DRIVE CHANGE FROM WITHIN - INDUSTRY PERSPECTIVES

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Contents

Foreword

Rajesh Varrier,

SVP and Head of Microsoft Business at Infosys

The workforce in the digital era is a different beast. With millennials forming a majority of the workforce today, the "how, why, and where" of work has changed. And these new ways of working are demanding a change in the workplace too! The modern workplace needs to provide consumer-like experiences with ironclad security. It needs to enable instant, on-the-go, and seamless access to data and resources as people need to get their job done, efficiently. The new generation workforce is unwilling to sacrifice their potential at the altar of legacy systems. The battle cry for a more productive workplace has been sounded – it's time to transform or perish!

However, while change is inevitable, and underway – there are several ways organizations are looking at workplace transformation. Priorities, expectations, challenges, and approaches vary across industries and geographies and so does the preference for tools, technologies and external partners. To understand the drivers of, and strategies for workplace transformation, Infosys spoke to 1300+ business leaders across geographies and industries. The findings are quite interesting and showcase some common themes running across the board. The report clearly

outlines the drivers of tomorrow's workplace and how organizations are adopting tools and technologies and are engaging with external partners to stay ahead of the game.

For Infosys, this study is a guide to our customers' motivations and priorities around workplace transformation. These insights will help us better understand the market trends and gaps, and how we can refine our capabilities to serve our customers better. Based on the findings, we have already put in place frameworks and solutions that will make the workplace transformation journey easier and more fruitful for our clients.

I am sure you'll find this an interesting read.

Get ready to navigate the next!

Introduction

Today workplace transformation decisions have moved from CHROs to CEOs and has been heralded as a CEO priority. To this end, CXOs strongly believe that workplace transformation can enhance collaboration across teams and also provide superior employee experience.

In an effort to gather perspectives on workplace transformation trends, organizational priorities, adoption of tools and envisaged benefits, Infosys surveyed 1300+ senior executives representing firms with annual revenues of over US $1 billion across US, Europe, Australia and New Zealand. Respondents representing multiple industries that were grouped into 6 industry clusters: BFSI (Banking, Financial Services & Insurance), H&LS (Healthcare and Lifesciences), MFG (Manufacturing), CMT (Communications, Media and Technology), E&U (Energy & Utilities), CRL (Retail, Consumer Goods, Services and Logistics).

The key highlights from the survey were:

- 45 percent respondents believe that CEOs are the most influential in driving a workplace transformation roadmap.

- 57 percent of organizations consider digital tools (e.g. enterprise productivity suites, enterprise communication software etc.) to have the maximum impact on workplace transformation. The impact of digital tools on workplace transformation is ranked higher than that of physical elements (e.g. co-working, smart buildings, etc.) and cultural changes (e.g. training & upskilling, work-life balance, etc.), which are at 38 percent and 15 percent respectively.

- Organizations strongly believe that digital workplace transformation can improve collaboration across teams (86 percent), and provide superior customer experiences (84 percent).

- Adoption of the workplace transformation strategy is well underway with more than 80 percent of organizations already having a well-defined strategic roadmap in place. Organizations in Europe (83%) seem to make faster progress on workplace transformation when compared with those in ANZ and the USA.

- 55 percent of respondents reckon choosing the right solutions/technology is a significant concern before embarking on workplace transformation. During implementation, data security (77 percent) and obtaining a buy-in across the organization (74 percent) were stated as the biggest challenges.

- The ability to drive alignment with business outlook (60 percent), leverage the latest technologies (55 percent) and manage cultural change (53 percent) are seen as the top advantages of working with external partners for workplace transformation. While respondents in the US (60%) and Europe (51%) prefer partners with an ability to leverage the latest technologies, those in ANZ (64%) prioritize support/helpdesk access.

- While Workplace strategy and implementation is prevalent across industries, Banking, Financial Services & Insurance, Retail, Consumer Goods, Logistics, Communications, Media and Technology sectors lead the pack.

In continuation with our research study "Drive Change From Within", in this particular report, we attempt to explore the unique perspectives that each of the industry clusters have when it comes to workplace transformation.

Recent events have led organizations across industries re-think their workplace strategy. Digitally stronger banks for instance, are seen to be performing better than their peers in terms of

employee engagement (using collaboration tools). At the same time, the hi-tech industry is looking at increased dependencies on cloud-based infrastructure to support an elastic workforce. Even retailers today are being pushed to embrace digital ways of working for a large section of their workforce, as the brick-and-mortar stores are being converted to e-commerce platforms.

The COVID-19 pandemic has compelled organizations to minimize person-to-person contact at the workplace. By embracing

automation and other emerging technologies, industries heavily dependent on manual processes like utilities and manufacturing can now benefit a lot. Healthcare and life sciences companies are seeking ways to enhance their global workforce through greater flexibility and use new technologies to strengthen their organizational culture in the long term.

* Some of the percentages have been rounded off.

"We are at the cusp of a revolution – triggered by a generational shift converging with the consumerization of technology. Cutting edge digital technologies in the consumer arena are finding their way to the workplace with millennials. The way people work, and in fact 'why' they work has changed. And enterprises are left with no choice but to embrace and enable these new ways of working. Workplace transformation is inevitable. The question is, how will you go about it?"

Sanchit Mullick,

AVP, Head-Infosys Digital Workplace Services

Banking, Financial Services and Insurance (BFSI)

Insights into the workplace transformation trends in the banking, financial services and insurance sector

Changing customer needs, competition from Fintech players, and changing business models have made the banking, financial services and insurance (BFSI) sector a prime candidate for digital transformation. A digitally enabled bank also needs a workforce that is capable and equipped to meet their growth requirements.

Banks are rethinking the way they work, the digital skills their people need, and how they can attract and retain future relevant talent. Workplace transformation is an important step in this journey to improve collaboration, productivity, and employee experience.

Workplace transformation initiatives gather steam across BFSI

A majority of BFSI organizations (86%), especially in the US and Europe, already have a well-defined workplace transformation strategy in place or envisage having it within the next 2 years. See Figure 1. In terms of implementation as well, the sector is ahead. More than 65% of respondents indicate that their organizations have either completed implementation in entirety or for specific functions.

The survey found that the push toward workplace transformation, across regions, is coming from the CEOs who are deeply involved in driving this agenda (45%) and developing a roadmap (67%), with significant contribution from the CTO/CIO and the Board of Directors. See Figure 2.

> "Service delivery taking regulatory constraints and speed into consideration, is of essence in the financial services industry. A digital bank needs a digital workplace that equips its employees to respond to business and customer needs faster."

Arshad Hasnain,

Senior Client Partner, Infosys.

> "Automation of existing manual processes and the use of data and analytics are changing the way BFSI companies operate."

- Director, leading European financial services company

Figure 1. Progress on workplace transformation initiatives

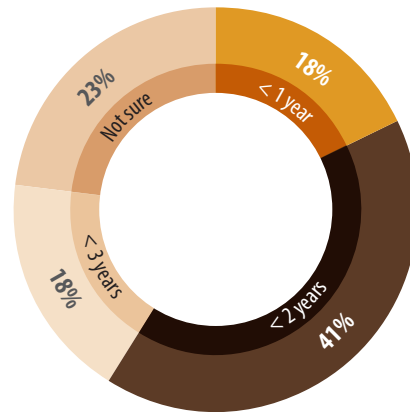**Does your organization currently have an outlined 'workplace transformation strategy' in place?**

Yes, 86%

No, 14%

By when do you envisage a 'workplace transformation strategy' taking shape in your organization?

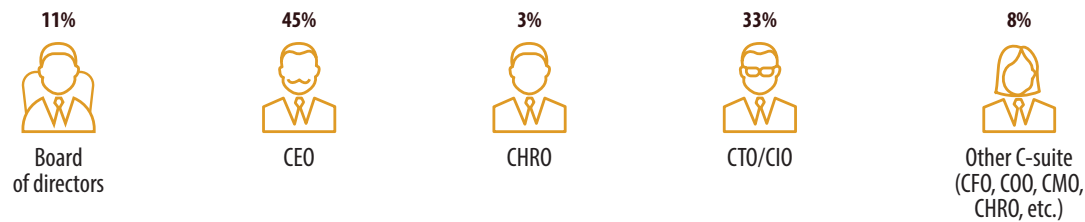- 18% < 1 year
- 41% < 2 years
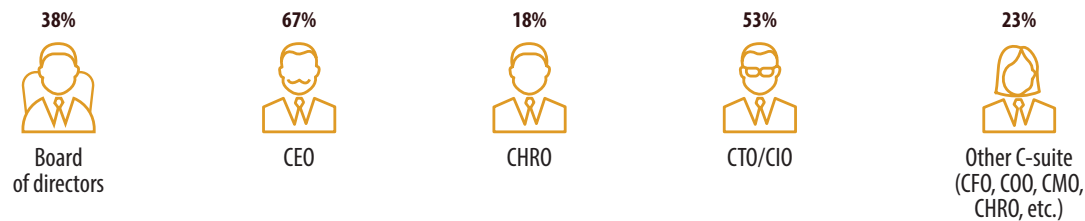- 18% < 3 years
- 23% Not sure

Source: Infosys

Figure 2. Who is driving the workplace transformation agenda?

Most influential in driving the organization to embark on a workplace transformation roadmap

- 11% Board of directors
- 45% CEO
- 3% CHRO
- 33% CTO/CIO
- 8% Other C-suite (CFO, COO, CMO, CHRO, etc.)

Who all contributed to the development of the workplace transformation roadmap?

