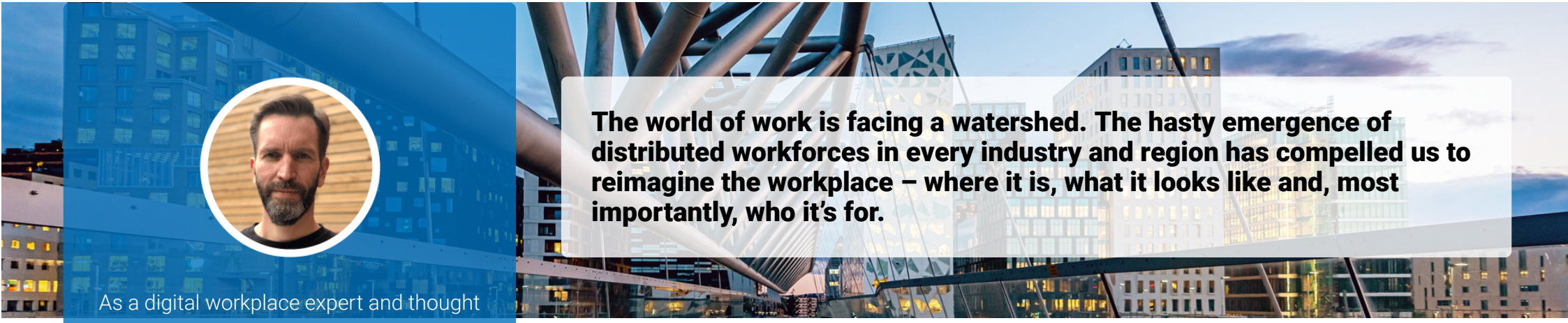
2020 Intelligent Workplace Report

Shaping employee experiences
for a world transformed

Foreword

by Alex Bennett



The world of work is facing a watershed. The hasty emergence of distributed workforces in every industry and region has compelled us to reimagine the workplace – where it is, what it looks like and, most importantly, who it's for.

As a digital workplace expert and thought leader, Alex engages regularly with clients and analysts to communicate how technology empowers individuals and teams to give organizations a competitive advantage. He contributes to industry blogs and webinars, and attends partner advisory councils for global leaders such as Microsoft and Cisco. Alex has a passion for the use of digital technologies in smart buildings and how they can seamlessly integrate with modern collaboration tools to attract and retain skills and human capital, improve the employee experience and increase business value.

Alex Bennett
Vice President,
Intelligent Workplace, NTT Ltd.

Alongside that, a pivotal rethink of the culture and value of work is imminent. Core business drivers – revenue, profits, customer experience – have not changed. However, the COVID-19 pandemic has created a new urgency to better enable employees and accelerate digital transformation. We're looking at the employee experience (EX) more broadly as part of our human experience.

To attract and retain talent and ensure long-term success, organizations need to rethink their workplace strategies from several angles – employee wellbeing, intelligent technology and digitization, spaces that support activity-based working, and sustainability – to create environments that shape superior employee experiences which ultimately enable productivity and profitability.

How we choose to respond right now will lay the foundation for an entire generation's future of working.

Those that lead this change with brave, data-driven decision-making and – above all – deep human insight are set to benefit greatly. Enabled by technology and a supportive culture, people will find greater fulfilment in their work and deliver more value to the organizations that empower them.

LINKEDIN

Why the intelligent workplace matters

now more than ever

86.6% of organizations say the **future workplace** will be designed around **employee enablement**.

To remain relevant or even survive in this complex, challenging environment, organizations need an employee-centric workplace strategy that enables them to achieve their objectives. Those that have taken the initiative to execute such strategies are reaping substantial benefits.

Top 10 trends to reshape and optimize EX of the future

Flexibility and employee wellness, enabled by digitization, will shape the look of tomorrow's workplace.

1. Remote/flexible working policy	**2. Digital enablement**	**3. Home-office workplace support**	**4. Workplace wellness**	**5. Improved workplace environmental factors**
6. Employee empowerment	**7. Opportunities to learn and grow**	**8. Flexible benefit program**	**9. Management techniques being adapted**	**10. Workplace and employee analytics**

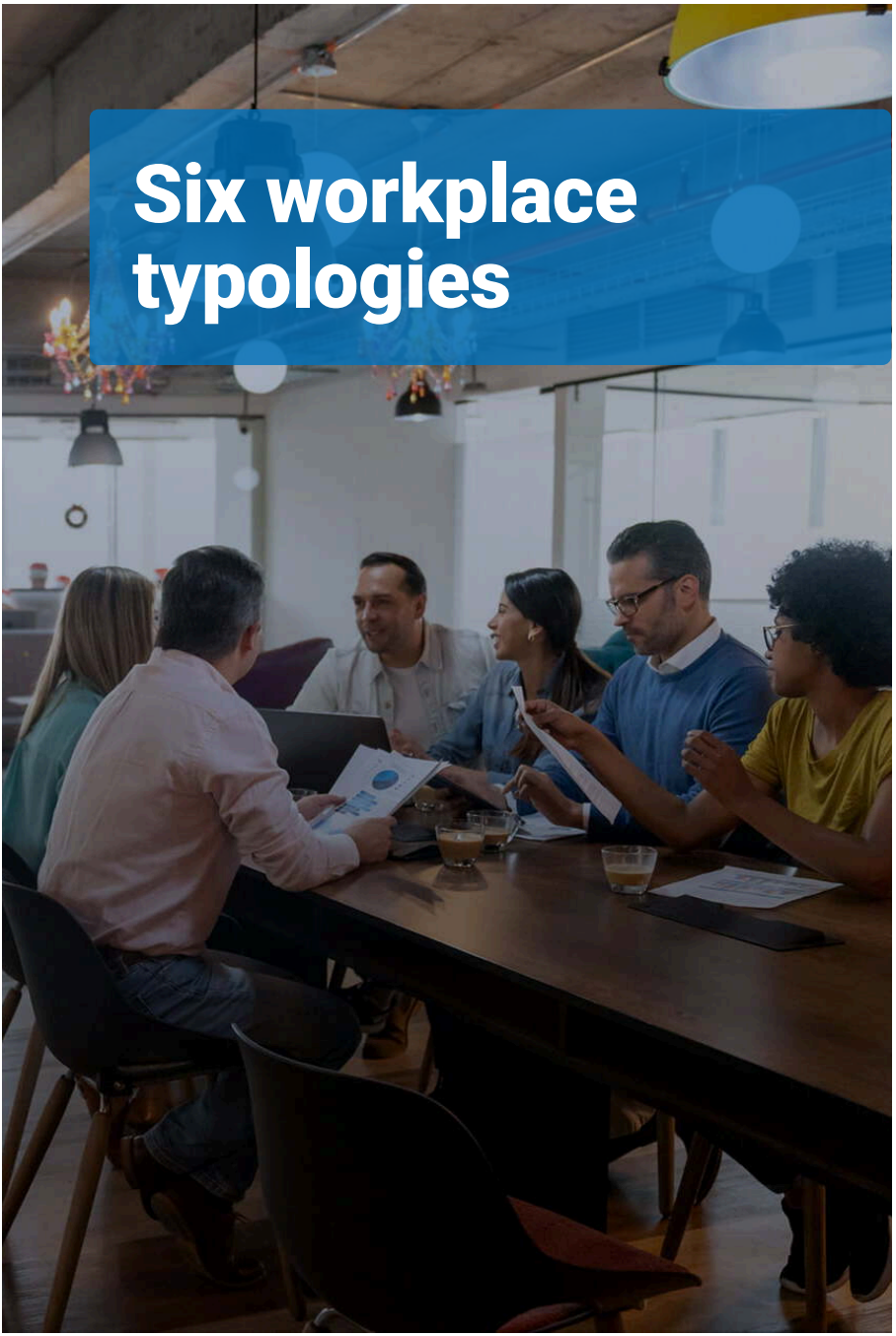
Fig. 1 *Top trends to reshape and optimize EX of the future*

What three things are most likely to reshape and help optimize employee experiences of your workplace(s) during the next five years?

Organizations' approaches to workplace strategy reflect their business goals and culture, and influence decisions regarding how they want to develop their workplace

From our global research, we identified **six** broad approaches that tend to be more successful in specific areas of workplace strategy, such as improving the employee experience, designing connected digital and physical workplaces, and the use of intelligent technology.

These **'workplace typologies' – which are based on 16 characteristics shown by organizations in our research** – are a useful way to understand your organization's workplace preferences and benchmark your progress.



Six workplace typologies

People treasurer
25.6%

Employee experience and employee wellbeing are the primary considerations for workplace strategy.

Collaborative champion
23.6%

Expert in building a culture and using technology to enable collaboration among employees, partners, and customers.

Disruptive game-changer
16.8%

Visionary and innovative, they design new business models to redefine the future, and are quick to realign strategy, and ensure agility is embedded into their organizational culture.

Corporate bedrock
13.3%

Resilient with well-defined processes; focus on managing risk and compliance, and long-term survival.

Value-seeker
12.2%

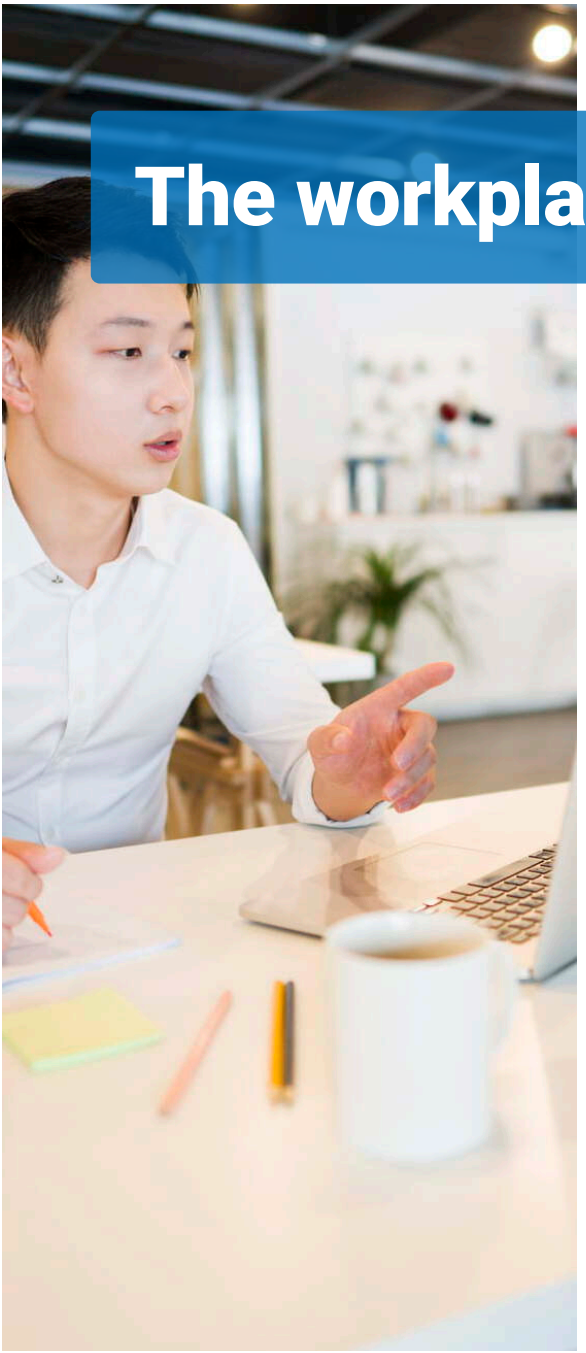
The efficiency of organization and workplace is the focus.

Architectural maestro
8.6%

Optimal physical and digital workplace design is the primary focus, often driven by a creative culture.

Fig. 2 *Organizational typologies identified in our research*
Aggregated question set n =1,350

Executive summary



The workplace is not an office – it's people

Protecting the health and wellbeing of employees has emerged as the number one challenge to optimizing the workplace. It's also the most recognized benefit of modernizing.

The workplace is as much about where we work as how we work – how we connect and interact with others, and use our skills, creativity and intelligence to contribute to the success of the organization. Profitability, revenue-generation and improving the customer experience are still the main drivers of an organization's overall business strategy – and they all rely on the performance and productivity of people.

81.6% of organizations agree CX offers a competitive edge and **58.0%** say it's their primary differentiator. Top benefits of CX improvements are increased loyalty and value, enhanced employee experience and rising revenue/profits. Most organizations are not proactive about employee engagement – while **63.3%** conduct employee surveys to gauge morale and motivation levels, just **40.9%** track employee wellness and wellbeing.

NTT Ltd. 2020 Global Customer Experience Benchmarking Report, April 2020

The transformation of the workplace has been accelerated

The move to providing employees with greater flexibility, choice and authority to make decisions, coupled with investing in digital transformation to improve business agility, has been accelerated by the massive changes brought about by the COVID-19 pandemic – and will continue to play a key role in defining the workplace.

For some organizations, practical issues such as connectivity and employee safety may preclude a continuation of home or remote working, at least for the time being. For others, the transition to a distributed working model requires a cultural shift that will also take time.

