The Evolving Workforce

Report #2: The Workforce
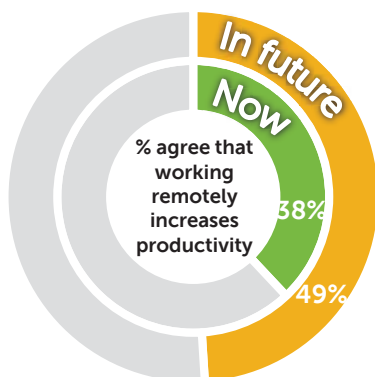##   Perspective

US

US Insights

Executive Summary

The American worker is highly conversant with technology and also optimistic about the transformational power of technology in the workplace. Technology is widely seen as an enabler of many of the core characteristics of the workplace including: trust between employer and employee; personal freedom; and flexibility - in terms of working hours, remote working as well as seeking new ways of getting things done.
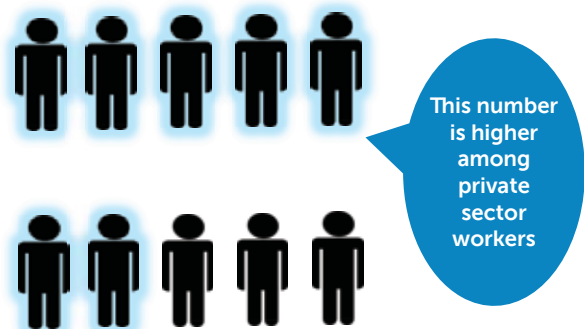
Already well established, these trends are expected to continue to increase in the future. Encouragingly, in the US, one of the most technologically-advanced societies in the world and where flexible working has perhaps been established longer than almost any other country in the world, work-life balance appears to be tilting in favor of the employee. Only a small percentage feel pressured to work longer hours. Among the younger generation of workers there is optimism that technology will actually be a help, not a hindrance to work-life balance.

However, there is substantial variation across organization types. Educators are under greater stress than those working in other verticals, while freedom of employee choice in terms of corporate technology and device is much lower in the public sector. While a majority of those working for smaller firms are free to download the software they need, those in larger organizations are inevitably still bound by greater restrictions and legacy constraints. Encouragingly, public sector and large enterprise workers foresee greater freedoms to emerge in the future both in terms of hardware and software. IT departments are advised to take heed, as not delivering against these expectations could affect worker morale as well as productivity.

Almost **four out of ten** workers in the US think that remote working increases productivity (38%) and this is expected to increase in the future (49%)

seven out of ten American workers are motivated by their employer's values

In future

Now

% agree that working remotely increases productivity

38%

49%

This number is higher among private sector workers

39% of American workers feel that IT problems are a regular frustration in their daily working life

Magnitude of threats perceived by American workers

IT problems are a regular frustration

Difficult switching off after work

Work life encroaches on private life

Under pressure to work longer hours

Trend #1: **Crowdsourcing and Crowdsource service**

| **Hypothesis** | The workforce of the future, for many industries, could be thousands of people working in different places. Is cloud computing and other ICT applications going to make it easier to distribute more tasks and services and to invite input from a community through crowdsourcing? |

| **Top insights** | There is widespread recognition that technology and Internet connectivity are facilitating radical changes in workplace practices and in how individuals can contribute to the organization. |

More than three-quarters of all American workers agree that the Internet and technology facilitates 'reaching out to others to help solve problems' (77%) and is creating opportunities for organizations to 'do business in different ways' (78%), while 71% agree that the Internet and technology helps individual employees 'make a bigger contribution to their organizations.'

Two-thirds of all workers (64%) and eight in ten (80%) of those in private education feel that 'technological innovation allows you to focus on things you prefer to do.'

Differences are observed among different types of workers. 88% of Professional Nomads* believe that technology helps individual employees 'make a bigger contribution to their organizations' compared with 59% of Task Workers*.

Concerns about the potential risk to job security as it relates to outsourcing are fairly minor. Just 22% of Americans believe that 'outsourcing is a threat to [their] role,' although this is expected to rise slightly in the future (25%).

| **Implications** | Americans are optimistic about the possibilities afforded by this trend. The role of IT in empowering individuals, connecting workgroups and facilitating new ways of working is already well recognized in the US, and concerns over the potential risks are relatively muted. The door is wide open for American employers, supported by the IT industry, to boost development of both crowdsourcing and crowdsource service as a means to further enhance the competitiveness of American companies in the global economy, and their reputation for innovation. |

Trend #2: **Productivity measured in outputs, not hours**

| **Hypothesis** | Standardized measures of productivity based on numbers of hours inputted would become less relevant in a knowledge-based economy. What are going to be the newer, softer metrics to assess productivity? |

| **Top insights** | This trend is already widely established in the US, where three-quarters of employees are 'measured by the quality of their work, rather than the time spent at work' (76%). |

Almost four out of ten workers in the US today think that working remotely increases productivity (38%), and this is expected to increase in the future (49%).