- 38% Board of directors
- 67% CEO
- 18% CHRO
- 53% CTO/CIO
- 23% Other C-suite (CFO, COO, CMO, CHRO, etc.)

Source: Infosys

The potential impact of workplace transformation is driving C-suite interest

The respondents to our survey strongly believe that workplace transformation can enhance collaboration across teams (87%), provide superior customer experience (87%), and boost employee experience (87%).

Digital is leading the workplace transformation agenda

The survey found that digital transformation (53%) is perceived to have the maximum impact on the transformation of the workplace, followed by physical transformation (38%) and is built into the strategies of 92% of the BFSI organizations. See Figure 3.

Figure 3. Priority areas for transformation

Which of the following factors are built into your organization's 'workplace transformation strategy'?

- 92% Digital
- 73% Physical
- 64% Cultural
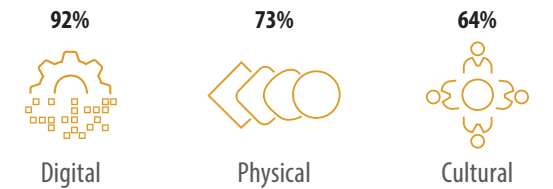
Source: Infosys

According to respondents, co-working (67%), and training and up-skilling the current workforce to be digitally enabled (77%), are key priorities for physical and cultural transformation, respectively. Firms in Australia and New Zealand (82%) also look at building an inclusive work environment.

Based on your opinion, please rank the following elements in order of their perceived impact on transformation of the workplace

Digital: 53%, 33%, 14%

Physical: 38%, 36%, 26%

Cultural: 15%, 37%, 48%

■ Rank 1 ■ Rank 2 ■ Rank 3
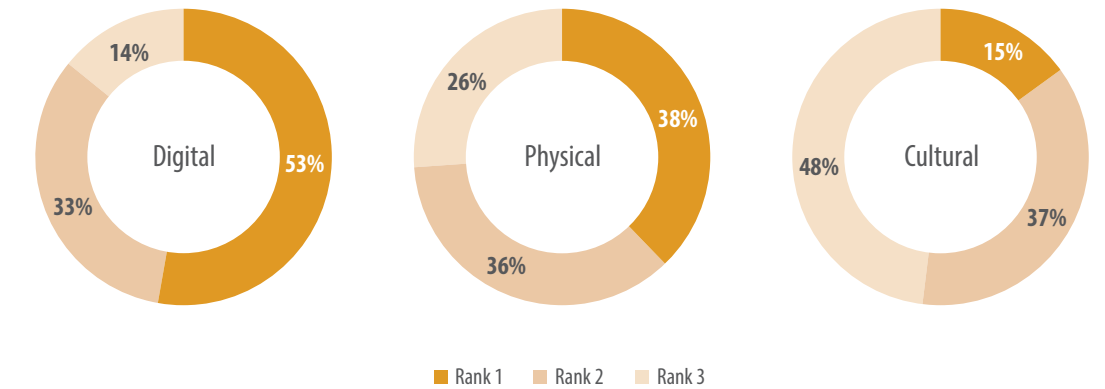
Source: Infosys

What's holding back implementation?

Respondents consider concerns around being able to choose the right solution/technology (58%), data security (27%), and getting a buy-in from across the organization (32%) as significant challenges. Organizational readiness/maturity levels are the top concerns for firms in Europe (49%) as compared to others.

Technologies that rule the roost

Our survey found that organizations adopt workplace transformation solutions/technologies to improve productivity (56%) and collaboration (52%). The choice of solution primarily depends on the features offered (70%) and the ease of adoption (56%). Alignment with the existing ecosystem (53%) is another factor that plays a critical role while finalizing the solution. See Figure 4.

Figure 4. Criterion for solution selection

	High	Medium	Low
Features offered	70%	29%	1%
Alignment with existing ecosystem	53%	44%	3%
Ability to provide user analytics	50%	43%	8%
Organizational change management	52%	43%	5%
Ease of adoption	56%	39%	5%
Need to revamping existing systems/infrastructure	46%	49%	4%
Improvement in project management capabilities	49%	46%	5%
Efficient time tracking and resource planning	50%	46%	4%
Reduction in license costs/ consolidation of licenses	47%	46%	7%

■ High ■ Medium ■ Low

Source: Infosys

From a technology standpoint, Enterprise Productivity Suite (79%), Enterprise Communication Software (72%), and Internal Collaboration Tools (69%) are preferred investment choices of respondents.

The role of a transformation partner

More than 60% of the respondents said they prefer engaging an external service provider to help manage the transformation instead of doing everything in-house. In choosing an external partner, alignment to the company's outlook (63%) and ability to manage cultural change (62%) are the engagement priorities. Past relationships/ experience (65%) and proven credentials (65%) also make a difference.

Various stages of the transformation journey require different expertise. Although consulting firms have a major impact in the strategic roadmap definition, technology firms take the lead in identifying the right digital workplace solution and implementing it, and also in maintenance and continued operations.

Tasting success

Respondents are gauging the success of investments in workplace transformation by improvements in operational efficiency (49%), employee engagement (48%), as well as cost reduction and tool adoption rates (47%). The impact of workplace transformation is visible in the adoption of evergreen solutions (94%), improved productivity (91%), and improved employee experience (88%). See Figure 5.

The BFSI ecosystem has much to gain from building workplaces that augment the human potential—including helping employees become more productive and have better work experience.

Figure 5. Outcomes from workplace transformation initiatives

Adopting evergreen solution	6%	28%	37%	29%
Bringing in new technologies to replace legacy systems	9% / 9%	25%	42%	15%
Changing demographic of employees	6% / 6%	22% / 22%	28%	17%
Effective information management across the enterprise	13%	22%	41%	23%
Enhance employee experience	2% / 9%	16%	47%	26%
Improved collaboration	8%	24%	43%	23%
Improved productivity	8%	25%	32%	34%
Increased flexibility for employee	8%	25%	43%	21%
Increased transparency in workflows	4% / 9%	26%	41%	19%
Reduction in total cost of ownership	3% / 8%	26%	46%	17%

Source: Infosys

About This Report

This report is based on an anonymous survey conducted between October and November 2019 on workplace transformation trends, adoption of various contemporary tools, transformation benefits, and apprehensions about organizational change. The survey respondents include 187 senior business leaders representing some of the leading organizations in manufacturing (72%) and automotive (28%), with revenues of over $1 billion, operating in the United States, the United Kingdom, Europe, or Australia–New Zealand (ANZ). For more information about digital transformation and the workforce, please see the Infosys Knowledge Institute's Talent Radar and Digital Radar 2019 and 2020.

Communications, Media and Technology (CMT)

Insights into the workplace transformation trends in telecom, media and entertainment, and hi-tech industries

In a speedily evolving telecom, media and entertainment, and hi-tech (CMT) industry finding and retaining highly skilled talent are the key challenges. With skilled talent in high demand, retention rates are abysmal[1]. As industry business models shift, it's becoming even more critical to have digitally enabled, productive employees who can deliver on the company's promise to their customers. To meet the needs of a changing workforce, CMT companies are looking for workplace transformation that aligns with their business goals.

CEOs along with CTO/CIOs are deeply involved in driving this agenda (~33%) and developing a roadmap (~50%) with significant contribution from the Board of Directors.

Figure 1. Progress on workplace transformation initiatives

Does your organization currently have an outlined 'workplace transformation strategy' in place?

Yes, 86%   No, 14%
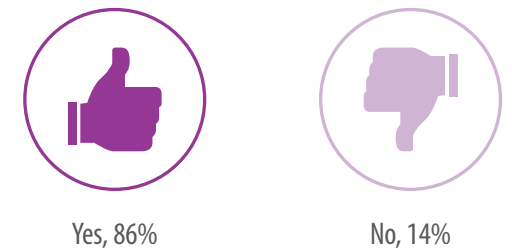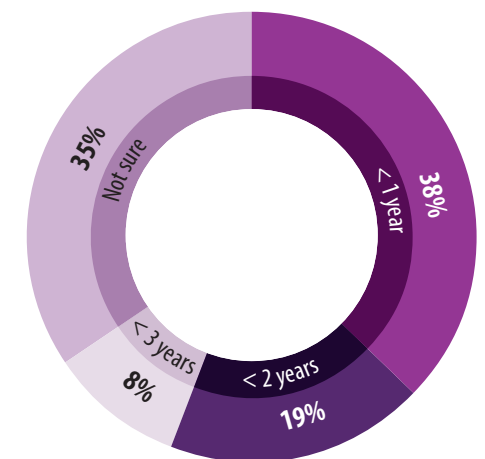
> "What works for someone else might not work for you - review the PoC and always identify aspects out of scope. Prepare to be agile because changes will keep happening."
>
> - Director, European communication firm

By when do you envisage a 'workplace transformation strategy' taking shape in your organization?

35% Not sure
38% < 1 year
19% < 2 years
8% < 3 years

Source: Infosys

Telecommunications and media score high on transformation agenda

According to respondents, most CMT organizations (86%) have built a workplace transformation strategy, or intend to create one before 2022. See Figure 1. As far as implementation is concerned, the industry is leading the charge with over 65% of companies having completed implementation entirely or within specific functions.