The pandemic created an urgency to digitize for business continuity, but policies influencing the way people work have not caught up. The resulting uncertainty is highest among organizations that have been slowest to adjust policy. Our research indicates this is directly affecting the employee experiences and wellbeing – each recognized as key to achieving business outcomes.

87.7% of organizations agree that **COVID-19** has fundamentally **changed best practices** for workplace processes, methodologies, locations and designs.

Organizations that were further along in their digital transformation to improve agility have generally been more successful in responding to these changes. However, legacy challenges remain and must be addressed alongside challenges that have arisen from new ways of working brought about by the pandemic.

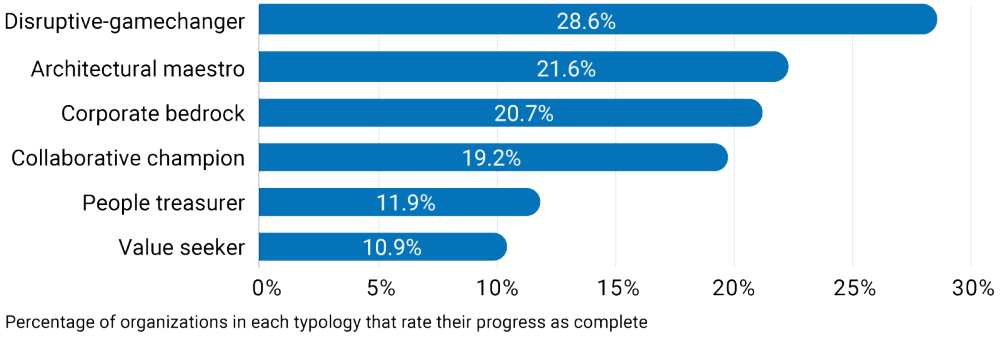


Fig. 3 *Workplace progress by typology*

How would you rate your progress towards modernizing and digitally optimizing your organization's workplace(s)? n =1,350

53.9% aim to use a more **distributed resource model** (rather than 'return to office life as normal') … **but 79.3% agree** (38.1% agree strongly) that **home-working** during the pandemic **has been challenging** for employees.

Disruptive game-changers, with a culture of speed, innovation and driving change, have forged ahead of the digital curve. They're the most likely to have completed their progress towards modernizing and digitally optimizing their workplaces. In contrast, value-seekers – focused primarily on efficiency – are the least likely to have made digital progress.

The rapid, global shift to home-working in many industries enabled some form of business continuity as organizations sought to ensure the safety of their employees, contractors and customers. However, almost four in five **(79.3%)** say this has been a challenge – and we're now reaching a point where productivity could give way to burnout.

Many people have been working under stressful circumstances to maintain productivity levels. They're missing out on the positive impact of social interactions that are part of working life and play an important role in wellbeing and learning 'on the job'. Younger generations, in particular, are finding this difficult.

Employees are now at the forefront of workplace strategy, but there's a lag in executing that strategy

Employee wellbeing and EX have risen in strategic importance as employees are recognized as being fundamental to building an agile, successful enterprise.

However, while almost 90% of organizations recognize the value EX and employee wellbeing, well under half are fully satisfied with their EX capabilities.

88.9% of organizations **recognize the value of EX** as important to the organizational strategy or a **crucial strategic differentiator**, but just **38.3% are very satisfied** with their current **EX capability.**

Reshape strategies for long-term success

We're on the verge of a major change in how businesses operate: 34.4% of C-suite executives say they're looking to reduce office space, while – surprisingly – **just under one in four (24.0%) say they'll increase space.**

The impact of the COVID-19 pandemic on industries worldwide has changed the way we're looking at workplaces. The rapid transition to a distributed working model has raised questions about whether offices and even cities will continue to exist as we know them.

Given that property costs could take up a sizeable portion of an organization's budget, and collaborative technology tools can support a more distributed workforce, we would expect more organizations to be reducing office space and fewer looking to increase space.

The 3-30-300 rule illustrates the average order of magnitude between a company's costs for utilities, rent and payroll (all per square foot, per year).

USD 3 for utilities	USD 30 for rent	USD 300 for payroll

While actual figures will vary across locations and organizations, 3-30-300 is a solid rule of thumb. For example, where a 10% increase in energy efficiency would yield USD 0.30 savings per square foot and a 10% decrease in rent would save USD 3.00, a 10% gain in productivity is worth USD 30.

Source: *Jones Lang LaSalle IP, Inc (JLL): A surprising way to cut real estate costs*

But it's just not that simple.

Our research findings highlight the range and complexity of factors informing workplace strategy. Will we return to what was in place before the pandemic? Never go back to 'normal office life' again? Or something in between?

'As the labour market starts to return to normalcy, candidates will want to know how companies treated their workforce during the COVID-19 outbreak. Organizations must balance the decisions made today to address immediate concerns during the pandemic with the long-term impact on their employment brand that will span the next several years.'

Gartner, May 2020[1]

To answer these questions, executive teams have to look at every aspect of workplace strategy – and execute it fast.

The optimization of EX should be a combination of four elements:

Workplace strategy

Reshape strategies for long-term success in line with business purpose, culture and overall directive; regularly engage stakeholders.

People and culture

Empower employees with workplace choice and authority to make decisions.

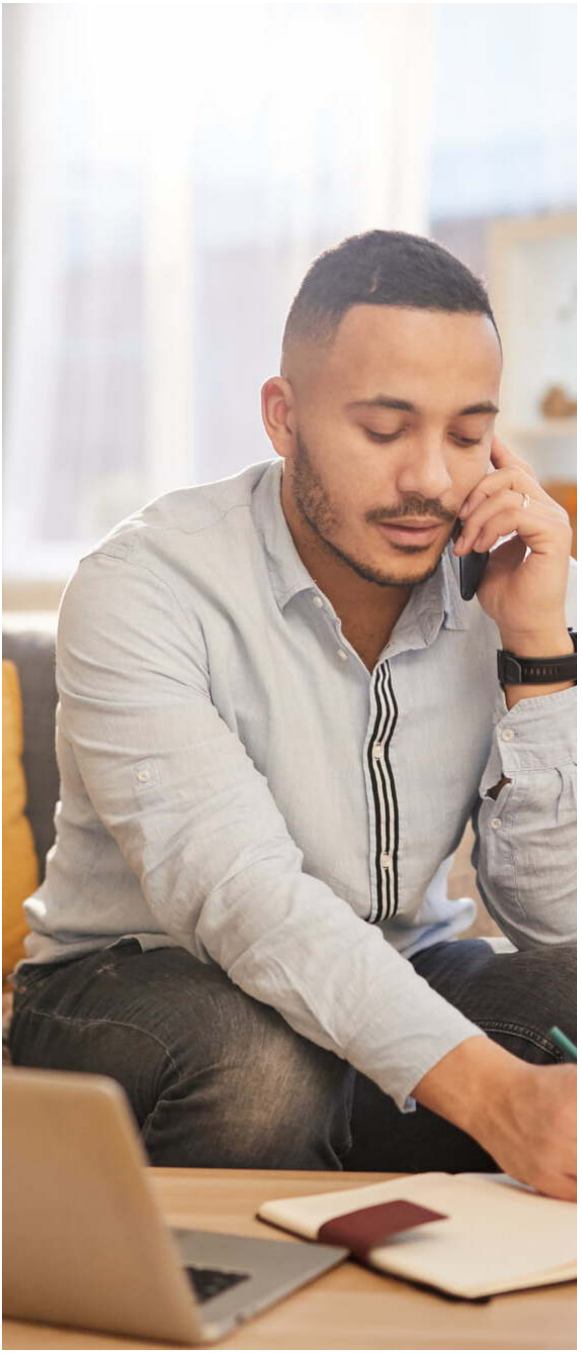
Technology

Digitize for relevance, innovation and growth.

Location

Build environments for activity-based working.

[1] Gartner Identifies Nine Trends for HR Leaders That Will Impact the Future of Work After the Coronavirus Pandemic



Empower employees with workplace choice and authority to make business decisions

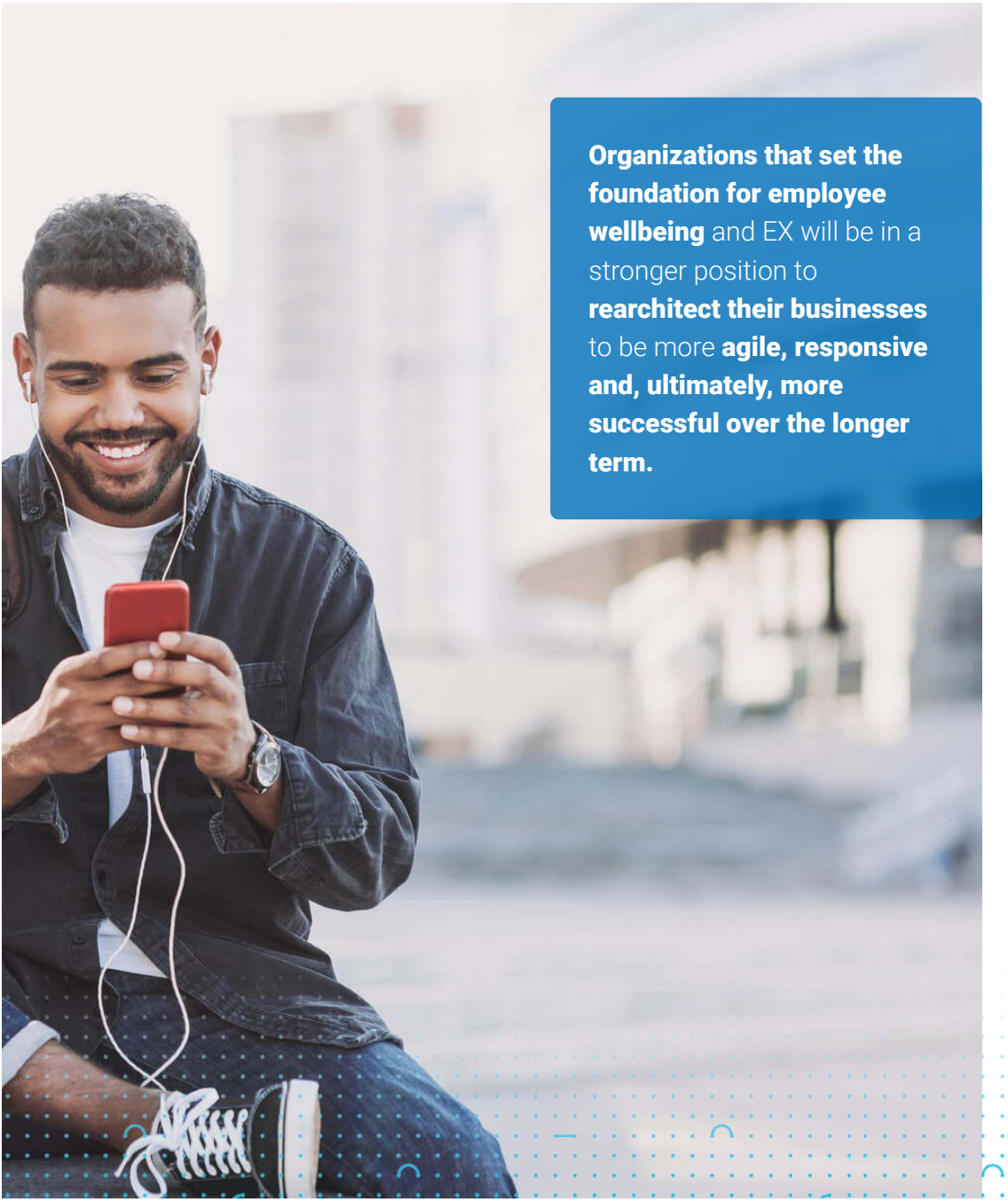
When safe, 75.0% of employees would prefer to work from an office than from home – a view that's particularly strong among younger employees.

Rigid policies about when people must come into an office won't go far in attracting and retaining talent. Workplace strategies must engender a culture that empowers employees to make decisions, while taking care of their wellbeing and ensuring they have the right technology and tools in place to be successful in their roles, regardless of location.

Digitize for relevance, innovation and growth

Technology has run ahead to manage the critical aspects of business continuity; however, HR and IT policy as well as compliance are yet to catch up – just one-third of organizations have implemented formal changes.

Digital transformation will play a key role in the new workplace and the success of organizations. Workplace strategies must consider how technology can help attract and retain talent, enable agility, ensure security and compliance, support sustainability and measure the success of workplace initiatives.



Organizations that set the foundation for employee wellbeing and EX will be in a stronger position to **rearchitect their businesses** to be more **agile, responsive and, ultimately, more successful over the longer term.**

Build environments for activity-based working

The purpose of the physical office will become more specific and suited to the face-to-face, creative and collaborative aspects of work – 43.8% of organizations are already reviewing general workplace design and how best to utilize space.

