, organizations will leverage these digital coworkers to enhance each human worker's capabilities and give them tailored "superpowers." By 2022, 45% of repetitive work tasks in large enterprises will be automated and/or augmented by using "digital coworkers" (powered by AI, robotics, and IPA), furthering human-machine collaboration.

At the same time, our consumer experiences are driving new sets of expectations for the work environment. We seek personalized experiences with almost ubiquitous access to resources, anytime and anywhere, with ease and immediacy. Differing workstyles may be associated with different constituents of our multigenerational workforce, and all must be accommodated. And broader macroeconomic trends such as globalization and sustainability are also impacting the work environment.

Rethink Work

The future of work is about rethinking the way work gets done. It is a fundamental shift in the work model to one that fosters human-machine collaboration, enables new skills and worker experiences, and supports an intelligent and dynamic environment unbounded by time or physical space.

Work transformation is critical for effectively scaling digital transformation (DX) initiatives. Work transformation initiatives will increase business agility and business continuity, worker productivity, and operational efficiency. Most importantly, it will drive greater stakeholder (including employee) engagement and innovation and drive greater business value, enabling your organization to establish competitive differentiation in a dynamic business environment. IDC research shows that employees as stakeholders are a key to successful business outcomes. Providing mature employee experience programs leads to significant organizational resilience with more committed, productive employees with longer tenures, all contributing to faster pre-COVID-19 recovery trajectories.

IDC asked survey participants about the top organizational challenges their organization is facing as a result of COVID-19 and the emergence of new working models. A new leadership style and new metrics for success are required to effectively manage a hybrid workforce. Employee health, both mental and physical, becomes a business imperative (see Figure 2). To underscore the importance of the new way of work, IDC's November *COVID-19 Impact on IT Spending Survey* asked C-level executives what HR metrics should be added in 2021, and the top answer (60% of executives) was an employee Net Promoter Score to measure and gauge employee satisfaction, with employee mental health and happiness metrics, and diversity and inclusion not far behind. There is a realization that an engaged and trusting workforce is the core to successful business outcomes. In fact, IDC predicts that

by 2021, 65% of knowledge and frontline workers will include health considerations in addition to social, environmental, and humanitarian actions as key criteria to employment decisions.

Leadership will play a critical role in this process. Organizations will need to understand and apply behavioral indicators, support, and training to achieve the broad-scale realignment of management culture. These and similar tools will need to extend throughout the enterprise, allowing omni-directional visibility into team performance in general way, with more detailed views based on access entitlements related to functional, geographical, product, and outcome responsibility.

FIGURE 2

Top Organizational Challenges

Q. Which are the top organizational challenges your organization is facing as a result of COVID-19 and the emergence of new working models?



n = 619

Note: The survey was conducted November 9-23.

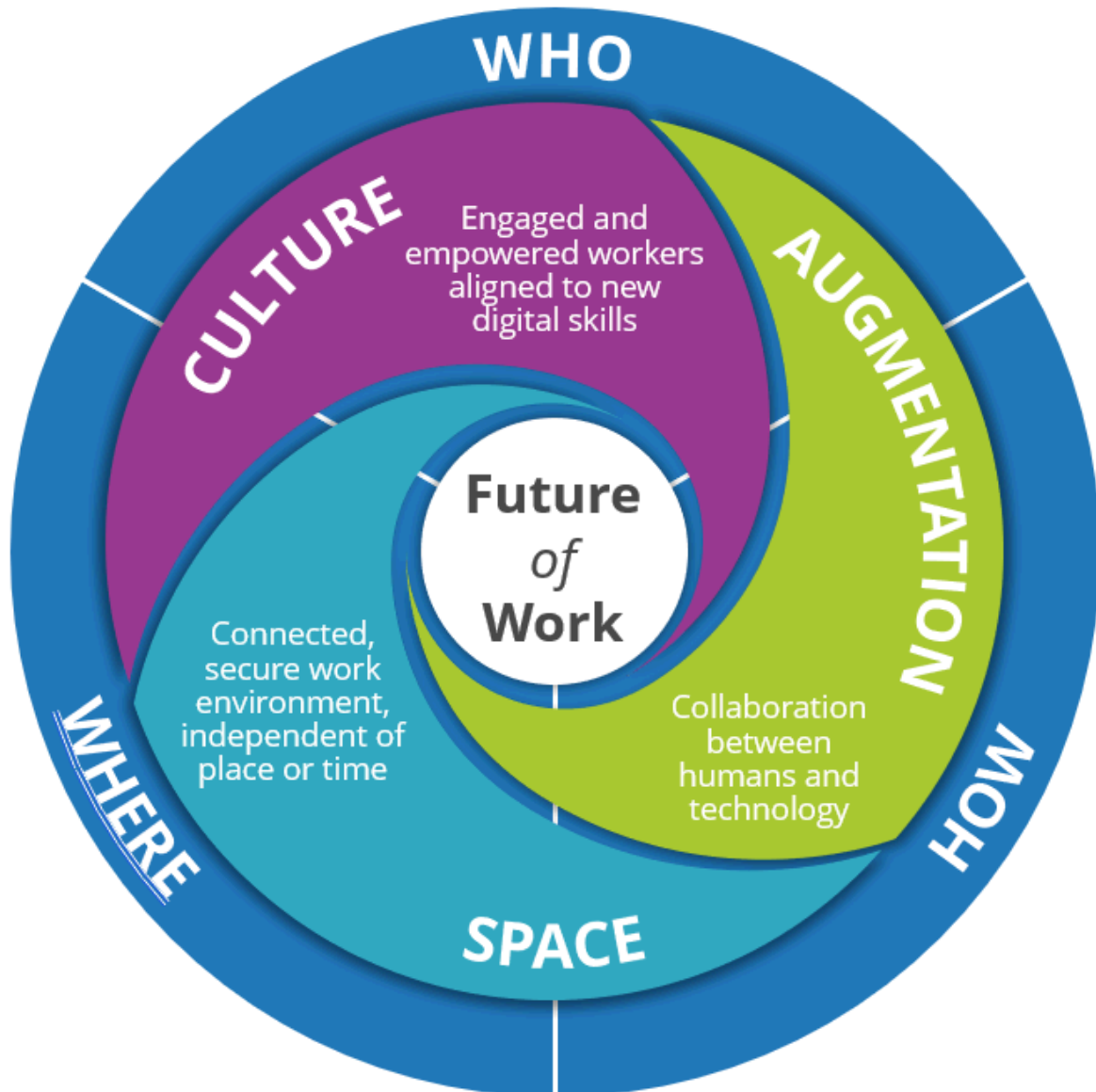
Source: IDC's COVID-19 Impact on IT Spending Survey, November 2020