Collaboration drives workplace transformation initiatives

> "In a rapidly evolving CMT landscape, companies need high-speed collaboration between global teams and partners to launch products and services faster and support customers anytime and anywhere."
>
> **Anant Jain,**
>
> *Account Client Partner, Infosys*

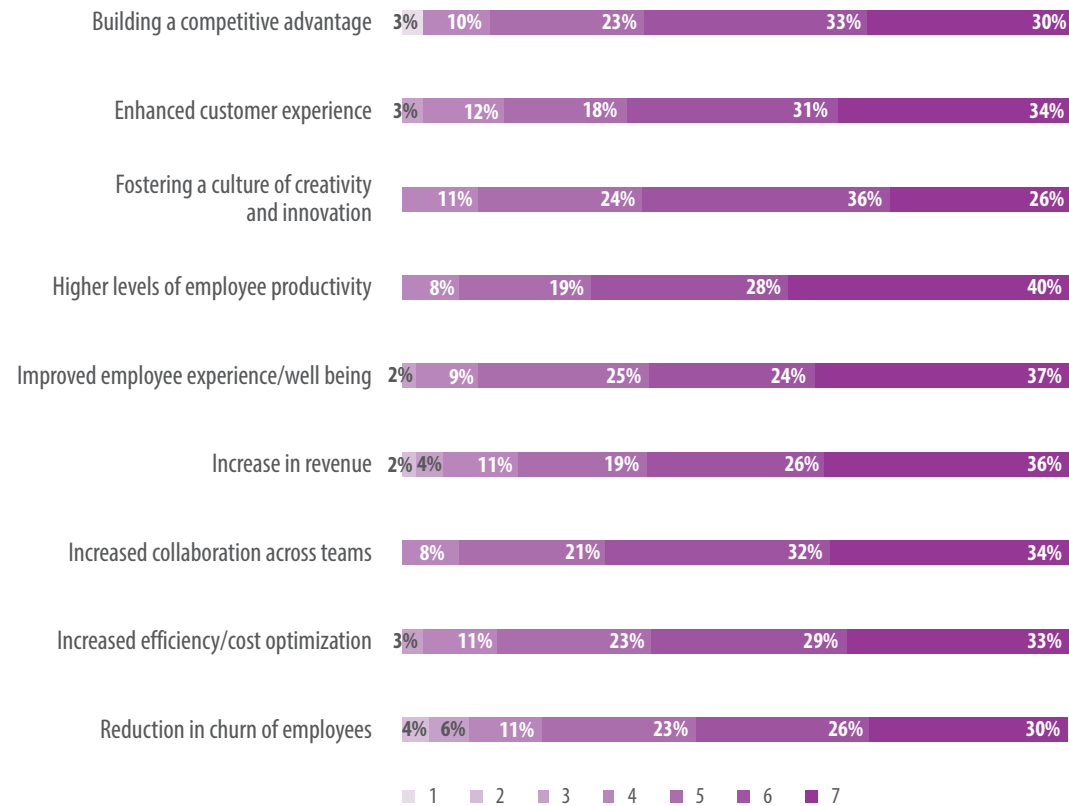A large majority of CMT respondents strongly believe that workplace transformation can enhance employee productivity (87%) and increase collaboration across teams (87%). See Figure 2.

Greatest workplace transformation impact is via digital

Respondents perceive digital transformation (68%) to have the maximum impact on transformation of the workplace, followed by physical transformation (28%) and is built into the strategies of 92% of the CMT organizations. See Figure 3.

Collaborative/interactive workplaces (66%) and smart buildings (63%) are key priorities for physical transformation. Cultural transformation priorities include training and upskilling the current workforce (67%) and bringing in a more digitally savvy workforce (60%).
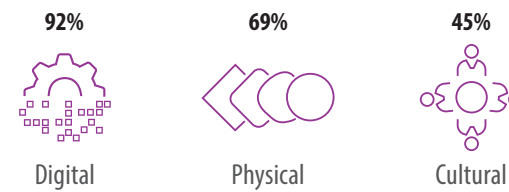
Figure 2. Drivers of workplace transformation

| Driver	1	2	3	4	5	6	7
Building a competitive advantage		3%	10%	23%		33%	30%
Enhanced customer experience		3%	12%	18%		31%	34%
Fostering a culture of creativity and innovation			11%	24%		36%	26%
Higher levels of employee productivity			8%	19%	28%		40%
Improved employee experience/well being	2%		9%	25%	24%		37%
Increase in revenue	2%	4%	11%	19%		26%	36%
Increased collaboration across teams			8%	21%	32%		34%
Increased efficiency/cost optimization		3%	11%	23%		29%	33%
Reduction in churn of employees	4%	6%	11%	23%		26%	30%

Source: Infosys

Figure 3. Transformation priorities

Which of the following factors are built into your organization's 'workplace transformation strategy'?

Digital	Physical	Cultural
92%	69%	45%

Source: Infosys

Based on your opinion, please rank the following elements in order of their perceived impact on transformation of the workplace

Digital
- 68%
- 23%
- 9%

Physical
- 47%
- 28%
- 25%

Cultural
- 56%
- 32%
- 13%
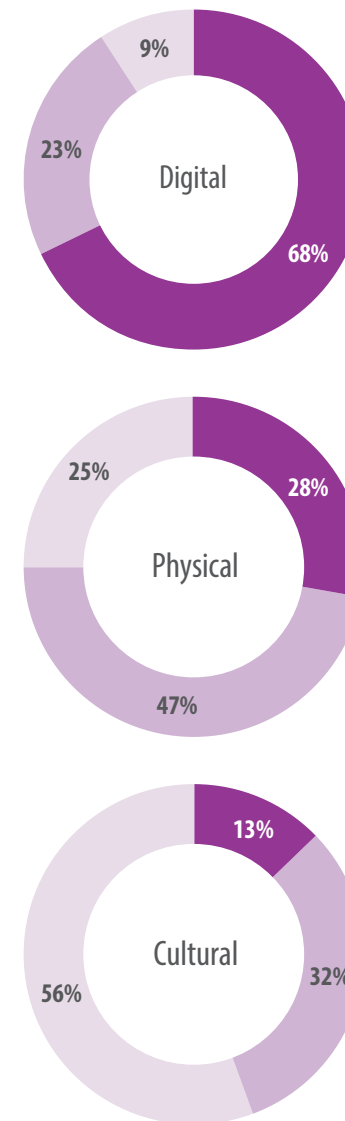
Source: Infosys

Roadblocks to implementation

Realizing a return on investment (53%), getting a buy-in from all parts of the organization (43%), and data security (36%) are the most prioritized challenges. See Figure 4 and 5.

Technologies that take center stage

Our survey found that organizations choose workplace transformation solutions/technologies to boost productivity (53%) and collaboration (48%). In this regard, the choice of solution is heavily dependent on the features offered (72%), followed by lower licensing costs (62%).

Enterprise Productivity Suite (79%), Enterprise Communication Software (75%), and Internal Collaboration Tools (66 %) are preferred investment choices of respondents. Most organizations see Cloud (68%) and smart workplaces (49%) becoming mainstays.

The role of a transformation partner

About 65 % of the respondents prefer engaging an external service provider instead of doing everything in-house. In choosing an external partner, ability to leverage latest technologies (59%), alignment to the company's outlook (56%), and support/help desk access for employees (56%) are the engagement priorities. External service providers are chosen mostly based on proven credentials (60%).

While consulting firms have a major impact on the strategic roadmap definition, technology firms take the lead in identifying the right digital workplace solution, implementing it, and in maintenance and continued operations.