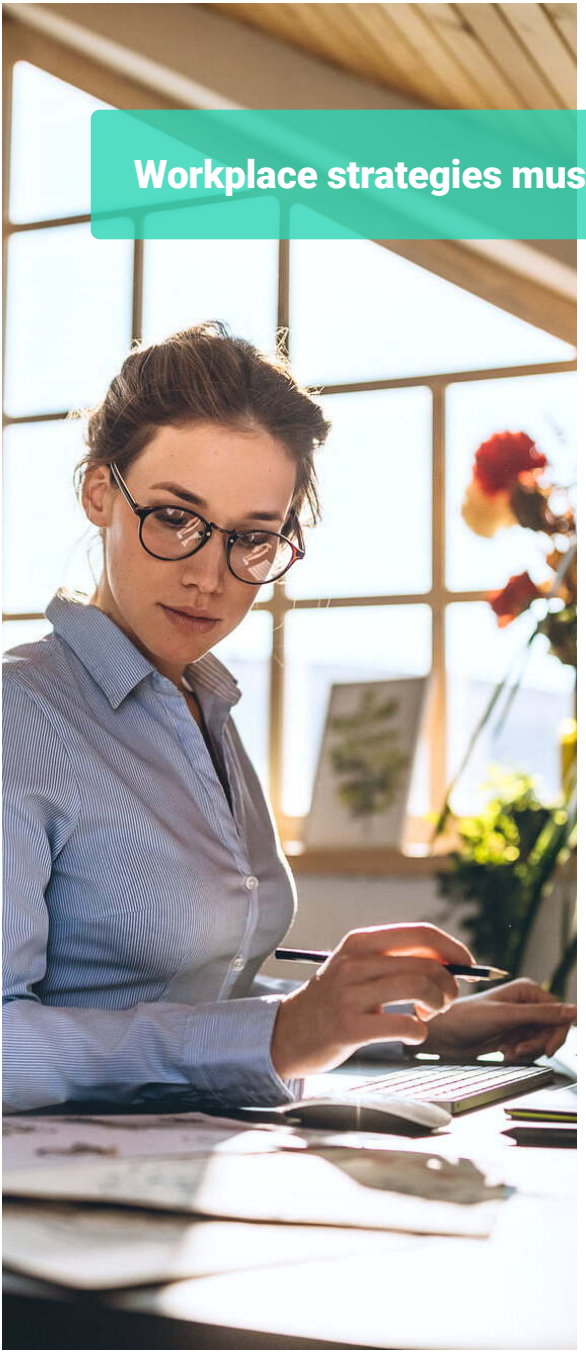
Employees want the flexibility to work remotely and the choice to come into an office space when they need to interact with colleagues or clients, or perform certain tasks. In most industries, the rapid move to home-working this year has presented an opportunity to repurpose spaces with this in mind.

86.5% say workplace design is a key pillar in the sustainability agenda.

Sustainability is also a key consideration, as it's taking a more prominent position in how organizations build their brand, attract and retain talent, differentiate, and reduce operational costs.

If you're going to redesign space to allow for this more collaborative, agile way of working, why not also think of how sustainable this space is?

Reshape strategies for
long-term success



Workplace strategies must enable business outcomes

Findings from this year's survey show that core business drivers of revenue and profit are the top focus of business strategy, followed by improving the customer experience, digital transformation and greater business agility.

The impact of COVID-19 has created a new urgency to empower employees and accelerate digitization to achieve these outcomes.

Just what does that mean for the future workplace?

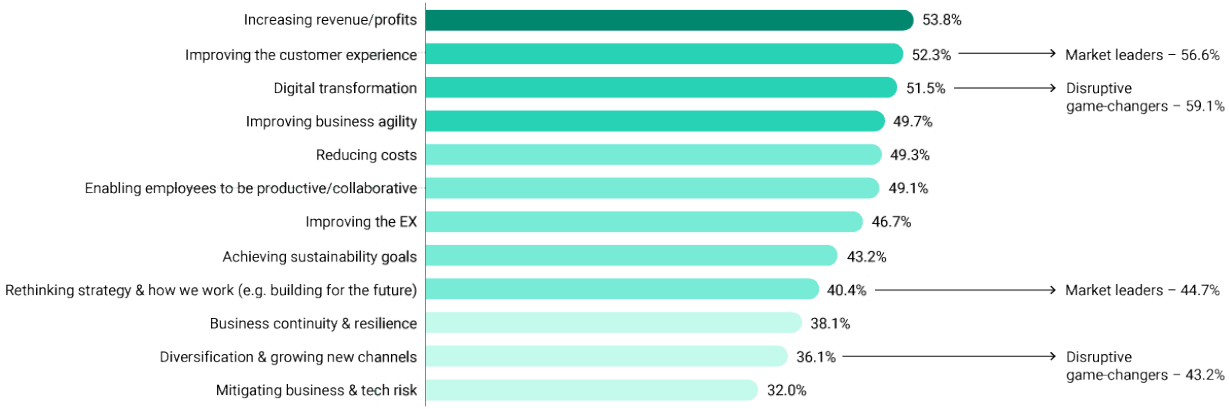


Fig. 4 *Business strategy - overall objectives*

Which, if any, of these objectives will be important to your organization within the next 24 months? n =1,350

Among organizations with a fully defined workplace strategy**, 57.7%** expect to return to office life 'as normal', compared with **27.8%** that have not yet defined their workplace strategy.

However, many enterprises may need to revisit what they mean by 'office life as normal'. Changes effected by the pandemic have expedited a more flexible way of working and the use of technology and digital collaboration tools to carry out tasks remotely. The longer we continue with these work practices, the more ingrained they'll become into what we define as 'normal'.

62.5%

of C-suite executives have already defined and agreed their future workplace strategy

85.7%

of C-suite executives say their organization will return to office working; 35.4% will expand flexible working arrangements

34.4%

of C-suite executives say their organizations are planning to reduce the number of permanent offices and/or physical space used

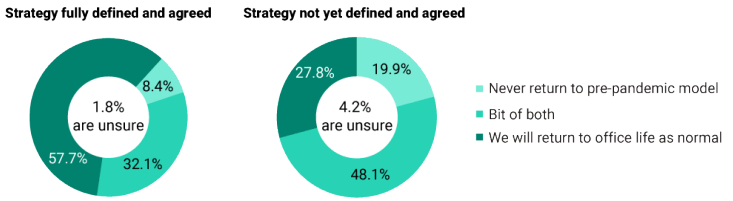


Fig. 5 *Having a defined workplace strategy is a key factor in determining how and when organizations will return to office-life*

In light of the COVID-19 pandemic, will your organization return to life as normal, or do you foresee a more distributed resource and workplace model? n =1,350

Findings also highlight some notable regional and industry variances:

- **Regional view**
  32.5% of organizations in Belgium say they'll never return to a pre-pandemic model, compared with just **5.0%** saying the same in India.
- **Industry view**
  Industries that have traditionally required face-to-face engagement are looking at new channels and areas of monetization. Retailers, for example, have increased their focus on online capabilities. The travel, transport and sports/leisure industries have faced the greatest disruption since the pandemic, followed by the public sector.
- **Workplace approach**
  Disruptive game-changers, which are focused on speed to market, are the most convinced that now is the time to create change and design the workplace of the future.

Of those planning a return to work-life as normal, 50.9% believe it will occur within one year, 18.1% believe it will be over two years, and the remainder anticipate somewhere in between.

Most organizations in Asia Pacific (APAC) and the Middle East and Africa (MEA) anticipate it will take over a year to return to office-life. Those in Europe and the Americas are the most ambitious, with the majority forecasting they'll return within 12 months.

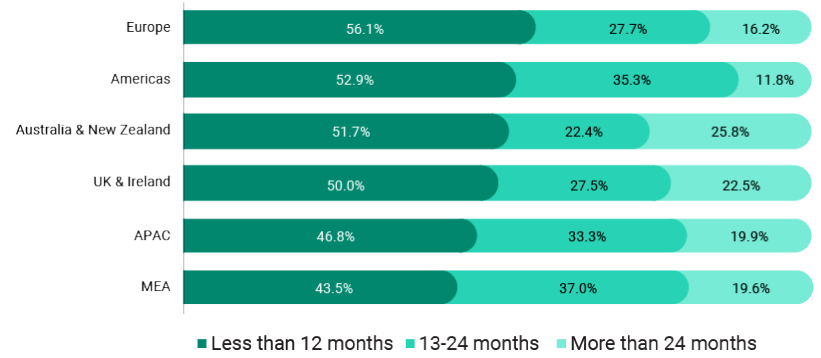
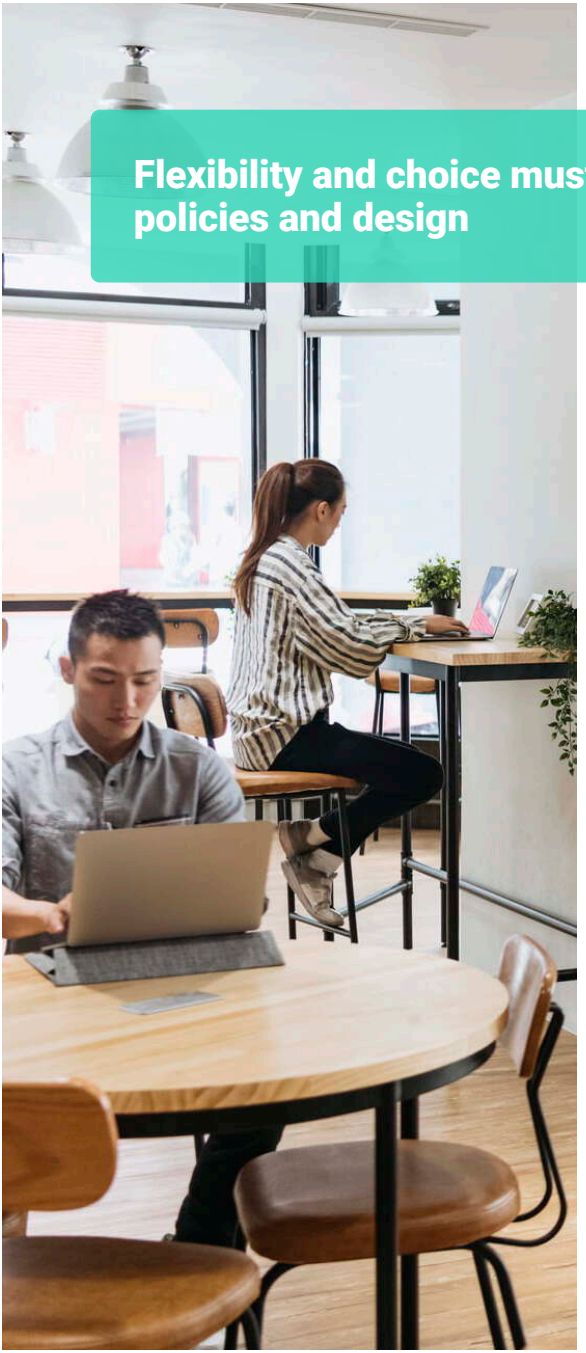


Fig. 6 *Timeline for organizations return to office-life as normal - by region*

For those stating they will return to office life as normal once the pandemic is over, when do you expect to return? n =582

The return to office life as normal could take longer than expected, though, as there's still a great deal of uncertainty about what that should look like.



Flexibility and choice must be reflected in workplace policies and design

A flexible work policy is one of the top-five factors identified in optimizing workplace EX. Organizations with a defined strategy have a clearer focus on applying solutions that will support new ways of working; however, it's surprising we don't see more of them looking to expand their distributed workforce policy.

At the time of research (August 2020), **just 51.7%** of organizations globally had formalized their **expanded remote/work-from-home policy** since the start of the pandemic.

	Strategy defined & agreed	Strategy not yet defined
Expanded remote / work from home policy	48.2%	55.4%
Increased IT network capability	52.5%	41.6%
Increased IT network security capability/tools to keep our employees secure	50.2%	42.5%
Enhanced or implemented virtual (remote) communications/employee engagement programs	45.7%	41.4%
Redesigned IT network	35.2%	25.5%
Adopted new change management processes	35.9%	29.1%
Changed our IT policy	33.3%	28.1%
Changed our HR Policy	31.4%	26.3%
Deployed new communications/collaboration tools	44.7%	41.9%
Provided remote working training	43.3%	42.3%
Changed building/facilities policy	33.4%	30.2%

Fig. 7 *Factors implemented to support new ways of working since start of pandemic - by strategy maturity*

Which , if any, of the following have you implemented to support new ways of working since the start of the pandemic? n =1,350

As noted earlier, people in many industries and roles have become accustomed to working remotely – but they want the option of using an office or similar workspace for certain tasks where face-to-face collaboration is more effective.

To create this culture of flexibility in support of EX and business goals, office spaces are being reimagined to provide employees with environments that facilitate collaboration and creativity, enable social interaction and drive activity-based work initiatives.

Reshaping of the physical office

Offices are being re-imagined to offer flexibility and provide collaborative environments that facilitate creativity, enable social and drive activity-based work initiatives...