American workers enjoy a relatively high degree of freedom in defining their own working patterns and are willing to trade-off regular working hours in exchange for that flexibility. Only 43% across the worker population and just 35% of those aged 45-54 want to be able to complete their work 'within a traditional 9-5 schedule.'

Perhaps surprisingly, a majority of American workers say they can get all of their work done in a traditional 9-5 schedule (58%); this is slightly higher in the public sector (61%), but lower for those working in large enterprises (54%). Government workers and those in the finance sector are more likely to be able to finish their work during office hours (72% and 66% respectively).

Interestingly, less than one third of those surveyed are 'under pressure to work longer hours' (32%).

Compared across all verticals, education professionals find it most 'difficult to switch off from work' (49% in private education and 43% in public education) compared with 29% in private healthcare and 28% in government.

| **Implications** | Across the US, many employers and workers have already moved to an outputs-based model. This appears to be welcomed by American employees who are by and large happy to trade off fixed working hours for more flexibility. It is somewhat of a surprise to learn that work-life balance does not appear to be an issue for the majority of workers (although more so for educators) – perhaps Americans have learned to cope effectively with the output-based model and flexible working patterns. As perhaps the most developed market in the world, the US may represent a case study in how advanced technology can help to promote work-life balance. |

Trend #3: **Changes in the adoption of devices**

Hypothesis

The number and types of devices are proliferating and changing. Choice of device would become more about the situation, location and occasion. Are employers and the current systems and processes going to allow for increased end-user utility and choice?

Top insights

Currently less than three in ten employees have the 'ability to choose the type of computer they are provided' by their employer (29%), but this is projected to rise in the future (41%).

Choice of devices is much more common among SMB workers – 39% of which can choose their own device compared with only 21% of those working in large enterprises. A substantial difference is also observed between the private sector (33%) and the public sector (17%).

Just over one third of workers actually want to be able to use devices for both personal and professional purposes (37%), although 55% report already having this capability today and 63% expect to be able to do so in the future.

Just under half of all workers are able to share data between multiple devices today (48%), while this is predicted to increase to two thirds of the workforce (67%) in coming years.

Implications

SMBs and private firms are leading the charge in offering employees greater choice of technology and devices in the US. But, while convergence of personal and work technology is already possible for a majority of workers, many people actually would prefer to keep things separated. By embracing proliferation and acknowledging that not everyone actually wants convergence, the IT industry will remain aligned against end users' needs.

Trend #4: **Intergenerational kiss and punch**

Hypothesis

There will be more intergenerational knowledge transfer between younger 'digital natives' and the older generation. However, is there an increased risk of conflict and tension between workers of different ages, backgrounds, knowledge and skills?

Top insights

Three out of five (62%) of 18-24 year olds would 'enjoy work more if they had the choice of what technologies to use' compared with a national average of 42% and just 34% of 55-64 year olds.

The future potential for interoperability and the convergence of work and personal technology are also more salient among young people. 80% of 18-24 year olds expect that in the future their computer and other devices could be 'used for both personal and work environments,' much higher than any other age group (national average 63%).

Two-thirds of 18-24s agree it's important to be 'motivated by company values' (64%) compared with a national average of 50%.

Perhaps reflecting their position on the career ladder, 18-24s have less freedom and ability to work flexible hours, and are most likely to be monitored. At the same time, only 43% of all American workers want to be able to 'complete their work within a traditional 9-5 schedule' - this rises to 56% among those aged 18-24, indicating perhaps that people new to the workforce are currently less willing to sacrifice their personal time for their careers.

Interestingly, while a large proportion of 18-24s are already currently able to complete their work during office hours (65%), this rises to 76% who expect this to be the case in future.

Implications

The latest generation of American workers harbor high hopes for the transformational power of technology in the workplace. While technology is seen by some to threaten work-life balance, today's young workers are hopeful that technology will actually improve their ability to finish work within a set number of hours. Although typically work-life balance becomes more of a concern with age and experience, younger workers in the US hope that this phenomenon will be reversed in the future. Rather than tensions emerging between young and old employees as originally hypothesized, there are signs that younger people can actually promote more healthy and more balanced working habits by not segregating work and play.