Figure 4. Concerns before embarking on workplace transformation

Right selection of the solutions/
technology to go with — 49%

Continued reliance on external
service providers — 38%

Confidence in Return on Investment (RoI) — 53%

Organizational readiness/maturity levels — 40%

Need for establishing team to
drive the initiative — 48%

Leadership team involvement — 41%

Alignment with organizational culture — 33%

Others — 1%
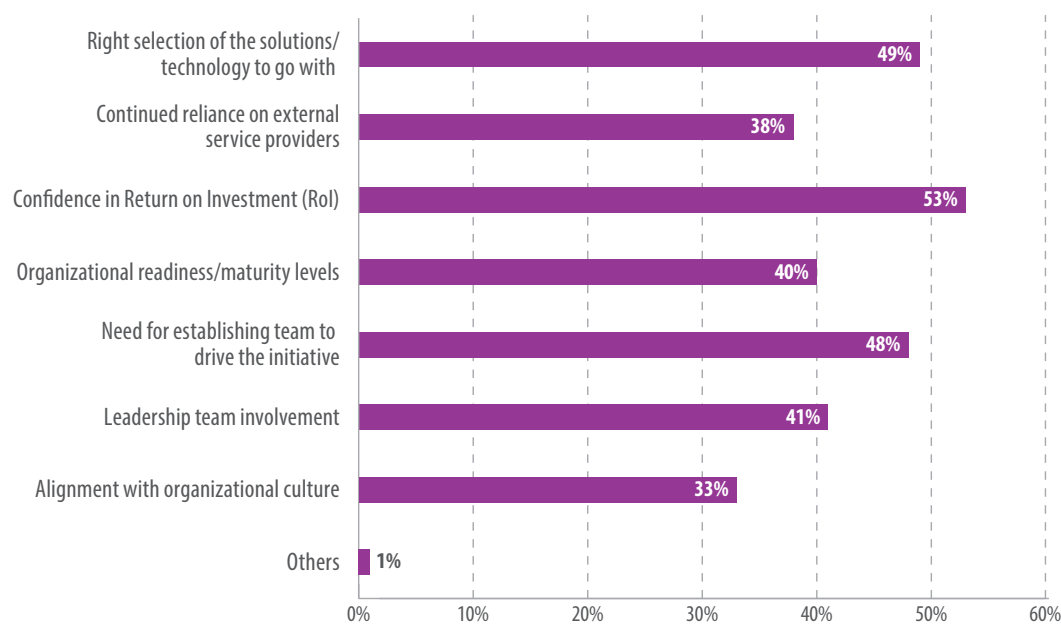
Source: Infosys

Figure 5. Challenges in workplace transformation

Ensuring data security concerns
are addressed — 3%, 2%, 13%, 46%, 36%

Ensuring measurable benefits
were identified — 3%, 16%, 44%, 35%

Getting a buy-in from all
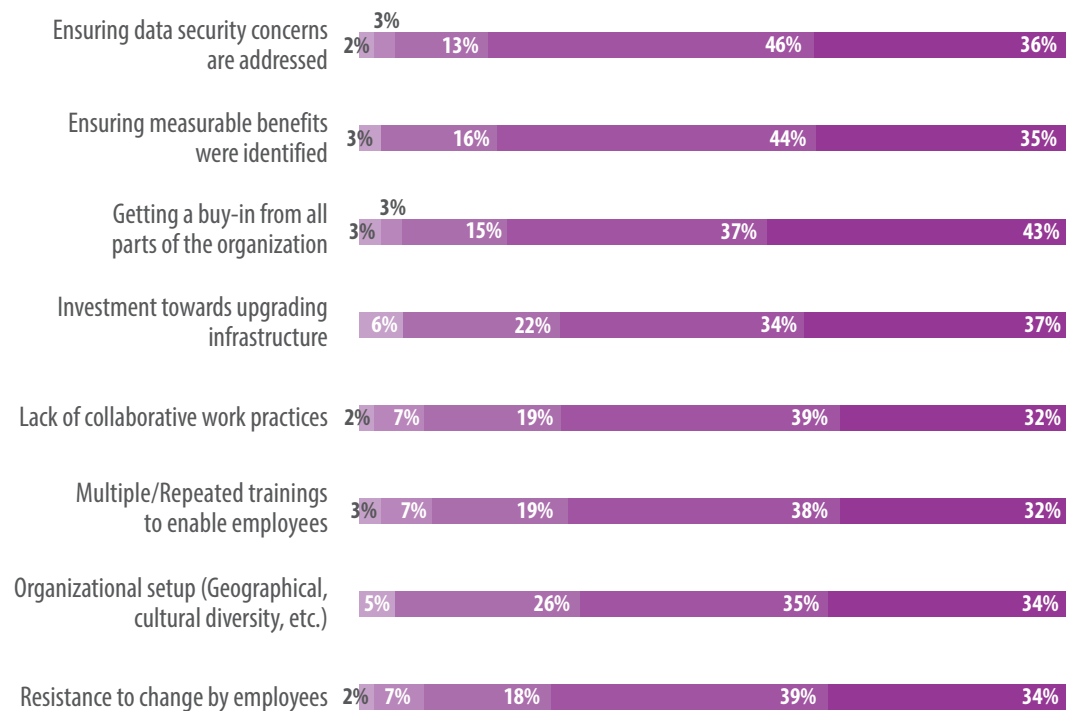parts of the organization — 3%, 3%, 15%, 37%, 43%

Investment towards upgrading
infrastructure — 6%, 22%, 34%, 37%

Lack of collaborative work practices — 2%, 7%, 19%, 39%, 32%

Multiple/Repeated trainings
to enable employees — 3%, 7%, 19%, 38%, 32%

Organizational setup (Geographical,
cultural diversity, etc.) — 5%, 26%, 35%, 34%

Resistance to change by employees — 2%, 7%, 18%, 39%, 34%
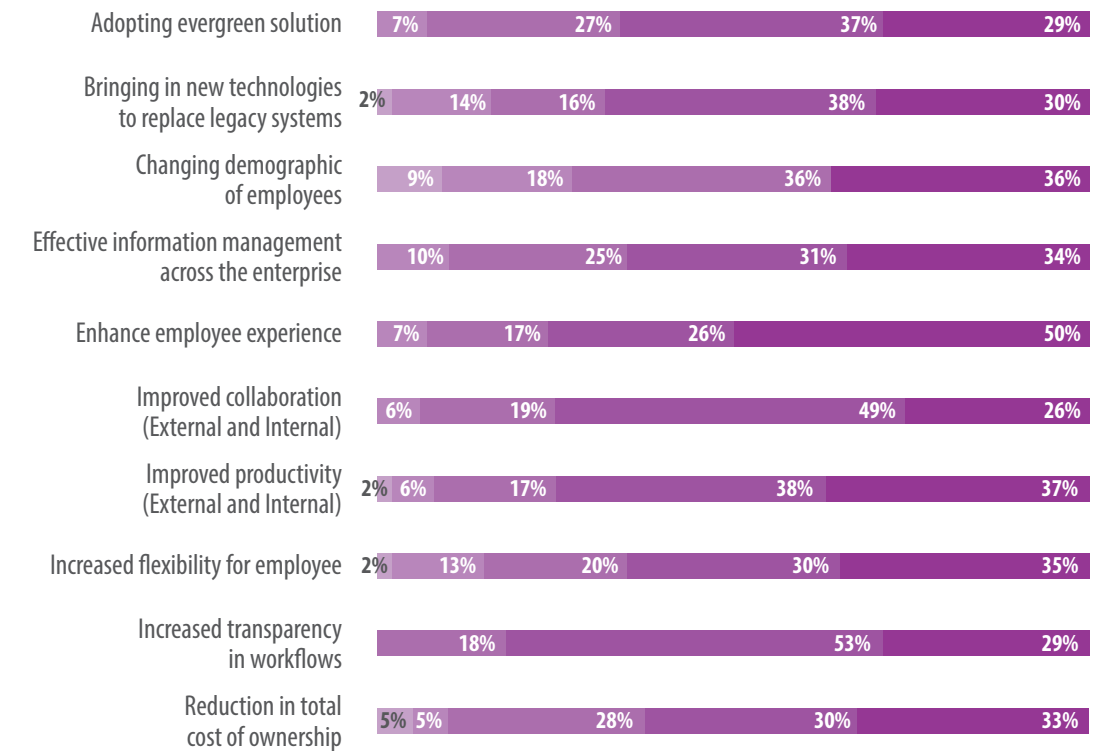
Source: Infosys

What does success look like?

The key parameters of successful workplace transformation in the CMT sector include improvements in employee engagement/ Net Promoter Score (NPS) (48%), and cost reduction (43%). The positives of workplace transformation can also be seen in huge increases in workflow transparency (100%) and enhanced employee experience (93%). See Figure 6.

The CMT ecosystem has much to gain from building workplaces that augment the human potential—including helping employees have a better work experience.

Figure 6. Most visible outcomes

Adopting evergreen solution — 7%, 27%, 37%, 29%

Bringing in new technologies
to replace legacy systems — 2%, 14%, 16%, 38%, 30%

Changing demographic
of employees — 9%, 18%, 36%, 36%

Effective information management
across the enterprise — 10%, 25%, 31%, 34%

Enhance employee experience — 7%, 17%, 26%, 50%

Improved collaboration
(External and Internal) — 6%, 19%, 49%, 26%

Improved productivity
(External and Internal) — 2%, 6%, 17%, 38%, 37%

Increased flexibility for employee — 2%, 13%, 20%, 30%, 35%

Increased transparency
in workflows — 18%, 53%, 29%

Reduction in total
cost of ownership — 5%, 5%, 28%, 30%, 33%

Source: Infosys

About This Report

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Consumer Goods, Retail and Logistics (CRL)

Insights into the workplace transformation trends in retail, consumer goods, and logistics

Retail, consumer goods, and logistics (CRL) industries are morphing minute by minute to stay ahead of the competition and deliver superior customer experiences. To support this agility, they need an agile workforce too. However, high attrition rates (up to 60%[2]) and low engagement continue to plague the industry causing billions of dollars in losses.

> "Focusing only on technology and not providing enough avenues for the employees to adapt and learn the technology changes will be setting us up for failure."
>
> - Director, multinational consumer goods company

Today's world demands simplicity, personalization, and interoperability. However, the complexity of workplace technology[3] is becoming a productivity barrier, prompting industry players to invest in workplace transformation initiatives that can boost collaboration, empower employees to serve customers better, and improve employee experience

The CRL industry is ready for workplace transformation

According to survey results, a majority of CRL organizations (88%) have a well-defined workplace transformation strategy in place or envisage having it within the next 2 years. See Figure 1. The sector is also ahead in implementation, with more than 60% of the respondents stating that

they have either completed implementation in entirety or across specific functions.

CEOs, along with CTO/CIOs, are deeply involved in driving this agenda (~40%) and developing a roadmap (~60%) with significant contribution from the Board of Directors. And for good reason.

Figure 1. Progress on workplace transformation initiatives

Does your organization currently have an outlined 'workplace transformation strategy' in place?
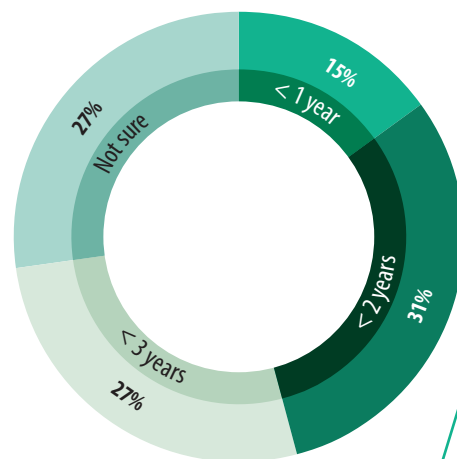

Yes, 88%   No, 12%

By when do you envisage a 'workplace transformation strategy' taking shape in your organization?