45.0% will advance video conferencing/video collaboration to better enable flexible working

31.2% Implementing additional creative/thinking spaces

29.9% will provide more planned meeting spaces

27.4% will reduce individual desk space

just, **5.6%** do not plan to re-shape office space

...sustainability goals dictate the foundation around which the new workplace is framed.

Fig. 8 *Key trends on reshaping physical office space to meet future needs*

How, if at all, are you looking to reshape your physical office space to meet your future organizational needs? n =1,350

Top 10 factors influencing decisions about workplace optimization solutions

1. Ability to provide a full range of required services
2. Cost reductions
3. Integration capability
4. Solution scalability
5. Solution features
6. Approach to innovation
7. Post-implementation support skills and expertise
8. Experiences of/ recommendations from other companies
9. Value-based, pay-for-what-you-use pricing model
10. Local support capability

Fig. 9 *Top factors influencing decsion-making when considering new workplace optimization solutions*

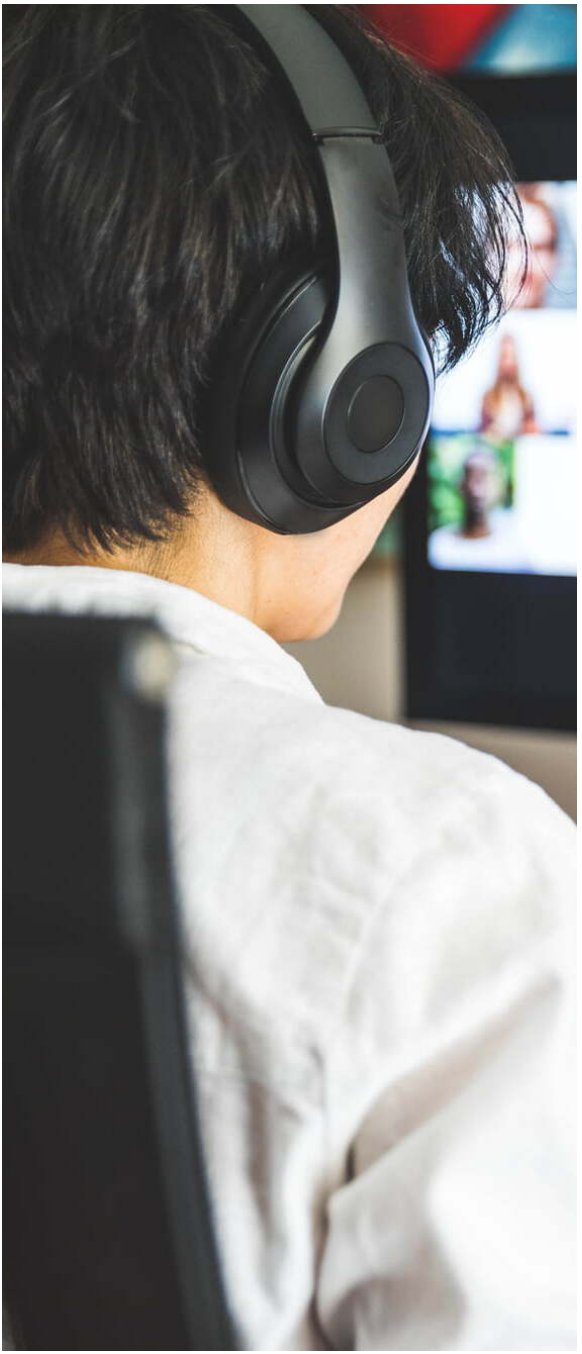
Which three factors most influence your decision-making when considering new workplace optimization solutions?

Sustainability is key to the connected workplace

As organizations look at reshaping workspaces to accommodate employee flexibility and choice, sustainability has to play an important role in workplace design.

89.4%	85.7%	86.5%
agree that having a sustainable workplace helps attract and retain talent	agree that environmental, social and governance (ESG) objectives are at the heart of the organization's agenda	say workplace design is a key pillar in the sustainability agenda

- **51.5%** of **C-level executives (the strongest proponents)** strongly agree that having a sustainable workplace is likely to help their organizations attract and retain talent.
- When it comes to sustainability, **younger employees care deeply about purpose and values**. Under-30s rank 'achieving positive outcomes for society' fourth on the list of their organization's focus on sustainability **(36.7%).**
- APAC is leading the way on attitudes towards sustainability – **53.8%** strongly agree that having a sustainable workplace is likely to help attract and retain talent, while Europe (including the UK and Ireland) trails at **39.0%**.
- **Disruptive game-changers** are more likely to see the benefits of sustainability **(52.7%)** than other organizations.
- Positive attitudes towards the impact of sustainability **on attracting and retaining talent** are also higher among organizations with a defined and agreed workplace strategy **(51.7%)**.



Energy efficiency of workplaces is the most common sustainability focus area **(42.7%)**, followed by educating employees about sustainability **(37.6%)** and using cloud computing **(36.7%)** and digital tools and events **(34.3%)** to reduce the organization's carbon footprint.

The vast majority of organizations agree sustainability has a role to play in achieving business outcomes – attracting and retaining talent, building brand reputation and customer loyalty, and financial performance.

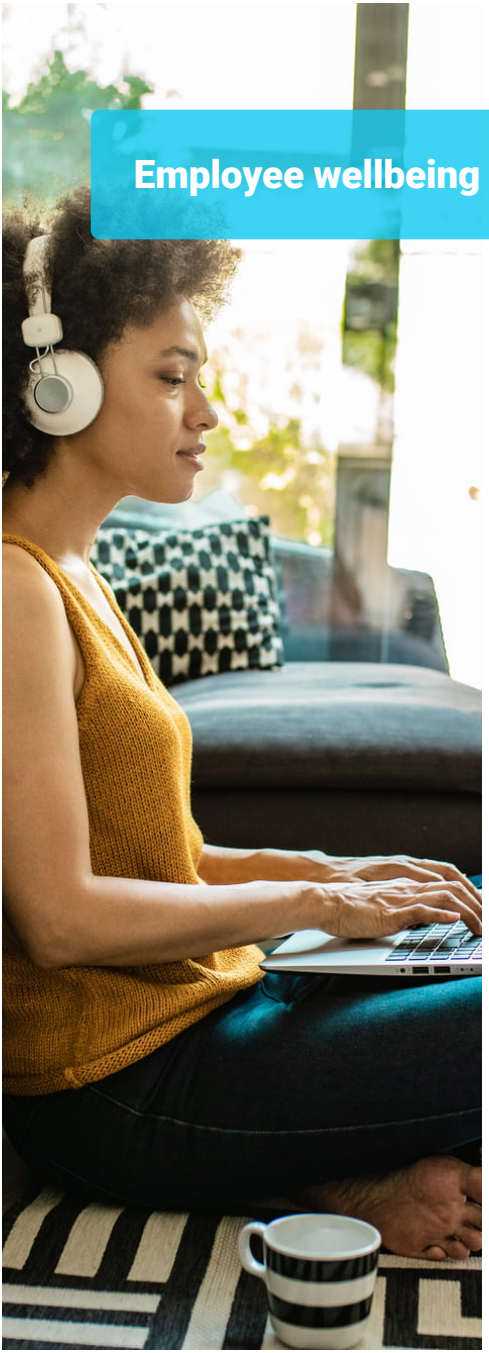
Colin Mayer, a professor at the University of Oxford and an expert on corporate purpose, says, 'The purpose of a company is not just to produce profits, it is to produce solutions to problems of people and planet and in the process to produce profits.'

A study by Harvard Business School found companies that developed organizational processes to measure, manage and communicate performance on **environmental, social and governance (ESG)** issues in the early 1990s outperformed a carefully matched control group over the next 18 years.

In a different study, Harvard Business School demonstrated the positive relationship between high performance on relevant ESG issues and superior financial performance.[2]

[2]Eccles, RG and Klimenko, S. 2019. The Investor Revolution. Harvard Business Review, May–June 2019.

Empower employees with workplace choice and authority to make business decisions



Employee wellbeing is the number one factor influencing workplace strategy ...

Employee wellbeing and EX have a positive impact on organizational culture, which in turn impacts performance, CX and productivity. When employees are empowered to make decisions, organizations become more agile and can pivot the business quickly in response to change. Disruptive game-changers tend to have been more successful in creating this kind of culture.

Workplace wellness incorporates mental/physical health programs.

Employee experience (EX) includes connecting the employee, enabling change, culture management, and driving choice and flexibility.

Top 5 workplace strategy objectives

1. Employee wellbeing
2. Improving the employee experience
3. Sustainability goals
4. Workplace design/use of space
5. Workplace analytics

Fig. 10 *Top 5 workplace strategy objectives*

Which, if any, of the following factors are part of your organization's workplace strategy? n =1,350

...and improved wellbeing is also the top outcome achieved from workplace strategies in the last 12 months

Fig. 11 *Top outcomes achieved from workplace strategy in last 12 months*

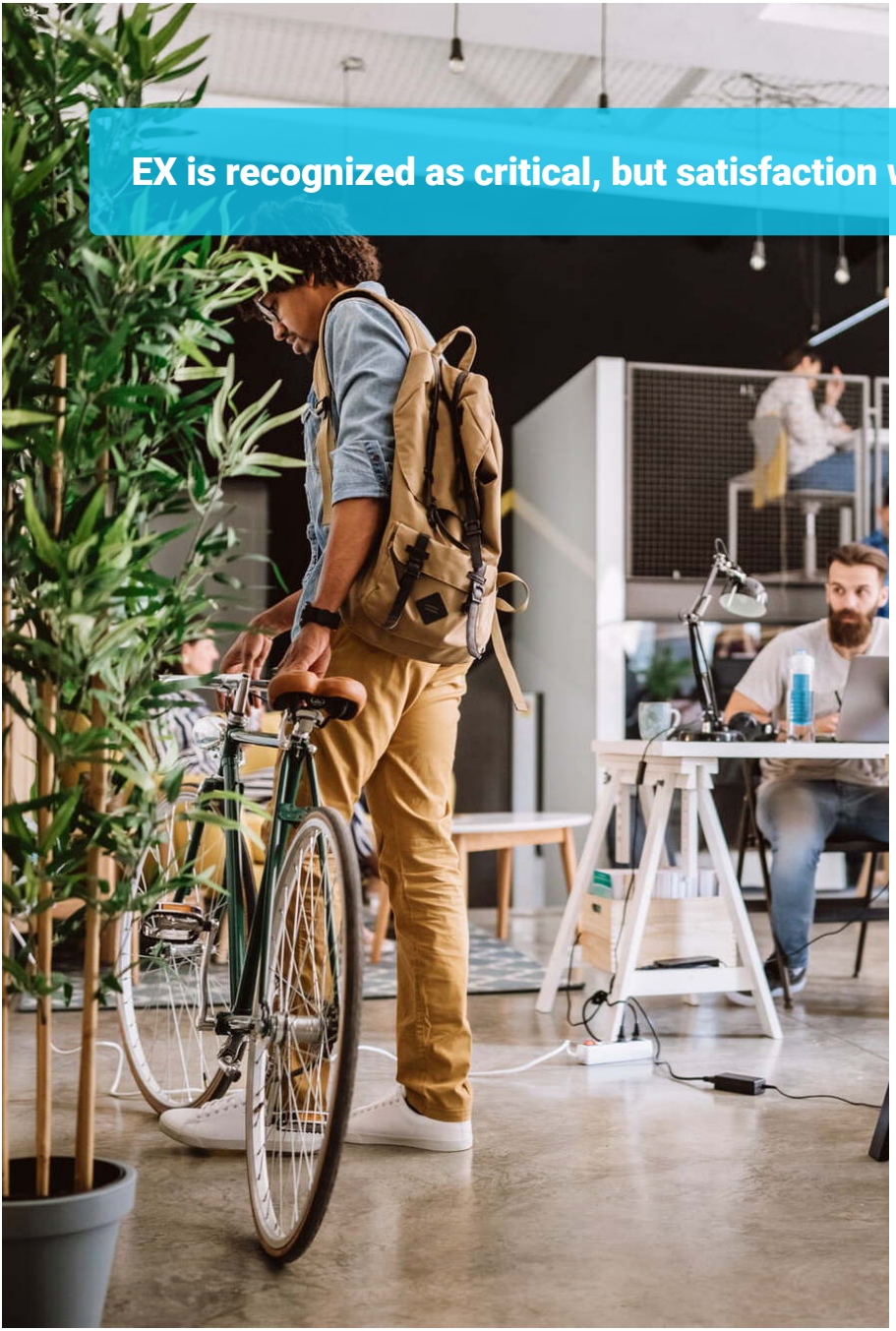
Which, if any, of the following outcomes have you achieved from your workplace strategy in the last 12 months? n =1,350

Fig. 12 *Importance of employee wellbeing - by business function*

How important is employee wellbeing to your organization? n =1,350

Recent events have brought employee wellbeing and the employee experience to the forefront of workplace strategy. The importance of wellbeing is recognized across industry sectors and business functions. This view is particularly strong among executives, who understand the value and contribution of employees to enabling the organization to differentiate, innovate and be agile in response to change.

