

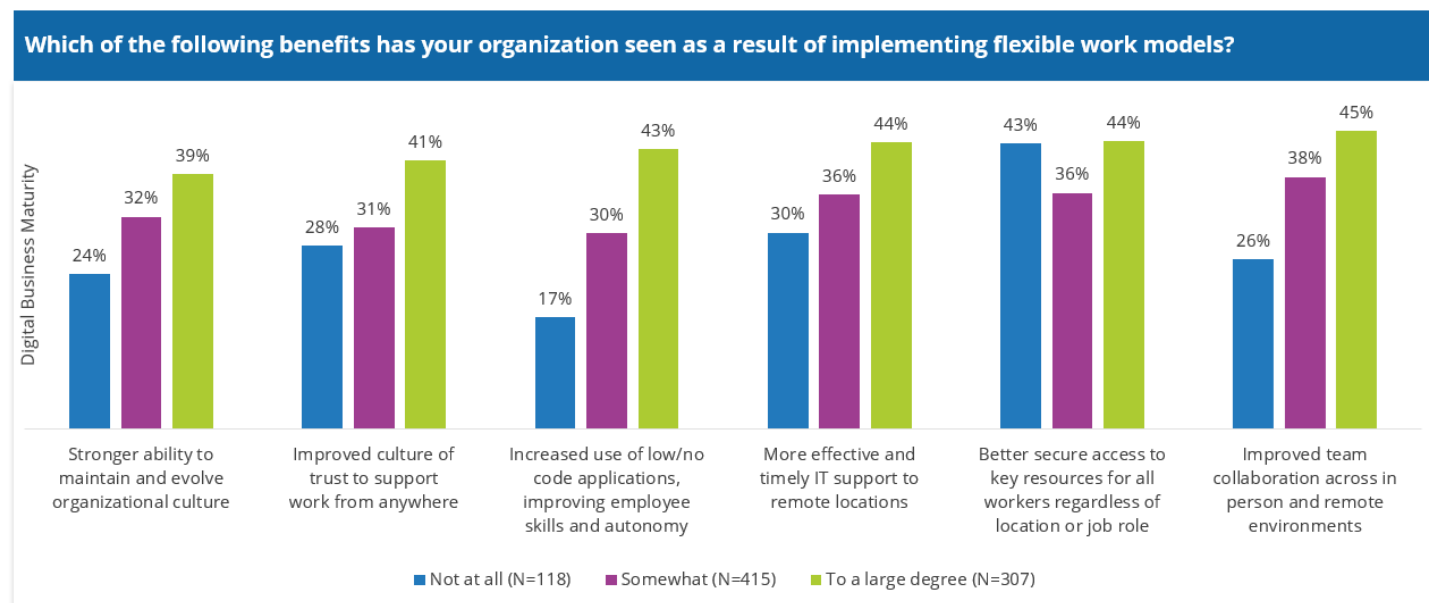
Flexible work environments should be purpose built for collaboration and education and with considerations for work locations that include on-site, remote and places in-between.

## Organizations With Flexible Work Models Realize Greater Success

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Figure 1: **Digital Business Maturity Benefits**



Source: Future Enterprise Resiliency and Spending Survey - Wave 11, IDC, 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 did 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 on-site workers. Top business/market drivers for work transformation include increased employee productivity (43%), cost savings (38%), sustainability (35%), profitability (34%), improved customer experience (33%) as well as improved employee experience (32%) (Source: IDC's *Future of Work Global Survey 2022*; n= 1,316).

While many organizations stress the importance of on-site work, those that endorse more flexible work models across both remote and on-site locations report higher business benefits. Digital-first organizations are doubling down on defining the on-site 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 points to the growth of Future of Work technologies 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 audio-visual devices, and similar tools to augment on-site 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.

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## Trends

When asked by IDC 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% responded 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: *Future Enterprise Resiliency and Spending Survey*, IDC, 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 is not the one that will drive digital businesses forward. Despite early naysaying around remote and hybrid work, more than 80% of the leadership and employees in North America agree hybrid work – with elements of both remote and in-office work – is just as or more productive as compared to working in an office only. (Source: *Future of Work Employee and Leadership Survey*, IDC, August 2022, n=1,316).

The power and the differentiation of flexible work models means 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: *Future of Work Global Survey*, IDC, 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 on-site 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-/no-code applications, as well as 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. IDC's research shows 45% of technology leaders who identify as being digitally mature saw improved collaboration compared to 38% who identified as somewhat mature and 26% who were not at all digitally mature.
- » **Better secure access to key resources** ensures that key resources are protected, and all workers can have the access they need to key data, applications, and co-workers regardless of location. Forty-four percent of technology leaders reported better secure access to key resources.
- » **More effective and timely IT support to remote workers** involves supporting an improved parity of experience between those who are on-site and those who are off-site so they can contribute to business goals on par.
- » **Improved employee skills and autonomy** requires investments in automating work processes and enabling line of business workers to automate their own work. This investment includes 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** that does not discriminate between those who are in the office and those who are remote. 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 an 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

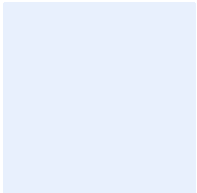
Every organization has its own requirements for flexible work policies. The temptation for many is to frame our current times as a "pendulum swing" "back to the old office" when in fact we are moving forward to reimagined office environments. These environments should be purpose built for collaboration and education. They are part of a broader work location framework that includes on-site, remote and locations in-between such as airports, taxis, and hotels. Strategic planning for future of work initiatives need to consider the long term benefits of becoming a truly 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 truly 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 current 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 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 employees on or off site. They must ensure secure access to key resources through improved hardware and software investments, and 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 infrastructure 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.

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