15% < 1 year
31% < 2 years
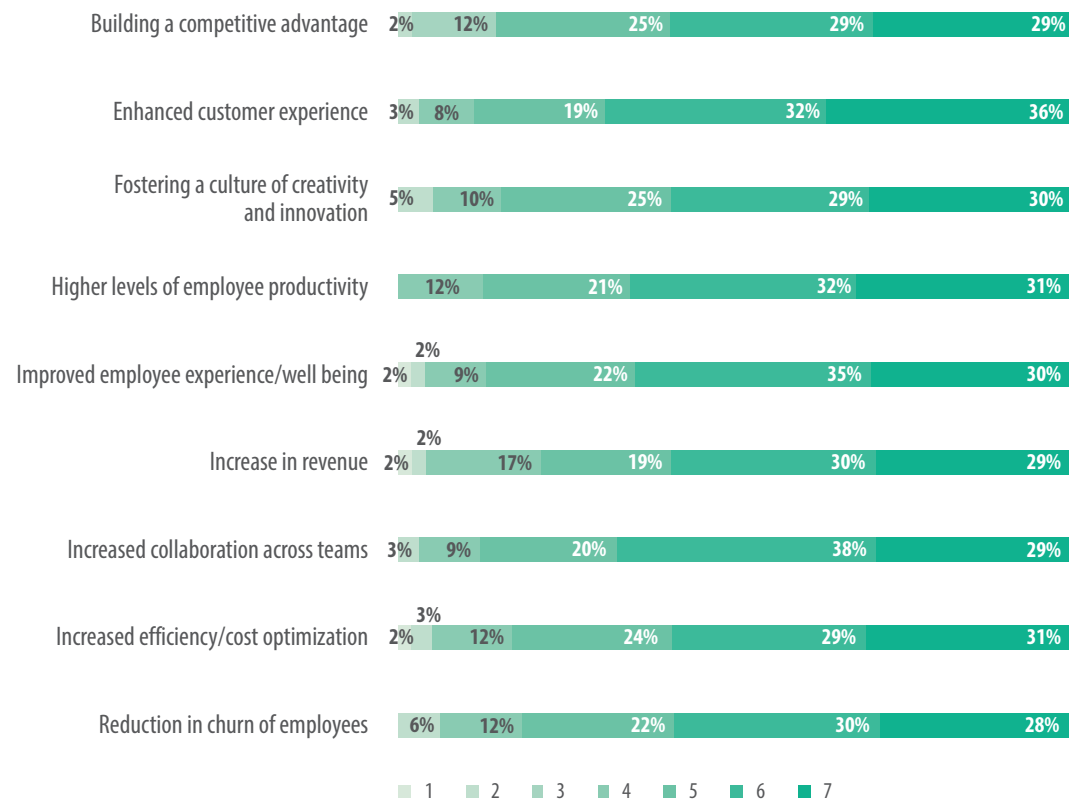27% < 3 years
27% Not sure

Source: Infosys

Workplace transformation helps employees deliver superior customer experience.

> "Retail store workers and customer support agents can drive transformational value if equipped with the right digital tools and technologies."

Amith Kalyan Patalay,

Account Client Partner, Infosys

Respondents strongly believe workplace transformation can enhance customer experience (87%), increase collaboration across teams (87%), while boosting employee productivity (84%) and experience (87%). See Figure 2.

Figure 2. Reasons for adoption of workplace transformation initiatives

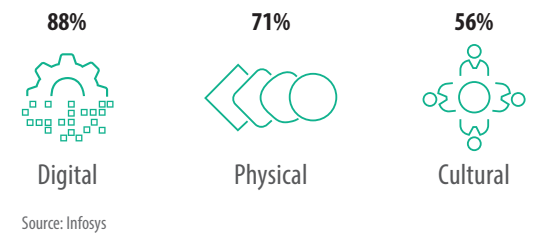|	1	2	3	4	5	6	7
Building a competitive advantage		2%	12%		25%	29%	29%
Enhanced customer experience		3%	8%	19%		32%	36%
Fostering a culture of creativity and innovation		5%	10%	25%		29%	30%
Higher levels of employee productivity			12%	21%		32%	31%
Improved employee experience/well being	2%	2%	9%	22%		35%	30%
Increase in revenue	2%	2%	17%	19%		30%	29%
Increased collaboration across teams		3%	9%	20%		38%	29%
Increased efficiency/cost optimization	3%	2%	12%	24%		29%	31%
Reduction in churn of employees		6%	12%	22%		30%	28%

Source: Infosys

Digital is leading the workplace transformation agenda

Digital transformation (64%) is perceived to have the maximum impact on transformation of the workplace followed by physical transformation (35%). Furthermore, 88% of the respondents said it's built into their transformation strategies. See Figure 3.
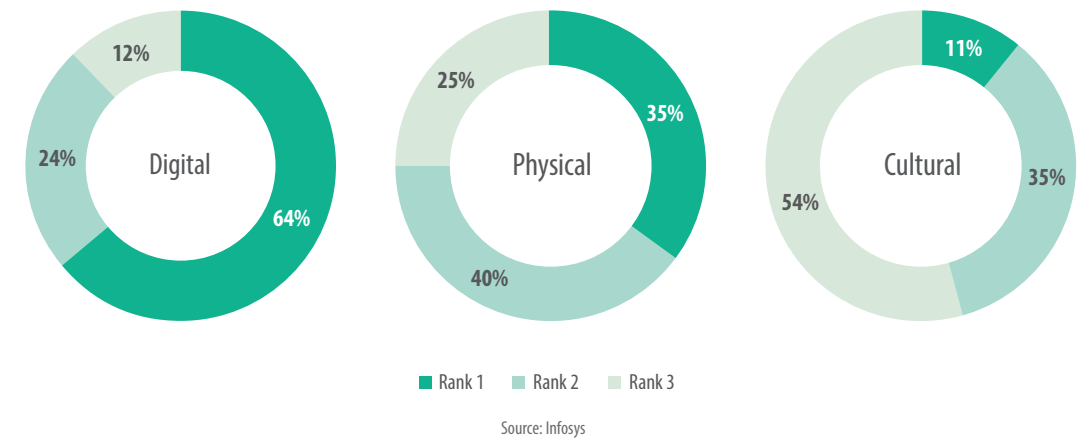
Our survey found that coworking spaces (64%) and training and upskilling the current workforce (61%) are key priorities for physical and cultural transformation respectively.

Figure 3. Transformation priorities

Which of the following factors are built into your organization's 'workplace transformation strategy'?

88%	71%	56%
Digital	Physical	Cultural

Source: Infosys

Based on your opinion, please rank the following elements in order of their perceived impact on transformation of the workplace

Digital: 64%, 24%, 12%

Physical: 35%, 40%, 25%

Cultural: 35%, 54%, 11%

■ Rank 1 ■ Rank 2 ■ Rank 3

Source: Infosys

What's holding back implementation?

Considerable dependency on external service providers (38%) and lack of confidence in the resulting RoI (53%) continue to impede implementation of workplace transformation solutions in the CRL industry.

Moreover, respondents consider being able to choose the right solution/technology (58%), data security (38%), organizational setup (36%), and being able to identify measurable benefits (33%) as significant challenges.

Technologies that rule the roost

While improved productivity (54%) and collaboration (48%) are the primary drivers for adoption of workplace transformation solutions/technologies (See Figure 4), the choice of solution depends on the features offered (72%) and alignment with the existing ecosystem (60%).

Most respondents see Cloud (58%) and smart workplaces (50%) becoming mainstays.

Figure 4. Reasons for solution adoption

Category	Value
Improved productivity	54%
Improved collaboration	48%
Enhance employee experience	36%
Effective information management across the enterprise	32%
Reduction in total cost of ownership	31%
Adopting evergreen solution	26%
Bringing in new technologies to replace legacy systems	25%
Increased transparency in workflows	23%
Increased flexibility for employees	20%
Changing demographic of employees	5%

Source: Infosys

The role of a transformation partner

About 60% of the respondents stated that they prefer engaging an external service provider as compared to doing everything in-house. In choosing an external partner, alignment with the company's outlook (60%) and ability to leverage latest technologies (56%) are the engagement priorities. Proven credentials (60%) and past relationships/experience (58%) also make a difference.