Sustainability goals rank third as an important part of brand identities, and a significant factor in attracting and retaining talent.



EX is recognized as critical, but satisfaction with current EX capability is relatively low

88.9% of organizations recognize the **value of EX** as important to the organizational strategy or a crucial strategic differentiator.

Just 38.3% are very satisfied with their current EX capability.

Over the short term, industries that could enable employees to work from home did so, and productivity remained high – in some cases, even increased. But given what we know about how people work, over the longer term we could well see productivity levels dropping off and EX becoming harder to achieve without the benefit of face-to-face connections.

Technology can go some way to connecting people and engaging them remotely but it can't replace the dynamics of human interaction that occur when people with diverse skills, ideas and knowledge are collaborating in the same room to solve a problem, create a new product or service, or achieve a business outcome.

Our findings show **75.0%** of organizations agree employees would prefer to have the choice and flexibility to work in an office when it is safe to do so; **41.3%** of those aged between **18 and 29** strongly agree they'd prefer to work in an office, compared with **29.5%** of those aged 50 and above.

Employee wellbeing is being let down by people's experience of working environments and workplace support

Just 25.2% of employees are at an advocate level. **Unless solution gaps can be filled**, this will emerge as an increasingly **emotive issue as goodwill runs thin.**

Working environments and workplace support contribute significantly to EX – which, as we noted in our introduction to the Report, is the foundation of the top business drivers identified by organizations: increasing revenue/profits, and improving CX and business agility.

Research findings reveal organizations have some work to do in this area.

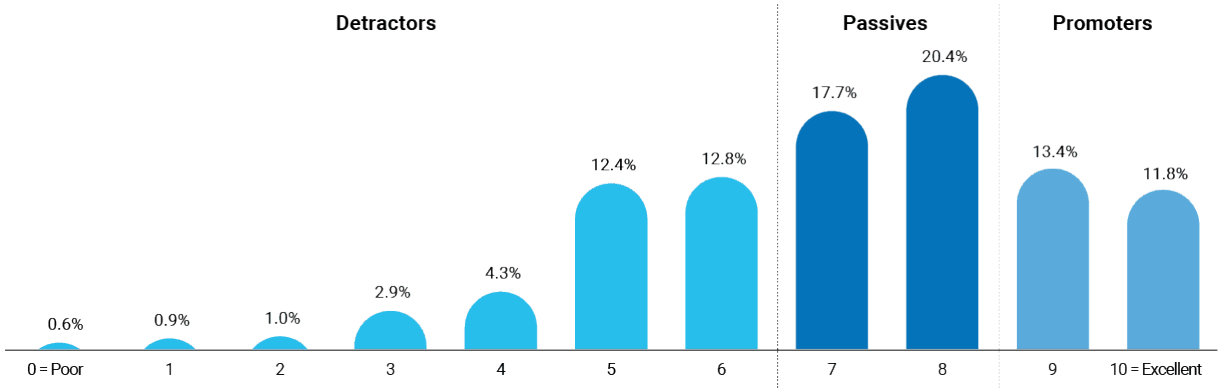


Fig.13 *Employee ratings of the working environment and workplace support*

How do you think your employees would rate your organizations working environments and workplace support? n =1,350

Some sectors have been more responsive than others

Leisure industries and education have the lowest-rated workplaces; the public sector has seen the biggest improvement in eNPS ratings since the start of the pandemic.

Promoter versus detractor ranking of workplace pre-pandemic and now	eNPS Pre-pandemic Average: -15.4	eNPS Now Average: -9.7
Automotive and manufacturing	-11.7	-5.6 ↑
Education	-16.2	-18.1 ↓
Energy and utilities	-14.3	-16.4 ↓
Financial services	-13.7	-8.3 ↑
Healthcare and pharmaceuticals	11.9	-11.1 ↑
Media and communications (incl. telecommunications)	-14.7	-5.9 ↑
Professional services	-17.3	-2.0 ↑
Public sector / Government	-41.0	-10.8 ↑★
Retail and wholesale	-13.6	-12.0 ↑
Sports, entertainment and hospitality	-12.5	-19.6 ↓
Technology	-13.7	-7.2 ↑
Travel and transportation	-14.3	-12.9 ↑

The question you need to be asking yourself today if you want to remain relevant, is: **'Am I empowering my people to engage with customers in a meaningful way to create value?'** Failure to do so will at best impact growth today and at worst put your organization at risk of finding itself irrelevant in the future.

NTT Ltd. 2020 Global Customer Experience Benchmarking Report, April 2020

Fig. 14 *Employee ratings of the working environment and workplace support - by sector*

How do you think your employees would rate your organizations working environments and workplace support? n =1,350

Interestingly, promoters (net of detractors) improved from an average position of -15.4 before the pandemic to -9.7 at the time of the survey. This may indicate a positive response to immediate measures put in place to ensure their health and safety.

What organizations need to focus on now is empowering employees to make decisions and supporting them with workplace policies and technology that allow them to choose how and where they work. This will go a long way to attracting and retaining talent, improving EX and turning 'passives' into 'promoters'.

Measurement of EX hasn't caught up with the wish of executives to put wellbeing and EX at the top of the agenda

80.1% of organizations claim to **track employee experience** of the workplace, but a **deeper review** of the results indicates this is **often anecdotal and unstructured.**

62.0% gain a form of **workplace feedback** via employee surveys; **52.0%** via discussion forums.

Just 38.3% will align **workplace EX** feedback to an **industry-standard benchmark** (e.g. eNPS, Leesman Index).

Employee surveys conducted once or twice a year are still the most popular way of measuring EX, but they're not necessarily the most effective.

More digitized organizations are using nudge technology and sentiment analysis to gain a real-time view of the voice of the employee. These tools provide both a data-driven barometer of EX and an auditable measure of return on investment in EX initiatives.

Deployment of data-driven analytics for workplace falling short

For analytics tools to be effective, organizations need to agree on what constitutes useful data and an accurate measurement of indicators such as sentiment and productivity, and how often that data is reviewed.

Many are finding it difficult to integrate data from disparate platforms and incorporate topics such as sentiment and wellbeing into an overall eNPS. This is an area for improvement from both a technology and process standpoint.

Employees also need to feel comfortable about the data and analytics used to measure productivity, and understand how measurement contributes to their career growth and success as well as to the success of the business.

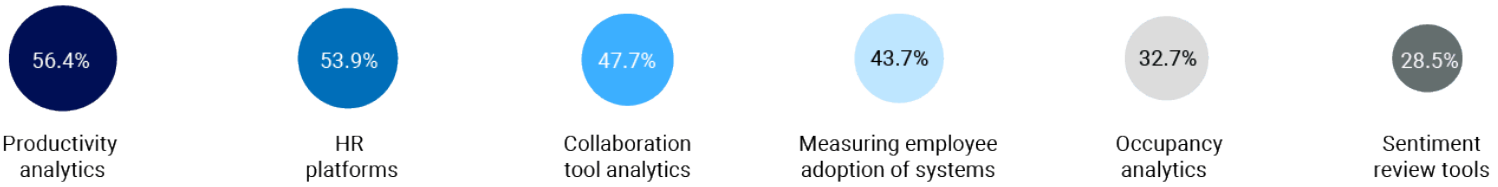


Fig. 15 *Availability of workplace systems and/or analytic tools*

Which, if any, of the following workplace systems and/or analytic tools does your organization have access to? n =1,350

HR and IT policies, network and security tools, training and change management must be addressed

Interim measures taken to continue operations and protect the wellbeing of employees during the pandemic have accelerated some work practices that can improve EX. However, HR and IT policies are somewhat behind in defining certain aspects of the workplace as organizations weigh the risks, costs and long-term implications of every decision:

- What is the best workplace strategy going forward?
- How will we manage the implementation and costs of connectivity, hardware and collaboration tools needed to support distributed working?
- How do we ensure home offices and other locations are conducive to employee wellbeing and productivity?
- What change management and training processes should be implemented to support further digitization?

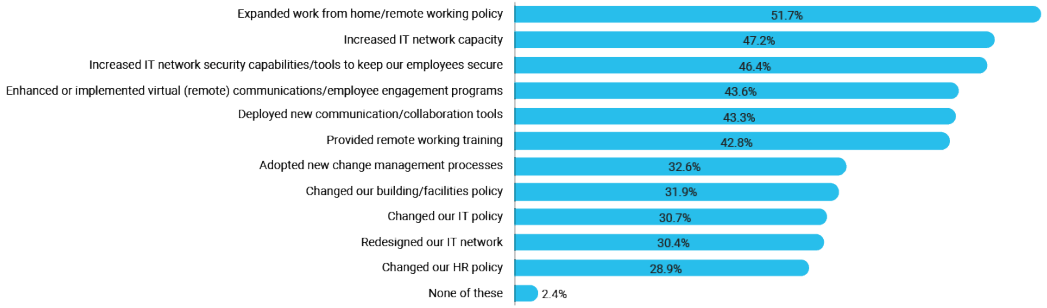


Fig. 16 *Support of new work practices is falling short*

Which, if any, of the following have you implemented to support new ways of working since the start of the pandemic?

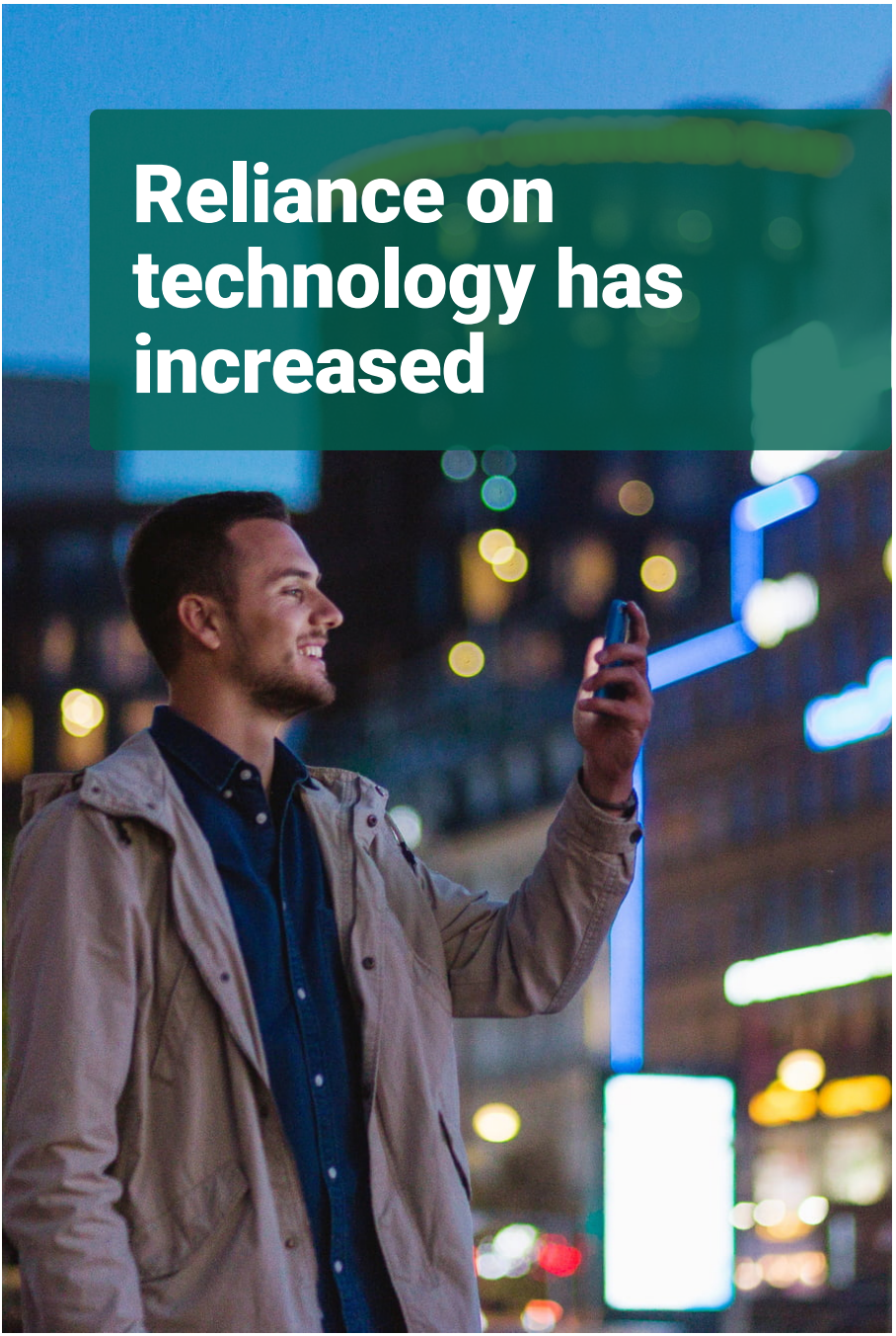
n=1,350

If not now … when?

55.3% of C-suite executives strongly agree that **now is the time** to create the **workplace of the future** (just 7.0% disagree).

