

Flexible work environments should be purpose built for collaboration and education and include considerations for onsite and remote work locations as well as places in-between.

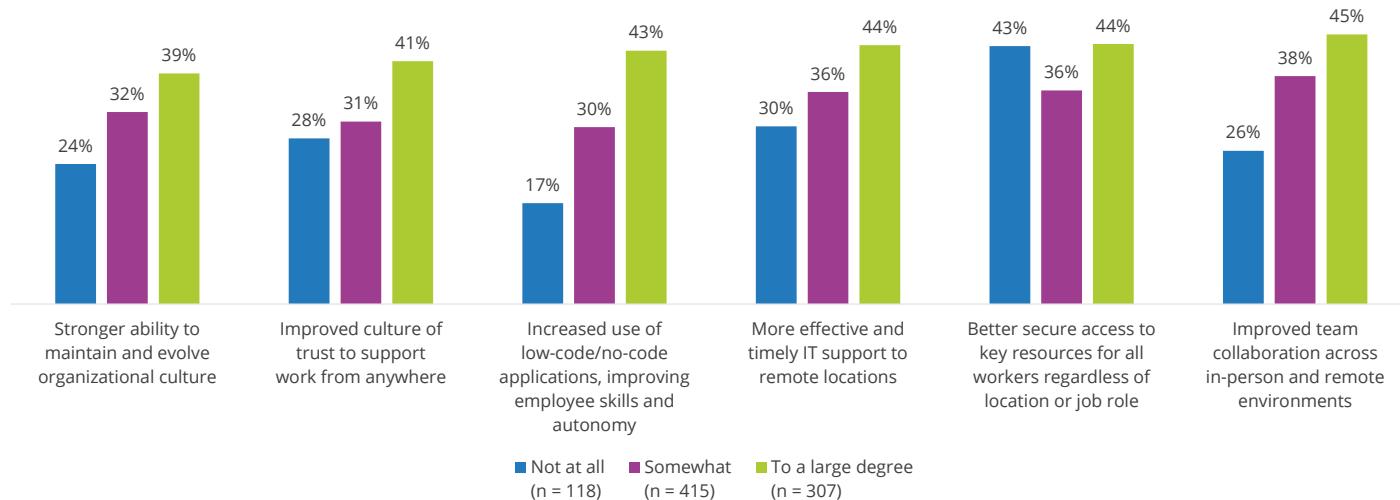
Organizations with Flexible Work Models Realize Greater Success

April 2023

Written by: Amy Loomis, Ph.D., Research Vice President, Future of Work

FIGURE 1: *Digital Business Maturity Benefits*

Q Which of the following benefits has your organization seen as a result of implementing flexible work models?



Source: IDC's Future Enterprise Resiliency and Spending Survey, Wave 11, December 2022

Introduction

It's no surprise that organizations that were well prepared to implement digital-first and hybrid work models at the outset of the pandemic fared better than those that were not. Earlier investments in cloud and virtualization technologies enabled the better-prepared organizations to be far more agile in managing resources and distributed workforces. Investments in communication and collaboration technologies created more seamless teaming practices across remote and onsite workers. Top business/market drivers for work transformation include increased employee productivity (43%), cost savings (38%), sustainability (35%), profitability (34%), improved customer experience (33%), and improved employee experience (32%) (source: IDC's 2022 Future of Work Global Survey; n = 1,316).

While many organizations stress the importance of onsite work, those that endorse more flexible work models across both remote and onsite locations report higher business benefits. Digital-first organizations are doubling down on defining the

onsite side of hybrid work models. They are not waiting to move forward in the next chapter of establishing physical workplaces that are purpose built to invoke collaborative practices and work rituals for all workers. IDC data shows that the market for future of work technologies will grow to almost \$1 billion in 2023 — an 18.8% increase over 2022.

At a technology level, this growth means supplementing investments in digital workspaces with investments in offices, digitally enabled audiovisual devices, and similar tools to augment onsite work. These investments represent much more than a pure-play refurbishment of office environments. They signal a significant shift from the office as a destination for generic work activities to the office as a modern environment purpose built to drive collaboration and innovation. In this way the office becomes a bridge between locations, a destination for engagement, and a catalyst for cross-functional process innovation.

The market for future of work technologies will grow to almost \$1 billion in 2023 — an 18.8% increase over 2022.

Trends

When IDC asked survey participants which work practices and technology investments are most likely to endure in the face of current market disruptions (economic turmoil, skills shortage, inflation, etc.), 37% said that remote and hybrid work models will remain an embedded part of accepted work practices for many industries. Another 37% said that physical workplaces will become increasingly instrumented, interconnected, and intelligent to build employee experience (source: IDC's *Future Enterprise Resiliency and Spending Survey, Wave 11*, December 2022, n = 840).

While it's tempting to return to the comfort and predictability of traditional ways of working — 9-to-5 for five or at least four days a week — that model will not drive digital businesses forward. Despite early nay-saying around remote and hybrid work, more than 80% of the leadership and employees in North America agree that hybrid work — with elements of both remote and in-office work — is just as productive as or more productive than in-office work (source: IDC's *Future of Work Employee and Leadership Survey*, August 2022, n = 1,316).

The power and the differentiation of flexible work models mean that businesses need to rethink the rituals of working as much as the technologies that support them. Top initiatives to improve the employee experience include technology upgrades focused on teaming (43%), responsive IT support to ensure productive work practices (37%), and analytics and AI focused on improving the employee experience (32%) (source: IDC's *Future of Work Global Survey*, April 2022, n = 1,316).