Various stages of the transformation journey require different expertise. While consulting firms have a major impact in the strategic roadmap definition, technology firms take the lead in identifying the right digital workplace solution and implementing it, and in maintenance and continued operations.
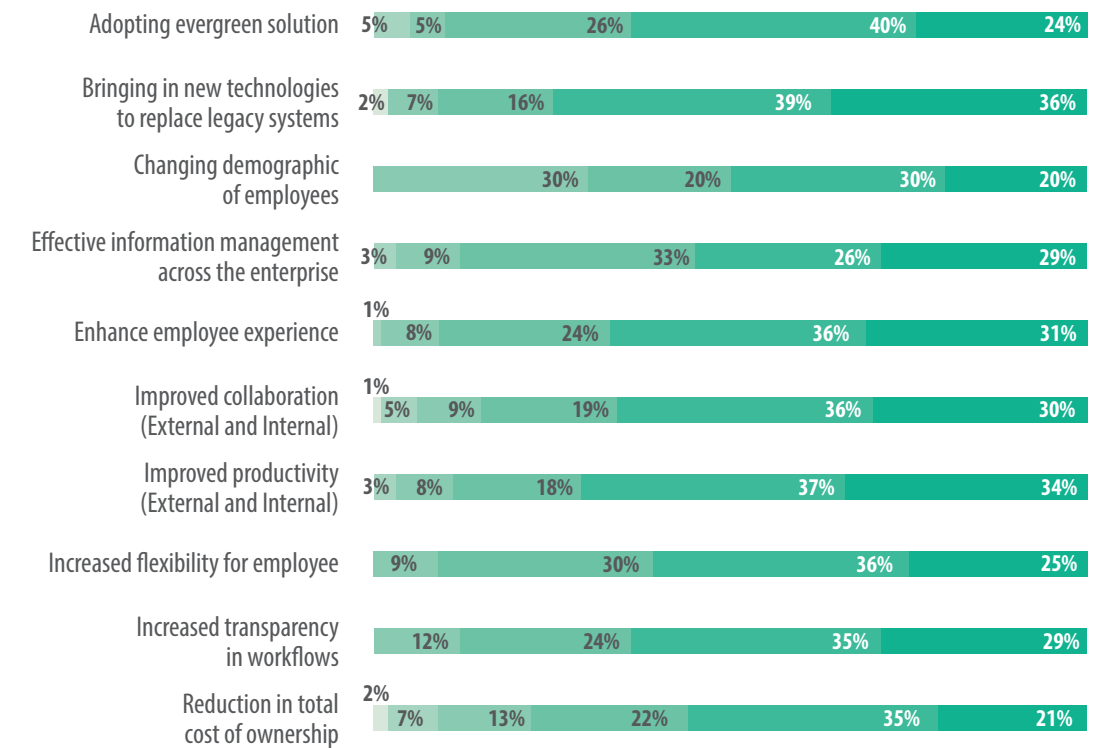
Tasting success

Respondents are gauging the success of investments in workplace transformation by improvements in employee engagement/ Net Promoter Score (NPS) (48%) and operational efficiency (47%). The impact of workplace transformation is significantly visible in replacement of legacy systems (91%). See Figure 5.

The CRL ecosystem has much to gain from building workplaces that augment the human potential—including helping employees become more engaged at work.

Figure 5. Most visible outcomes

Category					
Adopting evergreen solution	5%	5%	26%	40%	24%
Bringing in new technologies to replace legacy systems	2%	7%	16%	39%	36%
Changing demographic of employees		30%	20%	30%	20%
Effective information management across the enterprise	3%	9%	33%	26%	29%
Enhance employee experience	1% / 8%	24%		36%	31%
Improved collaboration (External and Internal)	1% / 5%	9%	19%	36%	30%
Improved productivity (External and Internal)	3%	8%	18%	37%	34%
Increased flexibility for employee		9%	30%	36%	25%
Increased transparency in workflows		12%	24%	35%	29%
Reduction in total cost of ownership	2%	7%	13%	22%	35%	21%

Source: Infosys

About This Report

This report is based on an anonymous survey conducted between October and November 2019 on workplace transformation trends, adoption of various contemporary tools, transformation benefits, and apprehensions about organizational change. The survey respondents include 187 senior business leaders representing some of the leading organizations in manufacturing (72%) and automotive (28%), with revenues of over $1 billion, operating in the United States, the United Kingdom, Europe, or Australia–New Zealand (ANZ). For more information about digital transformation and the workforce, please see the Infosys Knowledge Institute's Talent Radar and Digital Radar 2019 and 2020.

Energy & Utilities (E&U)

Insights into the workplace transformation trends in energy and utilities

One of the most critical infrastructures for any country, the energy and utilities (E&Us) sector, is undergoing a significant digital transformation to keep up with evolving technologies, consumer needs, regulations, and sustainability concerns. As they attempt this change, they are plagued with workforce challenges that are limiting their ability to leap ahead in the digital race. Dealing with some of the most disengaged employees,[4] an aging workforce[5] that's widening the skill gap,[6] and the need to enable a mobile and connected workforce[7] is no easy task. Add to that the need to meet rising customer expectations and ensure safety of the employees, E&U companies are looking at workplace transformation initiatives to help retain their competitive edge.

> "Often, personal productivity apps and the ease with which they have moved into our lives, makes employees expect the same transition when it comes to their workplace productivity enhancements. Any mismatch in the expectations, results in lost interest and change resistance."
>
> *- VP - Human Resources, Global energy & utilities corporation*

> "Workplace transformation can be game-changing in this sector. Digital tools can improve the safety of employees and also equip them to serve customers better."
>
> **Saurabh Jain,**
>
> *AVP, Senior Industry Partner, Infosys*

Assessing workplace transformation drivers in E&U

In the E&U sector, we see that 77% of organizations (and 85% in Europe) have either developed a strong transformation strategy or are looking to establish one in the course of the next 24 months. See Figure 1.

However, when it comes to actual implementation, our survey found that a third of the organizations are yet to begin their journey.

Survey responses also indicate that CEOs are largely driving workplace transformation, both in terms of furthering the agenda (54%) and creating a phased rollout strategy (57%), with significant contributions from the CTO/CIO and the Board of Directors.

Figure 1. Progress of workplace transformation initiatives

Does your organization currently have an outlined 'workplace transformation strategy' in place?

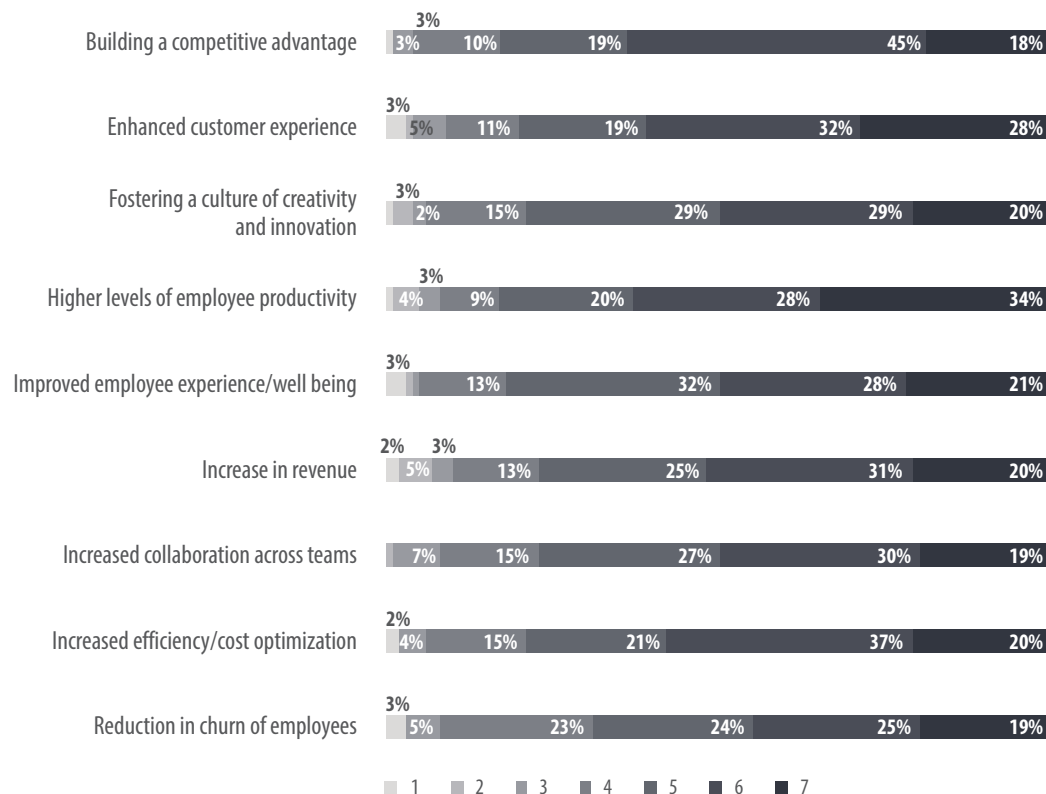By when do you envisage a 'workplace transformation strategy' taking shape in your organization?

Yes, 77%

No, 23%

13% < 1 year
17% Not sure
22% < 3 years
48% < 2 years
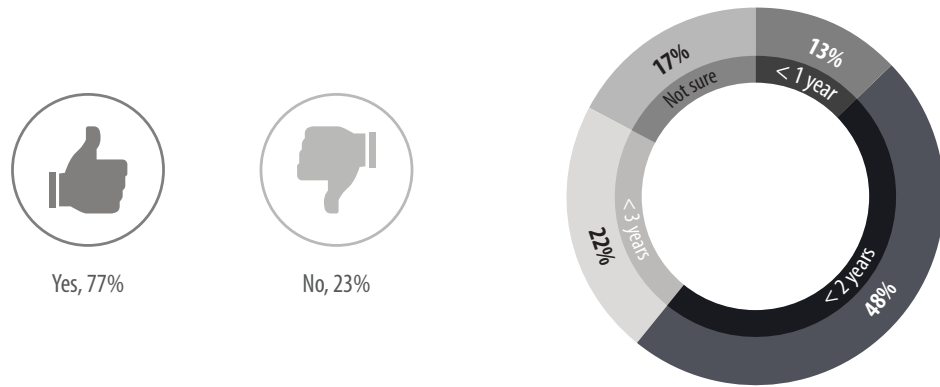
Source: Infosys

Predictions of improved employee productivity and competitive advantage are fueling workplace transformation in E&U

Unlike other sectors, E&U organizations strongly believe workplace transformation can bring in higher levels of employee productivity (82%),

build competitive advantage (82%), and enhance customer experience (79%). See Figure 2.