The longer these decisions hang in the balance, the greater the risk to employee uncertainty, anxiety and wellbeing.

Digitize for relevance,
innovation and growth



Reliance on technology has increased

To be competitive in today's market, organizations need to understand the value of digitization to business processes, EX and CX as well as sustainability and compliance.

88.5% of organizations have become more reliant on technology since the start of the pandemic.

Sector view

This figure is slightly higher among manufacturing organizations **(94.6%)** and slightly lower for professional services and public sector organizations (**81.6%** and **83.1%** respectively).

Regional view

The increase in reliance on technology is highest in APAC and MEA (**94.1%** and **94.0%** respectively).

Strategy view

Organizations with a defined and agreed future workplace strategy are more likely to have increased their reliance on technology.

Just **45.0%** of organizations strongly agree that **employees have the necessary technology** to work from home or remotely. Results are stronger among those that have defined and agreed on their future workplace strategy **(52.4%)** than those that have not **(37.2%).**

Top 5 technology focus areas in workplace strategy

1. Mobile and remote working tools and networks

2. Analytics and Internet of Things (IoT)

3. Collaboration tools

4. Managing security/risk/ endpoints

5. Digital events

The top five areas of focus reflect a focus on business continuity in the short-term – ensuring networks are giving people access to the applications they require, having systems in place for remote workers to carry out their roles, then addressing security and risk.

IT teams across industry sectors have worked around the clock to make technology available to a more distributed workforce. Many organizations succeeded in implementing a 'technology quick-fix' to ensure business continuity. Now, they need to focus on formalizing policies for the sustained delivery of digital solutions for the future workplace.

Fig. 17 *Top 5 workplace technology focus areas*

Which, if any, of the following tools and technologies are part of your current workplace strategy? n =1,350

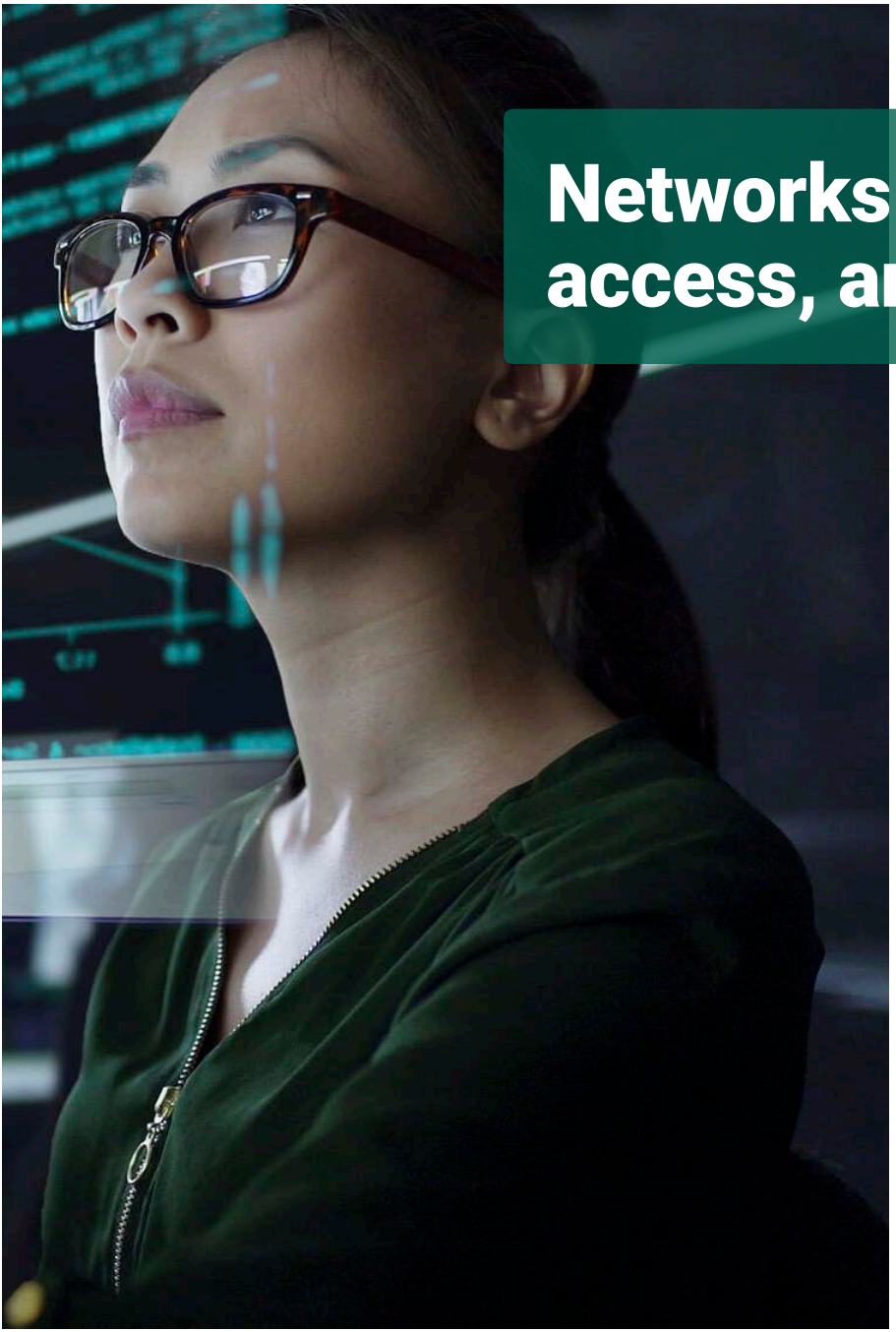
Cloud collaboration tools add more value when they're used and measured effectively

The use of cloud collaboration tools increased significantly during the pandemic. They helped people stay connected socially and soon became part of the working environment.

We now have access to a vast range of digital platforms and applications, but the rapid adoption of these new technologies has not always been supported with adequate training. Tailoring training to different personas and roles within the organization will help employees feel more comfortable with using the features available on these platforms to collaborate, share content and carry out tasks more effectively.

Analytics from cloud-based platforms show which applications and features people are using, and how to tailor guided training. They also enable organizations to measure the impact on adoption, usage and productivity – all of which contribute to the employee experience. To be truly effective, these analytics need to be based on clearly defined user personas.

Organizations also need to establish the best way to measure productivity and wellbeing, taking organizational culture and business objectives into account and using data from a range of devices to deliver the right insight.



Networks must support access, analytics and security

The prioritization of networks indicates the transition to a hybrid world as organizations migrate to cloud applications and seek to provide employees with a frictionless user experience at the workplace. Network connectivity will also be crucial to workplace analytics, providing insight into who is using office space, where and how, to further drive efficiencies, health and safety and to reduce costs.

The use of software-defined approaches and virtual networking, automation, and the inclusion of networking in DevOps operational models are changing the networking landscape.

'In 2019, almost half **(47.9%)** of businesses' network infrastructure assets were ageing or obsolete, compared to only **13.1%** in 2017. With the advent of COVID-19, organizations have had to rapidly address their underlying infrastructure to cater for the business challenges of today.'

NTT Ltd. 2020 Global Network Insights Report, June 2020

Strong cybersecurity empowers employees to work from anywhere

94.0% say **governance, risk and compliance (GRC)** are important to their organization's workplace strategy; **54.1%** say it's crucial.

The widespread growth in cloud-based collaboration and enterprise applications and platforms has driven many organizations to reassess their employees' use of data to ensure they're adhering to GRC requirements.

76.9% of organizations are finding it more **difficult to spot IT security or business risk** brought about by employees when they are **working remotely**.

83.2% of organizations have **reassessed their security** to accommodate new ways of working brought about by the pandemic.

The rapid shift to remote working has made the organization's perimeter even less marked and more difficult to defend, especially in light of the increased breadth and volume of threats and attacks on both enterprise and consumer applications.

In 2019, about 55% of all attacks were a combination of web-application and application-specific attacks.[3] We expect these technologies will continue to be targeted, and this presents a significant risk to organizations – particularly those that rely more on their web presence for platforms such as customer portals and supported web applications.

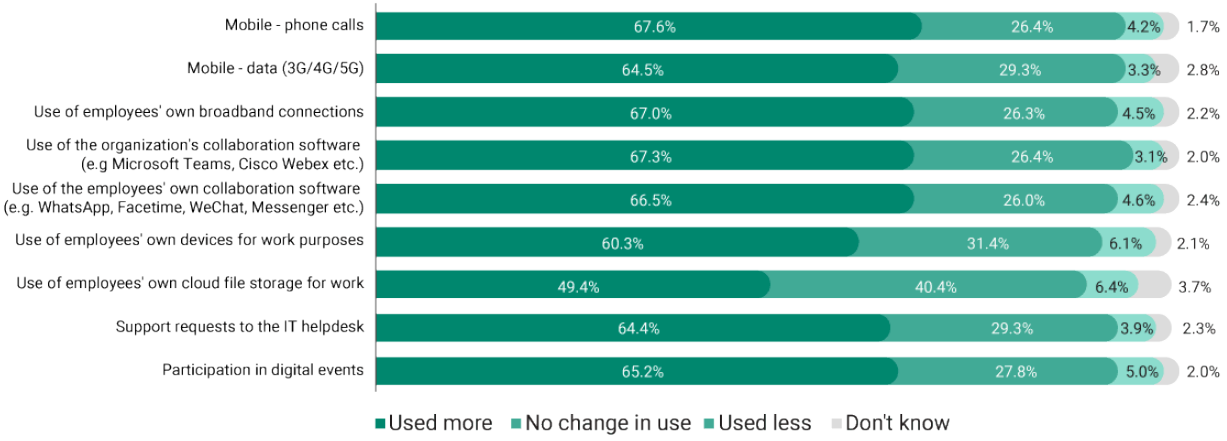
'Rapid, reactionary change introduces the highest amount of business risk. One of those business risks includes the organization's capability to adapt security policies and procedures to that change and continue to protect organizational and customer information.'

NTT Ltd. 2020 Global Threat Intelligence Report, May 2020

[3]NTT Ltd. 2020 Global Threat Intelligence Report, May 2020

'In April 2020, cybercriminals begin to target remote communications applications like Zoom, as remote work and online education become more prevalent. As more people were working and schooling from home, many applications were being urgently implemented but not properly secured. Attackers took advantage by, for example, exploiting virtual meeting applications.'

NTT Ltd. 2020 Global Threat Intelligence Report, May 2020



Adding further complexity from a security and compliance perspective is the increased use of employees' collaboration tools (WeChat and WhatsApp, for example) and personal devices, which are not managed through corporate patching and could result in data leakage.

As a result, security risks are rising, alongside increasing concerns about ethics and data privacy – requiring organizations to determine how best to containerize work and personal data to protect both the employee and the business.

Fig. 18 *Increasing use of personal devices and collaboration tools*

How have the following employee behaviours changed, if at all, as a result of the COVID-19 pandemic? n =1,350

Digitization of the workplace must be secure by design, with cyber-resilience built in

These changes have forced a radical rethink of how to protect the enterprise, manage cybersecurity risk for a distributed workforce and ensure the organization is resilient in the face of sudden change.

Threat actors are targeting organizations at an ever-increasing rate and attempting to take advantage of lapses in security preparedness. To counter this, organizations should:

- run the latest versions of meeting or communication applications, and monitor for updated versions
- continue to patch and update the systems they rely on
- place even greater emphasis on end-point control, including appropriate endpoint security, for resiliency

Organizations must invest in security technologies for remote workers, but with the acceleration to cloud a more holistic position is required – one that incorporates security at the application layer and infrastructure level through flexible and scalable security solutions (such as SASE). This means we're now thinking differently about how to create security for different personas, roles and activities and securing them appropriately.