Benefits

The reality is that the past few years have greatly accelerated a long-promised vision of integrating remote and onsite work in a flexible model that will be enduring — scaling up and down to meet business needs rather than adhering to strict policies. Organizations with high digital maturity show the highest levels of team collaboration across in-person and remote environments. They report better secure access to key resources for all workers regardless of location or job role, better IT support, increased use of low-code/no-code applications, and improved work culture based on trust.

Organizations with the highest digital maturity see a range of benefits, including:

- » **Improved collaboration across in-person and remote environments** means investing in modern technologies (often developed since the start of the pandemic) that blur the boundaries and create a parity of experience for those who are remote and those who are in the office. According to IDC research, 45% of technology leaders who identified as being digitally mature saw improved collaboration compared with 38% who identified as somewhat mature and 26% who identified as not at all digitally mature.

- » **Better secure access to key resources** ensures that key resources are protected and that all workers can have the access they need to key data, applications, and coworkers regardless of location. Forty-four percent of technology leaders reported better secure access to key resources.
- » **More effective and timely IT support** for remote workers involves supporting an improved parity of experience between those who are onsite and those who are offsite so that they can contribute equally to business goals.
- » **Improved employee skills and autonomy** require investments in automating work processes and enabling line-of-business workers to automate their own work. These investments include AI capabilities that automate collaborative applications and the hardware that enables workers across locations to feel like they are in the same work environment.
- » **Improved culture of trust and support** ensures that onsite and remote employees are treated the same way. This culture is critical to driving employee productivity and transparency of leadership.
- » **Stronger ability to maintain and evolve organizational culture** should be based on technology investments and management commitment to foster strong connections and innovation. These companies have thought about investments that will enable improved employee experience and productivity in the moment and have dedicated themselves to using digital and physical technologies to grow and evolve work cultures driving greater employee retention, brand loyalty, and productivity as they continuously evolve to take on challenges and opportunities.

Considerations

Every organization has its own requirements for flexible work policies. The temptation for many is to frame our current times as a "pendulum swing" back to the old office environment when in fact we are moving forward to reimagined office environments. These environments should be purpose built for collaboration and education. They are part of a broader work location framework that includes onsite and remote locations as well as places in-between, such as airports, taxis, and hotels. Strategic planning for future of work initiatives needs to consider the long-term benefits of becoming a digital business. It is necessary but insufficient to invest only in digital workspaces. Physical workplaces that too closely resemble earlier landscapes of the cube farm or the open office will signal to employees that the benefits discovered in and through the pandemic were temporary and not a part of a digital long-term strategy. To become a truly mature digital business, organizations need to have the hardware, software, and operational systems in place that will enable evolving business practices well into the future.

Conclusion

The journey to becoming a digitally mature business requires, above all, a vision for future work models that support evolving as well as existing business practices. It will take time for each organization to find its own rhythm and rituals of work that have the right degree of flexibility to drive innovation and maximum business benefits. (These efforts are well underway and achieving success at many organizations.) This means that the time to invest in the technology for a reimagined workplace is now. Organizations must improve team collaboration across hybrid work environments no matter the ratio of onsite employees to offsite employees. They must ensure secure access to key resources through improved hardware and software investments and better IT support to provide parity of experience for all workers across locations. Together these elements provide the means to create digital dexterity, equipping organizations to adapt, grow, and be the successful digital businesses of the future.

The time to invest in the technology for a reimagined workplace is now.

About the Analyst



Amy Loomis, Ph.D., Research Vice President, Future of Work

Amy Loomis is Research Vice President for IDC's worldwide Future of Work market research service. In this role, Ms. Loomis covers the growing influence of technologies such as artificial intelligence, data analytics, robotics, augmented and virtual reality, and intelligent process automation in changing the nature of work. Her research looks at how these technologies influence workers' skills and behaviors, organizational culture, worker experience, and how the workspace itself is enabling the future enterprise.

MESSAGE FROM THE SPONSOR

HP is leading the way with solutions that support the future of work.

HP is a technology company born of the belief that companies should do more than just make a profit. They should make the world a better place. Our efforts in climate action, human rights, and digital equity prove that we are doing everything in our power to make it so.

Our technology – a product and service portfolio of personal systems, printers, and 3D printing solutions – was created to inspire meaningful progress.

We are all experiencing the biggest change in how people work that we will see in our lifetime. Hybrid is here to stay, and organizations are now looking for new ways of maintaining a thriving sense of culture while driving productivity in this future ready era.

To support this, HP offers end-to-end solutions and services that empower people to work at any time, from anywhere, while loving what they do.



The content in this paper was adapted from existing IDC research published on www.idc.com.

IDC Research, Inc.

140 Kendrick Street

Building B

Needham, MA 02494, USA

T 508.872.8200

F 508.935.4015

Twitter @IDC

idc-insights-community.com

www.idc.com

This publication was produced by IDC Custom Solutions. The opinion, analysis, and research results presented herein are drawn from more detailed research and analysis independently conducted and published by IDC, unless specific vendor sponsorship is noted. IDC Custom Solutions makes IDC content available in a wide range of formats for distribution by various companies. A license to distribute IDC content does not imply endorsement of or opinion about the licensee.

External Publication of IDC Information and Data — Any IDC information that is to be used in advertising, press releases, or promotional materials requires prior written approval from the appropriate IDC Vice President or Country Manager. A draft of the proposed document should accompany any such request. IDC reserves the right to deny approval of external usage for any reason.

Copyright 2023 IDC. Reproduction without written permission is completely forbidden.