IDC's Future of Work Framework

IDC developed the future of work framework to help organizations structure work transformation strategies and scope future of work initiatives. It is also intended to help define the technologies and related services essential to the modern workplace. The future of work framework takes a holistic, integrated approach, encompassing three interrelated and interconnected pillars (see Figure 3).

FIGURE 3

IDC's Future of Work Framework



Source: IDC, 2021

The *augmentation* pillar of IDC's future of work framework is about enabling and embracing the new digital coworker (i.e., technologies such as AI, robotics, process automation, and AR/VR). These opportunities include full automation as well as an extension of human capabilities, encompass both information work and operational work, and can apply to both office workers and field-workers.

Though some jobs will be completely automated, the reality is that these technologies most frequently augment, rather than fully replace, activities performed by human workers, enabling those workers to be more productive, but also allowing them the freedom to focus on higher-value activities and innovation, ultimately driving improved worker experiences and new value for the organization. Augmentation focuses on how agile companies enable a rapid and accurate business strategy using technology that augments human decision making, especially when key talent is scarce.

To fully leverage the opportunity of automation, augmentation, and human-machine collaboration, organizations must acquire and/or develop new skill sets. These activities may be supported by new technologies for acquisition, development, and retention.

However, cultural changes don't end there. Digital transformation and work transformation are not accomplished in one fell swoop but are ongoing initiatives, requiring continuous innovation and a new type of organizational agility. This requires new leadership styles, organizational structures, and performance metrics. As noted previously, a multigenerational workforce means that companies need to support multiple workstyles. They need to preserve existing knowledge even as they bring in new capabilities. This is all encompassed in the *culture* pillar of IDC's future of work framework.

The work environment must adapt to support the new hybrid workforce and new work culture. The environment itself must be intelligent and dynamic, connected and secure, and independent of a physical place or specific time of day. The workspace must enable access to corporate resources and support collaboration to allow all workers to effectively contribute, whether full time or part time, local or remote, or permanent or temporary – and whether human or machine. The physical working environment may possess its own "intelligence," further assisting its human inhabitants. This is the *space* pillar of IDC's future of work framework.

The modern work culture and the modern workspace further enable human-machine collaboration – hence the cyclical nature of our framework. The outer ring of the framework depicts the impact of the three pillars. "Augmentation" and "culture" define *who* does the work (man and/or machine) and the organizational structures, policies, and processes that shape the human workforce. Both "culture" and "space" delineate and influence *where* that work gets done. And both "space" and "augmentation" define exactly *how* work is accomplished.

Critical Technologies for the New Work Experience

While many technology categories will play some role in supporting work transformation, the following are essential for success:

- An efficient, scalable, and adaptable "digital workforce" that can be deployed to automate and augment a variety of work activities
- An intelligent, federated work environment that minimizes context switching by intelligently and proactively serving up the resources required for the next priority task
- Secure connectivity to people, digital workers, and corporate resources anytime, anywhere, from any device category

- Collaborative tools that enable a conversational enterprise (including human and digital workers, as well as partners, customers, and other stakeholders)
- Robust security and governance that do not disrupt productivity or diminish the experience
- Human resources and administrative solutions that are self-explanatory, self-aware, and self-service
- Intelligent, agile, and adaptive learning systems that enable new skill sets and continuous learning
- Integrated workplace sensing systems that optimize and personalize the employee experience and enhance productivity, safety, and security
- Knowledge insights connecting experts to relevant content across departments and business processes

ADVICE FOR THE TECHNOLOGY BUYER

Why Act Now?