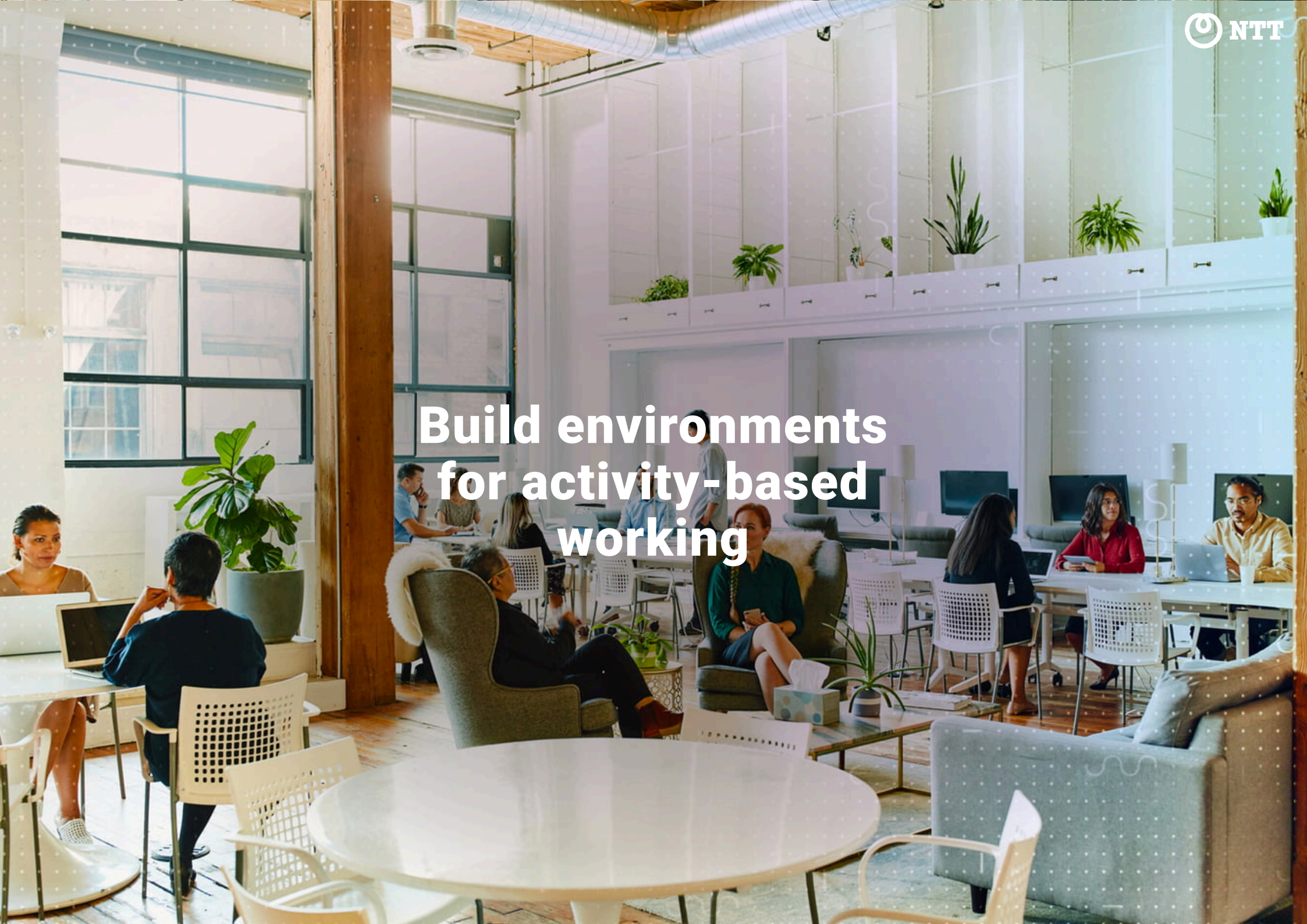
Training on new applications and new ways of working seems to be low on the agenda (in place for just **42.8%** of organizations), which presents a high level of risk. Informing employees about updates to security policies, how these will support them in their day-to-day activities – regardless of location – and what is expected of them is paramount to ensuring the desired employee behaviour and, importantly, their buy-in on addressing cybersecurity issues.

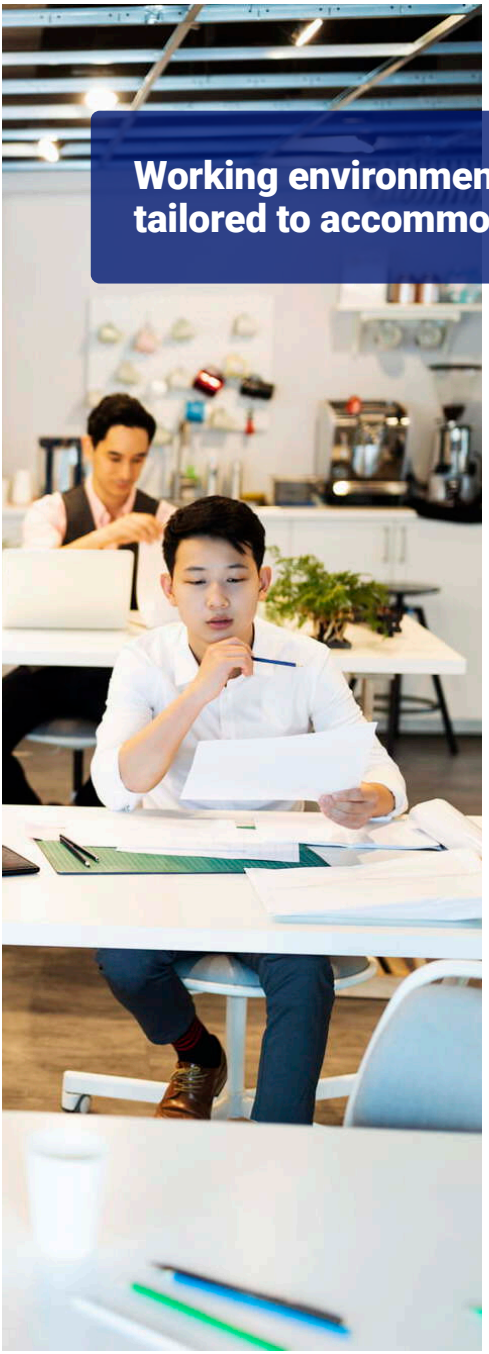
‘Secure by design’ means being **cybersecurity conscious at all levels of the business** and considering **security as a critical part of your digital programs**. It must cut across people, process and technology.

A ‘secure by design’ approach is critical to addressing these issues and should therefore be entrenched in every aspect of digitization and workplace strategies from IT and HR policies, (mobile device policy, flexible working policy), right through to the security of applications, networks and storage.

'As organizations change, they must effectively communicate new business rules and processes to help ensure operations can continue, while managing impacts to the business. This includes updated security policies and procedures, including how to report incidents and request security guidance. Organizations should continue to educate employees on evolving COVID-19 relevant cyberattacks and phishing attacks.**'**

NTT Ltd. 2020 Global Threat Intelligence Report, May 2020


Build environments
for activity-based
working



Working environments – both physical and cultural – must be tailored to accommodate activity-based working

Just 49.6% of organizations strongly believe they already **have a workplace to be proud of.**

Workplaces are swiftly being reshaped as COVID-19 has accelerated workplace transformation and organizational needs are being redefined.

Organizations are looking at a range of property strategies that include tenanted, owned and coworking spaces. Each should be evaluated in terms of how it will contribute to productivity, brand-building, sustainability, employee safety and wellbeing. Technology factors such as connectivity, security and compliance must also be taken into account.

This is a process many companies are already going through, opting for a mix of locations that offer collaborative spaces and facilitate activity-based working.

Those that have been more agile and digitized are recognizing the benefits of physical workspaces that encourage engagement, collaboration and creativity to get the most out of their teams' intellectual property.

Activity-based working: the right space for the right task

There's a tendency to equate activity-based spaces with open-floor office plans and hot-desking, but this is not the case. An activity-based work experience is centered on the type of work to be done and how the organization's culture, workplace design and digital platforms can facilitate different tasks.

Top trends reshaping the physical office workplace

In reshaping workspaces, organizations need to create a frictionless experience for the employee.

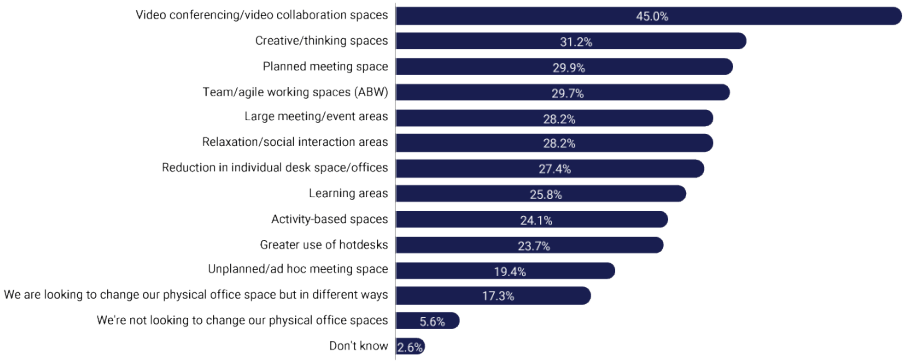


Fig. 19 *Top trends reshaping the physical office workplace*

How, if at all, are you looking to reshape your physical office space to meet your future organizational needs? n =1,350

Again, choice is key. If certain tasks can be performed easily remotely, people will need a reason to travel to an office – particularly if HR policies prescribe less travel to meet sustainability targets. And when they do return to the office, they'll expect the same frictionless experience that digital tools used for remote working have offered.

> Videoconferencing is top of mind for organizations, with **45.0%** expecting to reshape their office space to incorporate **video collaboration spaces.**

Videoconferencing and collaboration spaces by far outweigh others in reshaping the workplace. Legacy video technology that's difficult to operate and doesn't integrate with modern collaboration tools will have a negative impact on EX and result in wasted space as video rooms remain unused. Video and collaboration platforms must integrate to provide people with a seamless experience, whether they're in the room, huddle space or a remote location.

Office spaces and next-generation meeting spaces must be designed to enable this smooth transition in support of EX.

Working from home has been challenging for most

80.8%

of organizations agree (37.4% strongly) that home working has challenged organizational performance.

79.3%

agree (38.1% strongly) that home-working during the pandemic has been challenging for employees.

The necessity of working from home during the pandemic has been challenging for many, for various reasons. Not having a comfortable, dedicated workspace, issues with bandwidth and connectivity, feeling isolated from others, and trying to balance work and home life under difficult conditions are just some of the factors that have impacted on employee wellbeing.

Employees may have the choice to return to the office, but organizations have a duty of care to ensure it's safe to do so and inform them about the policies and processes to be followed when they do.

Employees want to choose where and when they work, and generally prefer to work in an office

75.0% of organizations agree that employees would **prefer to have the choice and flexibility** to work in an office when it is safe to do so.

88.9%

agree (45.3% strongly) that face-to-face meeting time is essential to build a sense of teamwork and/or when meeting clients.

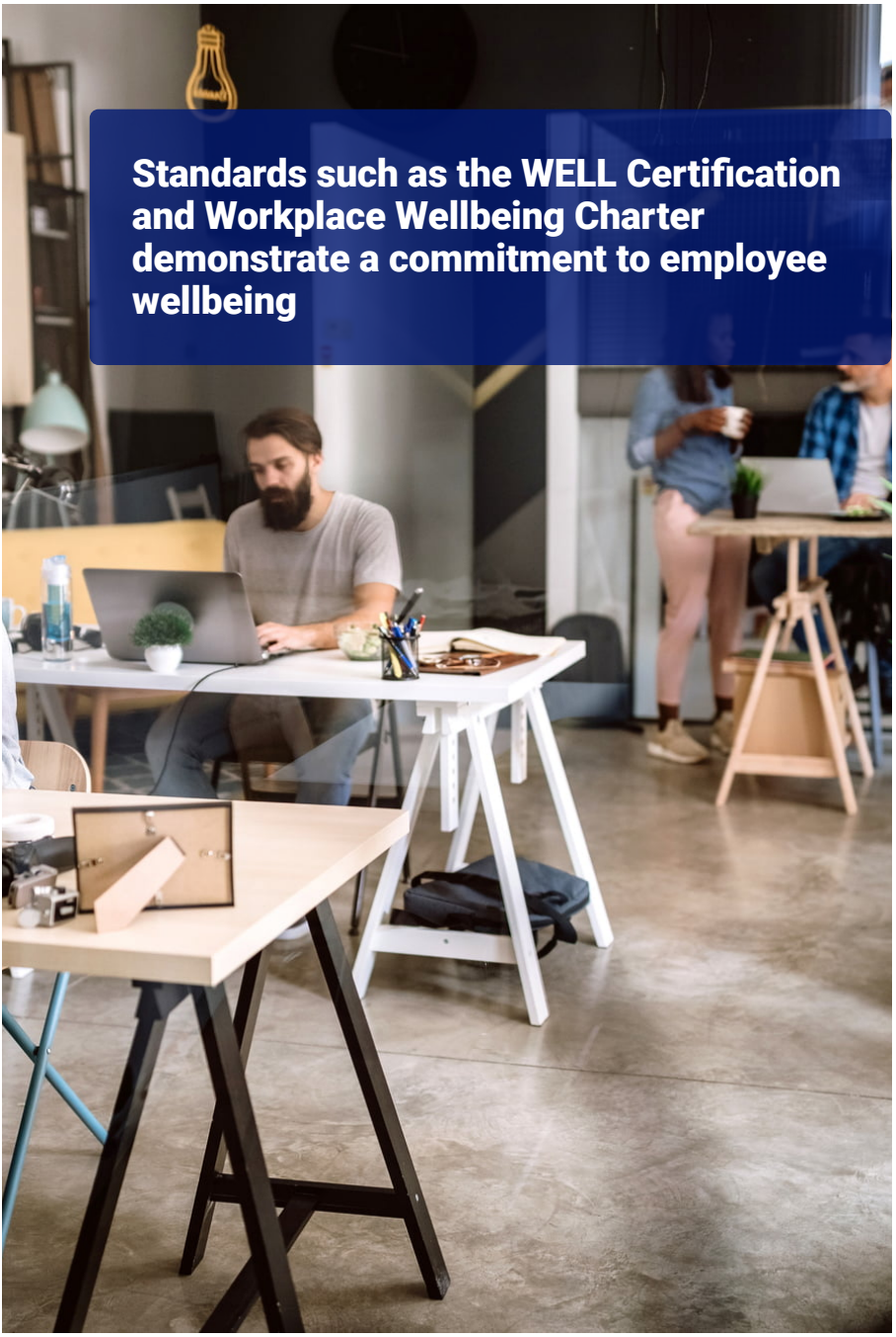
75.0%

of employees would prefer to work from an office than from home (but desire level does diminish slightly with age).