Figure 2. Drivers of transformation

	1	2	3	4	5	6	7
Building a competitive advantage		3%	3%	10%	19%	45%	18%
Enhanced customer experience		3%	5%	11%	19%	32%	28%
Fostering a culture of creativity and innovation		3%	2%	15%	29%	29%	20%
Higher levels of employee productivity		3%	4%	9%	20%	28%	34%
Improved employee experience/well being		3%		13%	32%	28%	21%
Increase in revenue	2%	3%	5%	13%	25%	31%	20%
Increased collaboration across teams			7%	15%	27%	30%	19%
Increased efficiency/cost optimization		2%	4%	15%	21%	37%	20%
Reduction in churn of employees		3%	5%	23%	24%	25%	19%

Source: Infosys
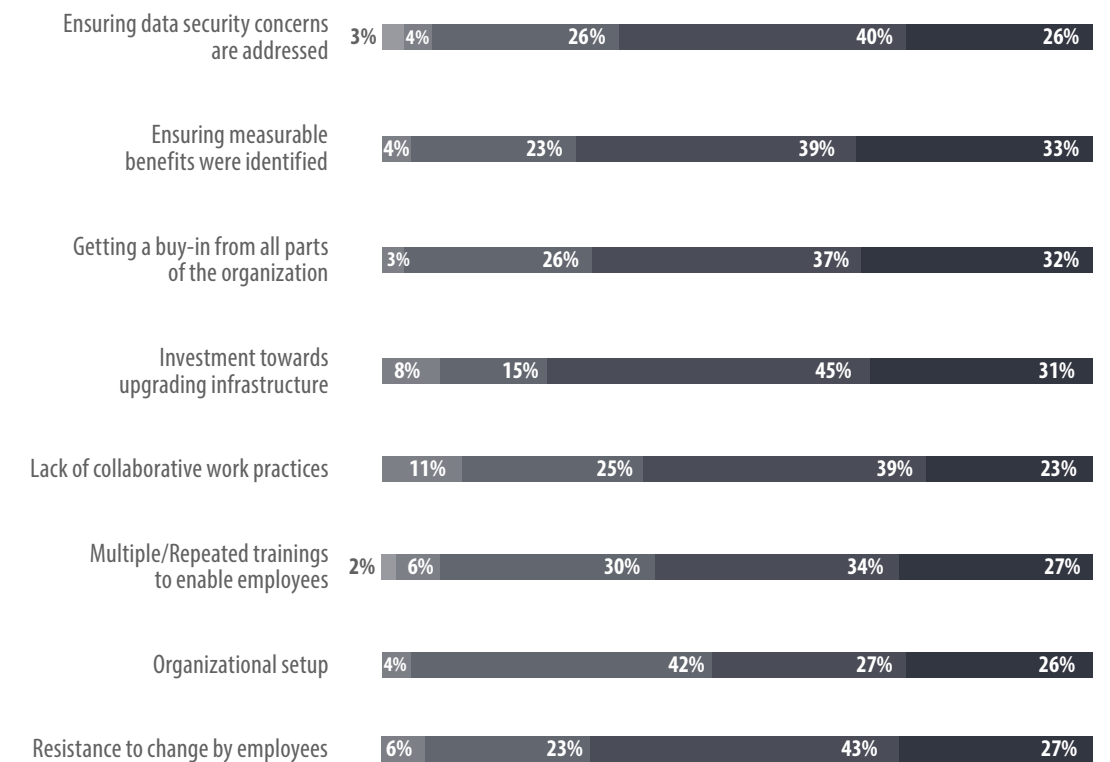
Digital is key to workplace transformation

In the energy sector, respondents perceive digital transformation (67%) to be creating the most impact on transformation of the workplace, making it integral to the strategies of 72% of organizations. In second place is physical transformation, with 48% highly valuing its effect on the workplace.

The survey also indicates that co-working (53%) and digital skilling initiatives (58%) are essential to physical and cultural transformation respectively.
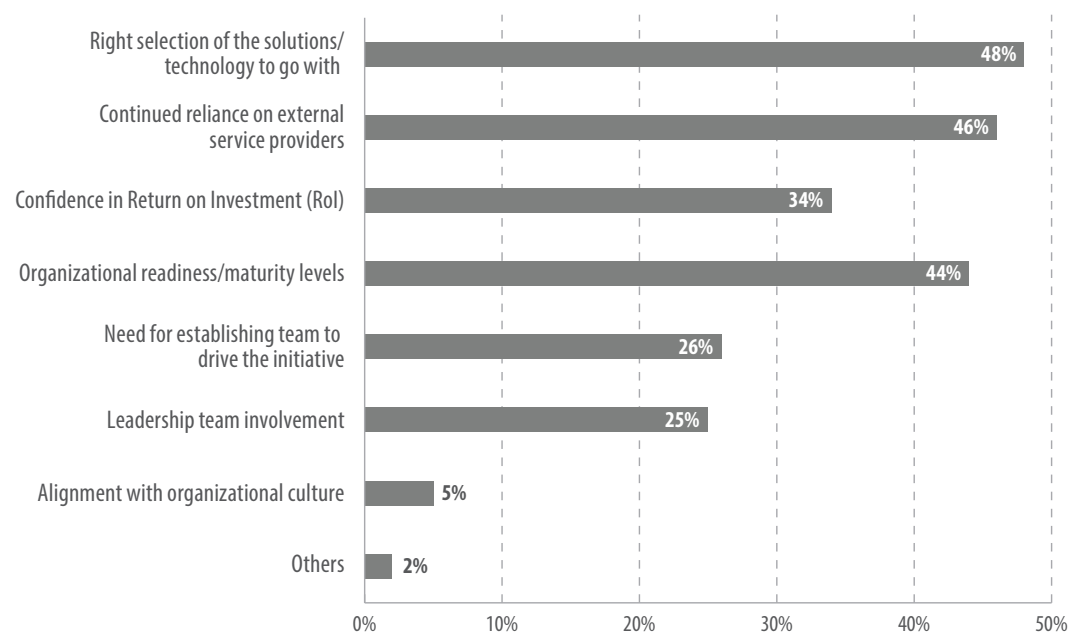
Implementation challenges

Respondents consider picking the optimal solution/technology (48%), identifying measurable benefits (33%), and investing in infrastructure upgrades (31%) as significant challenges. See Figure 3 and 4. Firms in the US are more concerned about organizational readiness/maturity levels and data security as compared to others.

Figure 3. Challenges in implementation

Ensuring data security concerns are addressed	3%	4%	26%	40%	26%
Ensuring measurable benefits were identified		4%	23%	39%	33%
Getting a buy-in from all parts of the organization		3%	26%	37%	32%
Investment towards upgrading infrastructure		8%	15%	45%	31%
Lack of collaborative work practices			11%	25%	39%	23%
Multiple/Repeated trainings to enable employees	2%	6%	30%	34%	27%
Organizational setup		4%	42%	27%	26%
Resistance to change by employees		6%	23%	43%	27%

Source: Infosys

Figure 4. Concerns before embarking on workplace transformation

Concern	Percentage
Right selection of the solutions/technology to go with	48%
Continued reliance on external service providers	46%
Confidence in Return on Investment (RoI)	34%
Organizational readiness/maturity levels	44%
Need for establishing team to drive the initiative	26%
Leadership team involvement	25%
Alignment with organizational culture	5%
Others	2%

Source: Infosys

Key technologies involved

Within the E&U sector, solutions aimed at workplace transformation are largely leveraged to improve productivity (51%). Respondents indicate that they prioritize solutions on the basis of features (71%) and the ability to provide user analytics (58%).

Enterprise Communication Software (66%), Enterprise Productivity Suite (59%), and Internal Collaboration Tools (53%) are preferred investment choices in that order. Almost 50% of organizations see Cloud and smart workplaces becoming a mainstay.

The role of a transformation partner

Only about 40% of respondents prefer engaging an external service provider, the others preferring to take the plunge by themselves. Those that do engage an external partner, tend to prioritize the partner's alignment to the company's outlook (55%) and their ability to manage cultural change (50%). Past relationships/experience (62%) and effective implementation capability (50%) also make a difference.
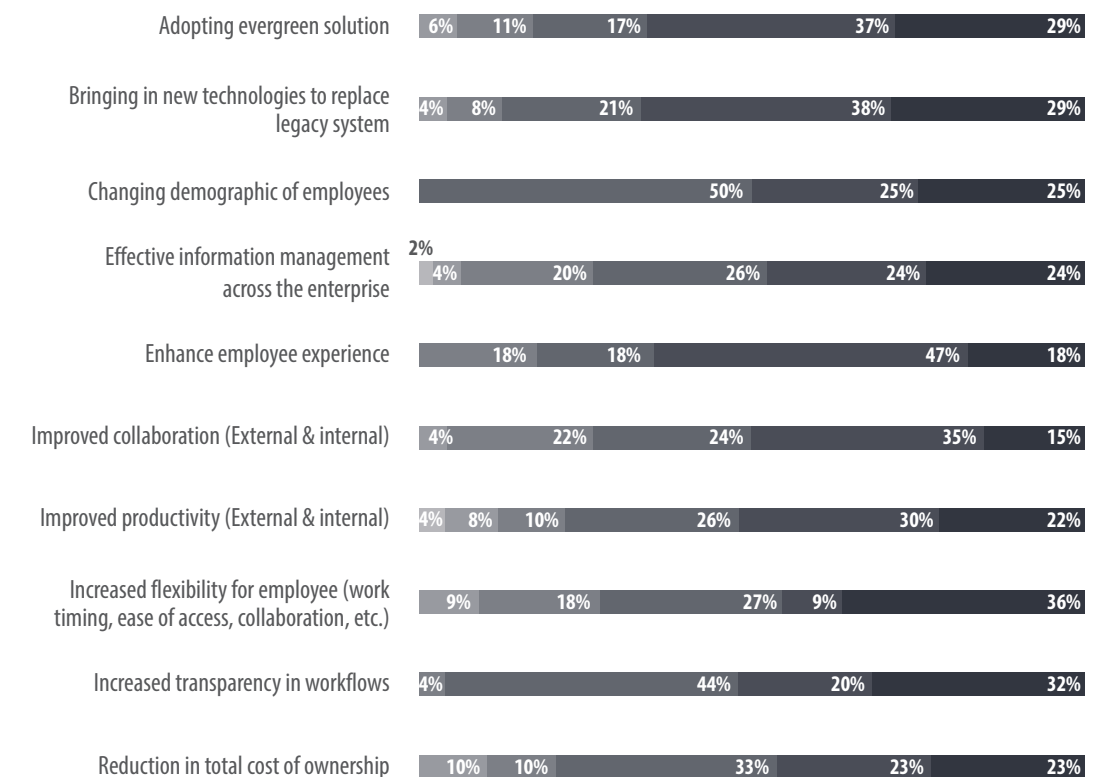
Various stages of the transformation journey require different expertise. While consulting firms are highly involved in the road-mapping process, technology firms are often engaged to identify the optimal solution and implement it with product firms. Technology firms also play a large role in maintenance and continued operations.