Trend #5: **Values versus rules**

Hypothesis

It would become easier to tell what employees are doing, but harder to tell them what to do. In this scenario, would employers use pervasive technology to oversee their workforces at any given time? And if so, would distrust accelerate?

Top insights

Three quarters of American workers believe it's important that employers 'trust [them] to use company resources responsibly' (74%).

Just over a third of American workers are currently being monitored. Across most verticals this is not expected to increase significantly in the future, but there are exceptions - public healthcare employees expect an increase in monitoring (from 52% today to 58% in the future) whereas those in private healthcare actually predict a decrease (37% being monitored today dropping to 30% in the future).

The desire for personal autonomy is clearly present - two-thirds of American workers want 'freedom to choose how [they] do [their] work' (67%) and one in two would like 'flexibility in choosing the hours [they] work' (50%). There is considerable variation across verticals in the flexibility granted to employees in terms of working hours. 72% of those working for non-profits enjoy flexible hours, compared with just 26% in public education.

While seven out of ten American workers are motivated by their employers' values, again, variation is observed across verticals. Only 56% of government workers say their employer has motivating values compared with 86% in private education.

Implications

Trust and personal freedom are core characteristics of the American workplace, and while monitoring is prevalent in some sectors, most employees do not expect monitoring activities to increase. It is likely that any monitoring activities will be met with suspicion, as would any efforts to limit individual workers' autonomy. Any plans to introduce monitoring must clearly be accompanied by thorough employee consultation and communication.

Trend #6: **Many hats of the IT manager**

Hypothesis

As employee aspirations change to a greater onus on happiness, autonomy and choice, workplace IT would be one way of recruiting and retaining staff. Would the job of the IT manager increasingly resemble that of other functions, like the HR manager?

Top insights

Two-thirds of American workers 'are attracted to work for an organization that offers good technology' (66%). The proportion is higher among large enterprise workers (70% versus 64% for SMB); however, large enterprise employees are much less likely to state that their 'employer listens to [their] needs when making IT decisions' (36% in large enterprises versus 55% in SMB). The private sector also receives comparatively higher ratings in this area (48% among private sector workers versus 42% of those in the public sector).

There is an expectation among employees that they will become a more intrinsic part of the IT process - the proportion claiming their employer listens to employee needs when making IT decisions is projected to rise from 47% today to 54% in the future.

42% of employees in the US would 'enjoy work more if [they were] able to choose [their] own technologies.' This is less of an issue for Task Workers* (38%) and women (37%), but more important for men (47%) and Professional Nomads* (60%). It is particularly pronounced among 18-24 year olds (62%).

39% of workers in the US state that 'IT problems are a regular frustration in [their] daily working life,' but this is projected to drop to 32% in future. Similarly, just under half of American employees think that their employer uses the latest technology today (47%), but this rises to two-thirds who believe this will be the case in future (65%).

Implications

This hypothesis is clearly validated through the findings of this latest research, which shows American workers are optimistic about the future of corporate IT. They foresee that daily IT frustrations will decline, and that their employers will increasingly begin to adopt the latest technologies and take employee considerations into account when making IT decisions. The opportunity for and benefits of change are greatly anticipated among larger enterprises, where legacy has been more of a barrier so far. It is of course incumbent on IT departments and IT providers to live up to these expectations.

Hypothesis

The business software of the future will be adopted and designed by employees rather than management or the IT department. Are we going to see more networked, de-centralized organizations to facilitate this shift in corporate hierarchy?

Top insights

More than three-quarters of the US workforce report that their 'employers give the freedom to choose how to work' (76%) and two-thirds state that such freedom is important to them (67%).

Just under half of American workers enjoy freedom to download software today (46%), but this is expected to rise to 54% in the future.

Substantial variation is observed by company size - 57% of those in SMBs are free to download software compared with just one third of large enterprise workers (33%). However, this gap is expected to narrow, with 49% of those in large enterprises expecting to be able to freely download software in the future, compared with 61% in SMBs.

Almost half of US employees agree '[they] need to keep up with the latest technology to be effective at work' (48%) and this rises to 55% who believe this will be the case in the future. This need is felt more urgently by those working in large enterprises (50% versus 46% for SMB) and among private educators (60%).

Implications

The building blocks for this trend are already visible in the American workplace today. Freedom to download software is expected to be the rule rather than the exception, and the pace of change is expected to be greatest for those working in large organizations. With technology skills widely seen as critical to career development, organizations that provide technology freedoms and flexibility will be seen as desirable places to work. There is a clear opportunity for the IT industry to support workers in developing such skills – and to help organizations fast-track solutions to accelerate the growth of this trend.