We cannot underestimate the importance of social interaction that takes place in an office environment, particularly to a younger generation of employees.

Face-to-face meeting time is still important to engagement, debate, collaboration and leveraging diverse viewpoints in decision-making. When people work remotely, they miss opportunities to build social networks, connect with colleagues in different areas of the business and acquire valuable communication and relationship skills by observing interactions among their colleagues and between colleagues and clients.

Workplace location should therefore not be an either/or decision. Pushing people to work either remotely or at an office will be detrimental to EX. What employees want more than anything is the ability and flexibility to choose when and where they perform certain tasks.



Standards such as the WELL Certification and Workplace Wellbeing Charter demonstrate a commitment to employee wellbeing

85.0% of organizations adhere to at least one **industry-recognized workplace wellbeing charter.**

While there's significant variance by sector, **59.6%** of organizations will typically conform to two or more standards. Adherence is managed by the primary decision-maker, with influencers and other team members often unaware the standards or governance principles are in place.

Tracking and demonstrating a measurable adherence to wellbeing and sustainability standards will contribute to building a culture that's based on a clear sense of purpose.

Data once again will be critical to managing this. In the case of the WELL Building Standard®, an organization enters into a performance-based system for measuring, certifying and monitoring features of the built environment that affect human health and wellbeing, through air, water, nourishment, light, fitness, and comfort and mind.

According to research from the World Green Building Council and Cornell University:

- Better ventilation improved employee productivity by 11%.
- Better lighting improved productivity by 23%.
- Access to nature improved productivity by 18%.
- Raising the thermostat to a more comfortable temperature improves productivity by 12%.

Source: *World Green Building Council Annual Report 2017/18*

The decisions organizations make today will have a significant impact on the future of the workplace – and their long-term success

Recommendations for
a world transformed

Reshape strategies for long-term success

Implement workplace modernization programs that enable greater agility, support a distributed workforce and contribute to sustainability goals to ensure the long-term future of the organization.

Empower employees with workplace choice and authority to make business decisions

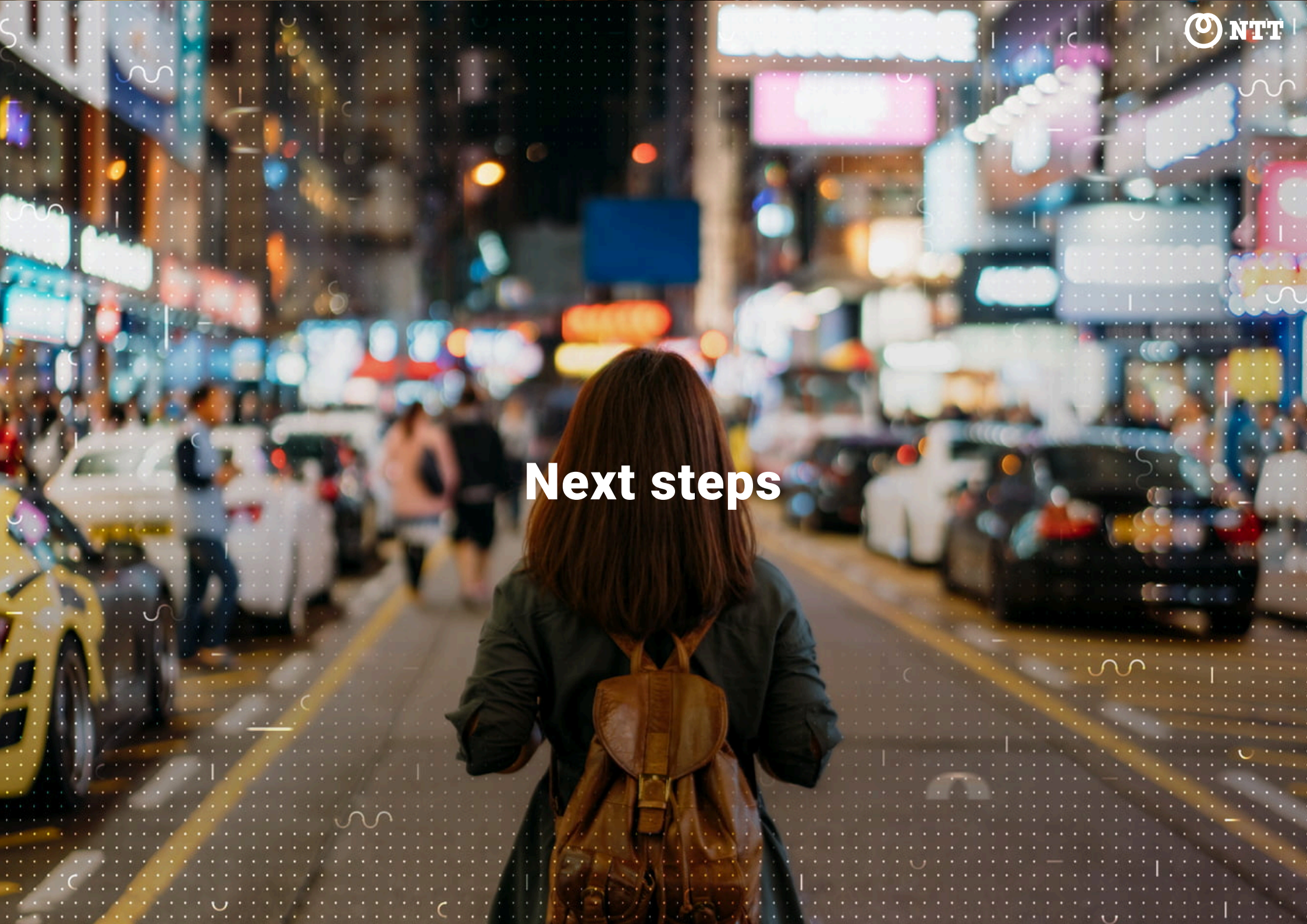
Change management and culture should drive choice and flexibility to facilitate employee wellbeing and the employee experience. Agility and speed-to-market will be driven by how much authority employees are given to make decisions in response to change.

Digitize for relevance, innovation and growth

Combine activity-based working and end-to-end technology solutions and services to support the way people work, securely and safely, and help meet a range of objectives. Data-driven insights across CX and EX will enable innovation and growth in line with business goals, allowing organizations to differentiate and remain competitive.

Build environments for activity-based working

Environments – whether intelligent buildings or distributed working spaces – should be used to build and live the organization's brand, achieve sustainability goals, attract and retain top talent, and enable a connected workplace experience.


Next steps

In a world transformed, how are you evolving your workplace?

The pandemic has fundamentally changed best practices for workplace processes, methodologies, locations, technologies and designs.

Harnessing and optimizing that change is vital for business performance and the experience of employees.

To help you understand your progress in evolving your workplace, we've created a short assessment tool to benchmark your progress against other organizations – based on our detailed global research - and provide a range of best practice recommendations to keep you moving forward.

TAKE OUR SHORT ASSESSMENT NOW

Workplace typologies

People treasurer

Employee experience and employee wellbeing are the primary considerations for workplace strategy.

- improving the employee experience through measurable outcomes is a critical objective
- the wellbeing of people, and designing the workplace to support them, is paramount
- focused on updating HR policies for contemporary relevance
- big focus on talent attraction and retention and business ethics

Collaborative champion

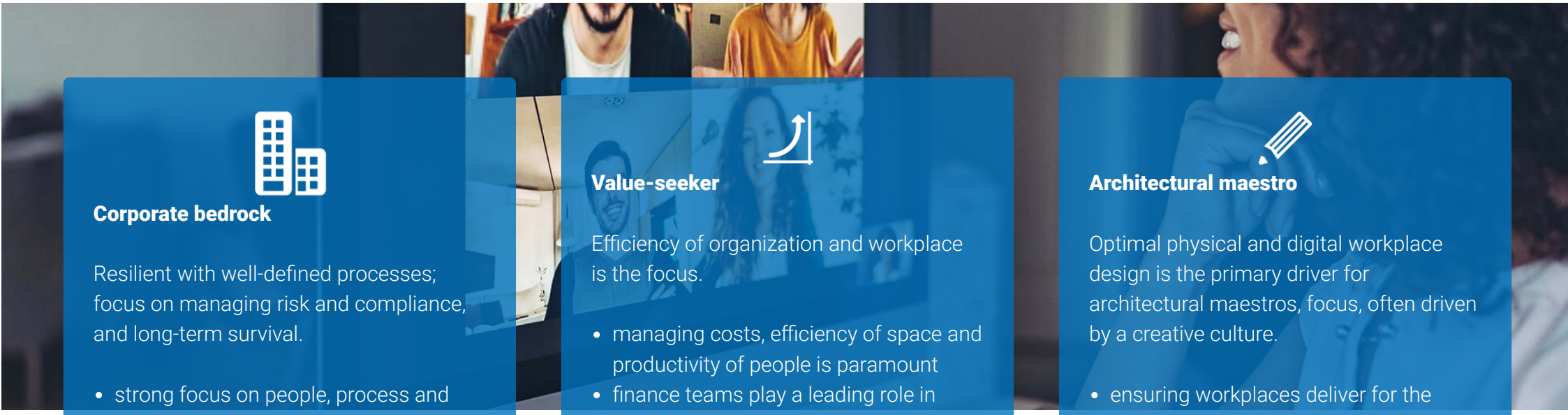
Expert in building a culture and using technology to enable collaboration among employees, partners and customers.

- productivity and collaboration are paramount
- invests in the tools, technology and networks to support those goals
- digital teams, often led by a chief digital officer, play a leading role in decision-making
- power-user of collaboration technology and digital events to connect people wherever they work

Disruptive game-changer

Visionary and forward-thinking, they design new business models to redefine the future.

- disruptive, innovative and entrepreneurial
- rethinking strategy and understanding the future are key objectives
- digital transformation is a major focus
- includes agile accelerators – organizations that have growth and agility embedded into their organizational culture and for which productivity and speed is of the essence



Corporate bedrock

Resilient with well-defined processes; focus on managing risk and compliance, and long-term survival.

- strong focus on people, process and technology to develop a secure workplace
- business continuity is a key objective
- well-documented processes and low appetite for risk
- selects robust tools and technologies to deliver business outcomes

Value-seeker

Efficiency of organization and workplace is the focus.

- managing costs, efficiency of space and productivity of people is paramount
- finance teams play a leading role in decision-making

Architectural maestro

Optimal physical and digital workplace design is the primary driver for architectural maestros, focus, often driven by a creative culture.

- ensuring workplaces deliver for the organization and its people is a major focus
- design of workspace and the working environment is critical
- digital transformation is a major objective: digital teams, often led by a chief digital officer, play a leading role in decision-making
- data analytics are used to improve the workplace
- workplace ethics are important
- most likely to be expanding space and driving new, innovative uses of workplaces

Research sample and methodology

The research in numbers

The research was conducted for NTT Ltd. by Jigsaw Research. Jigsaw Research is an international strategic insight agency with an exclusively senior team. They focus on building an authentic understanding of how and why people behave the way they do, using research techniques that explore both conscious and non-conscious behaviour.

Conducted by
Jigsaw Research in July 2020

Respondent role	Functional area	Organization size
38.3% = C-suite	30.9% = HR	24.8% = 1,000-2,500
37.2% = Director/Head of	29.0% = IT	28.3% = 2,501-5,000
26.5% = Manager/Specialist	16.3% = C-suite (other)	21.5% = 5,001-10,000
	11.9% = Ops	14.1% = 10,001-50,000
	11.7% = Facilities	11.3% = 50,001+

from across 14 sectors, including

- **Retail**
- **Manufacturing**
- **Financial services**
- **Education**
- **Healthcare and pharmaceutical**

1,350 x 20-minute interviews undertaken across 19 markets

Participants were decision-makers/influencers regarding the development of effective workplaces

NTT Ltd. is a leading, global technology services company. Working with organizations around the world, we achieve business outcomes through intelligent technology solutions. For us, intelligent means data-driven, connected, digital and secure. Our global assets and integrated ICT stack capabilities provide unique offerings in cloud-enabling networking, hybrid cloud, data centers, digital transformation, client experience, workplace and cybersecurity. As a global ICT provider, we employ more than 40,000 people in a diverse and dynamic workplace that spans 57 countries, trading in 73 countries and delivering services in over 200 countries and regions. Together we enable the connected future.

Visit us at hello.global.ntt

Thank you for reading

2020 Intelligent Workplace Report

Cookies Terms Privacy

POWERED BY Turtl