The "future" of work is a misnomer – that "future" is happening now and has been accelerated by the global pandemic. The evidence abounds; IDC's research on the growing contribution of digital coworkers is bolstered by growth of automation, including the rapid growth of intelligent process automation software vendors. Companies as diverse as Amazon, ANZ Bank, AT&T, DHL, JPMorgan Chase, Lippo Group, Ping An, Unilever, and Walmart have embarked on efforts to prepare workers for new digital roles. Governments with smart nation/Smart City initiatives – including Singapore, China, and New Zealand – are also preparing their populations via future fluency skills programs, and a broad range of technology vendors and services providers are exploring or actively developing intelligent workspace solutions.

Organizations that don't act will be left behind.

Taking the First Steps

Organizations must take a structured and holistic approach to work transformation and future of work initiatives. The future of work is not just about automation and job replacement, millennials entering the workforce, or the latest digital workspace solution, but the future of work is an enterprisewide imperative. It requires CXO leadership and intimate collaboration between IT, lines of business, HR, and other departments and results in increased productivity, employee engagement, competitive differentiation, and new business value. All leaders, from CXO down, should reflect on their own style and how it should change. Most importantly, future of work initiatives must be an integral component of an organization's overall DX strategy.

Consider using IDC's future of work framework as a starting point for scoping and defining your organization's work transformation strategy. To begin, consider the following questions:

- Does your organization have an enterprisewide strategy for work transformation? Does it have senior-level support?
- Is budgeting for work transformation initiatives part of an overall, well-funded digital transformation initiative?
- Are there specific strategies in place for work automation and augmentation? What is the role of the digital worker in your organization? Have you established an automation and augmentation center of excellence?

- What are your strategies for acquiring new digital skill sets? Are new acquisition models being established to obtain the skill sets required as they are needed? Is talent management a strategic imperative?
- What are your plans for reskilling current employees?
- Is employee experience at the center of your work transformation initiatives?
- Are your facilities keeping pace with a modern workplace strategy?
- How are you enabling employees in terms of productivity, collaboration, mobility, and innovation?
- Are your systems secure? Is the appropriate governance in place?

Perhaps the most important questions are related to your organization's ability to execute. The future of work framework requires both innovation and agility. These two core capabilities will determine which organizations will lead and which will be left behind.

LEARN MORE

Related Research

- *IDC FutureScape: Worldwide Future of Work 2021 Predictions* (IDC #US46248920, October 2020)
- *Market Analysis Perspective: Worldwide Intelligent Process Automation Software, 2020* (IDC #US45898320, September 2020)
- *IDC TechScape: North America Safe Return-to-Office Technologies, 2020* (IDC #US46788820, September 2020)
- *IDC Market Glance: Digital Content Services, 3Q20* (IDC #US45394620, September 2020)
- *IDC's Worldwide Future Enterprise Use Case Taxonomy, 2020: Future of Work* (IDC #US44810719, August 2020)
- *IDC TechScape: Worldwide Intelligent Digital Workspace, 2020* (IDC #US46763120, August 2020)
- *IDC MarketScape: Worldwide Print Transformation 2020 Vendor Assessment* (IDC #US45354420, August 2020)
- *From Hierarchical to Empathic Leadership: Enabling the Future of Work* (IDC #US46702020, July 2020)
- *From Rigid to Resilient Organizations: Enabling the Future of Work* (IDC #US45799820, July 2020)
- *COVID-19: Can Smart Workplace Solutions Enable a Safe Return to the Office?* (IDC #EUR146468118, June 2020)
- *COVID-19, Meet Robot: "Gearing Up" for the Future of Work* (IDC #US46228520, April 2020)
- *Talent as Competitive Advantage: Enabling the Future of Work* (IDC #US45799720, April 2020)
- *Future of Work: Strategies for the New Work Experience* (IDC #US45711419, January 2020)

Synopsis

This IDC Perspective reviews the challenges that organizations face as they transition to the new work experience and presents a framework for addressing those challenges. As organizations accelerate and

expand digital transformation (DX) initiatives, traditional work models aren't nimble enough and adaptive nor scalable. Human workers are increasingly operating side by side with "digital coworkers," enabling human workers to focus on higher-value activities. The future of work is about the rise of humanism as the new driver of value – with skills such as imagination, creativity, and empathy gaining prominence. This requires entirely new work environments, organizational structures, and metrics for success.

"The future of work isn't really about the future – it is about initiatives that companies need to pursue now," says Holly Muscolino, research VP, Content and Process Strategies and the Future of Work at IDC. "IDC believes that organizations that embrace these technological and organizational changes and cultivate an agile, dynamic worker experience and work environment will gain a competitive edge."

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