Tasting success

Respondents are gauging the success of investments in workplace transformation mainly by improvements in revenue per employee (41%) and high adoption rates of chosen digital tools. The impact of workplace transformation is most obvious in increased transparency in workflows (96%) and replacement of legacy systems (88%). See Figure 5.

Given the increasing digitization across the E&U sector, the need for up-skilling the workforce and developing digitally relevant talent is already high. The industry has recognized this trend and industry players are developing the tools and strategies needed to move forward with true workplace transformation.

Figure 5. Most visible outcomes

Outcome					
Adopting evergreen solution	6%	11%	17%	37%	29%
Bringing in new technologies to replace legacy system	4%	8%	21%	38%	29%
Changing demographic of employees			50%	25%	25%
Effective information management across the enterprise	2% / 4%	20%	26%	24%	24%
Enhance employee experience		18%	18%	47%	18%
Improved collaboration (External & internal)	4%	22%	24%	35%	15%
Improved productivity (External & internal)	4% / 8%	10%	26%	30%	22%
Increased flexibility for employee (work timing, ease of access, collaboration, etc.)	9%	18%	27%	9%	36%
Increased transparency in workflows	4%		44%	20%	32%
Reduction in total cost of ownership	10%	10%	33%	23%	23%

Source: Infosys

About This Report

This report is based on an anonymous survey conducted between October and November 2019 on workplace transformation trends, adoption of various contemporary tools, transformation benefits, and apprehensions about organizational change. The survey respondents include 187 senior business leaders representing some of the leading organizations in manufacturing (72%) and automotive (28%), with revenues of over $1 billion, operating in the United States, the United Kingdom, Europe, or Australia–New Zealand (ANZ). For more information about digital transformation and the workforce, please see the Infosys Knowledge Institute's Talent Radar and Digital Radar 2019 and 2020.

Healthcare and Life Sciences(H&LS)

Insights into the workplace transformation trends in healthcare and life sciences

In the Healthcare and Life Sciences (H&LS) industry, workforce disengagement is at an all-time high, with associated absenteeism, attrition, loss of productivity, and business disruption.[8] Compounding the problem is a global shortage of healthcare workers[9] at a time when the competition in the industry is growing, and compliance is becoming increasingly stringent by the day.[10]

> " *We are looking at creating greater collaboration, accelerating time to market, ensuring legal compliance, and eliminating redundancy by taking up workplace transformation initiatives.*"
>
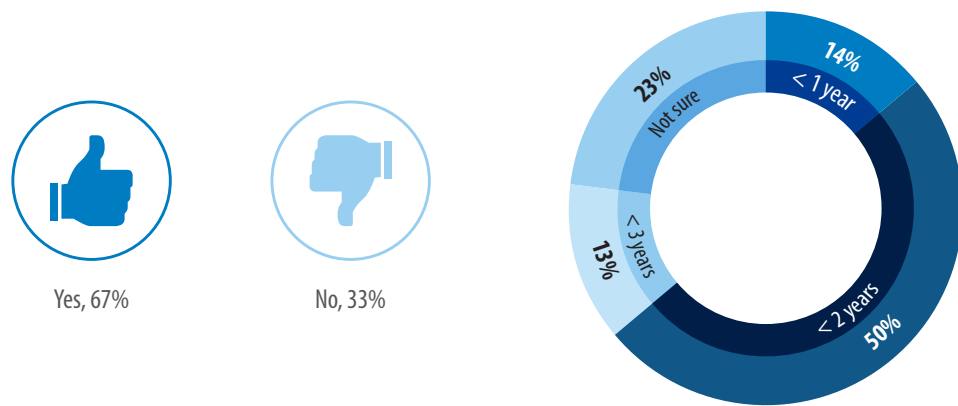> *- Vice President, Fortune 500 healthcare company*

Employee engagement and efficiency have become critical, and HLS companies are increasingly looking towards workplace transformation as a way to improve collaboration, productivity, and employee experience.

A long way to go from strategy to implementation

A majority of HLS respondents (65%) report having a well-defined workplace transformation strategy in place or envisage having it within the next 2 years. See Figure 1. However, when it comes to actual implementation almost a third (30%) of the organizations are yet to start down this road.

Our survey found that the push toward workplace transformation, across regions, is coming from the CEOs who are deeply involved in driving this agenda (62%) and developing a roadmap (71%) with support from the CTO/CIO and the Board of Directors.

The need for efficiency could be one of the reasons the C-suite is gearing up on workplace transformation initiatives.

The survey respondents strongly believe that workplace transformation can enhance collaboration across teams (86%), provide superior customer experience (84%), and boost employee experience (83%). See Figure 2.

Figure 1. Progress on workplace transformation initiatives

Does your organization currently have an outlined 'workplace transformation strategy' in place?

Yes, 67%   No, 33%

Source: Infosys

By when do you envisage a 'workplace transformation strategy' taking shape in your organization?

14% < 1 year
50% < 2 years
13% < 3 years
23% Not sure

Figure 2. Drivers of workplace transformation

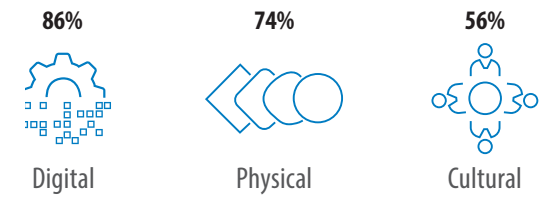| Driver						
Building a competitive advantage	3%	11%	24%	35%	24%	
Enhanced customer experience	3%	10%	20%	38%	26%	
Fostering a culture of creativity and innovation	3%	11%	28%	33%	23%	
Higher levels of employee productivity	5%	14%	21%	34%	25%	
Improved employee experience/well being	2%	14%	23%	30%	30%	
Increase in revenue	3%	6%	14%	22%	32%	22%
Increased collaboration across teams	11%	23%	33%	30%		
Increased efficiency/cost optimization	4%	14%	23%	34%	24%	
Reduction in churn of employees	3%	7%	17%	21%	31%	20%

1 2 3 4 5 6 7

Source: Infosys

Digital is leading the transformation agenda

Digital transformation (48%) is perceived by the respondents to have the maximum impact on the transformation of the workplace, followed by physical transformation (45%) and is built into the strategies of 86% of the HLS organizations. See Figure 3.

According to the survey data, hot-desking (58%), and training and upskilling the current workforce (69%), are key priorities for physical and cultural transformation, respectively.

Figure 3. Transformation priorities

Which of the following factors are built into your organization's 'workplace transformation strategy'?

86% Digital   74% Physical   56% Cultural

Source: Infosys

Based on your opinion, please rank the following elements in order of their perceived impact on transformation of the workplace

Digital: 48%, 35%, 17%
Physical: 45%, 30%, 25%
Cultural: 38%, 44%, 18%

Rank 1 Rank 2 Rank 3
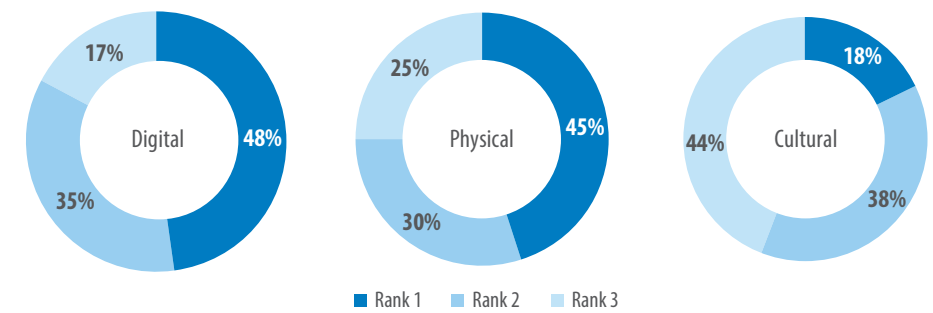
Source: Infosys

What's holding back implementation?

One of the critical bottlenecks for large-scale workplace transformation is the significant investment required to upgrade existing infrastructure. Respondents consider being able to choose the right solution/technology (53%), getting buy-in from across the organization (37%), and data security (31%) to be significant challenges.
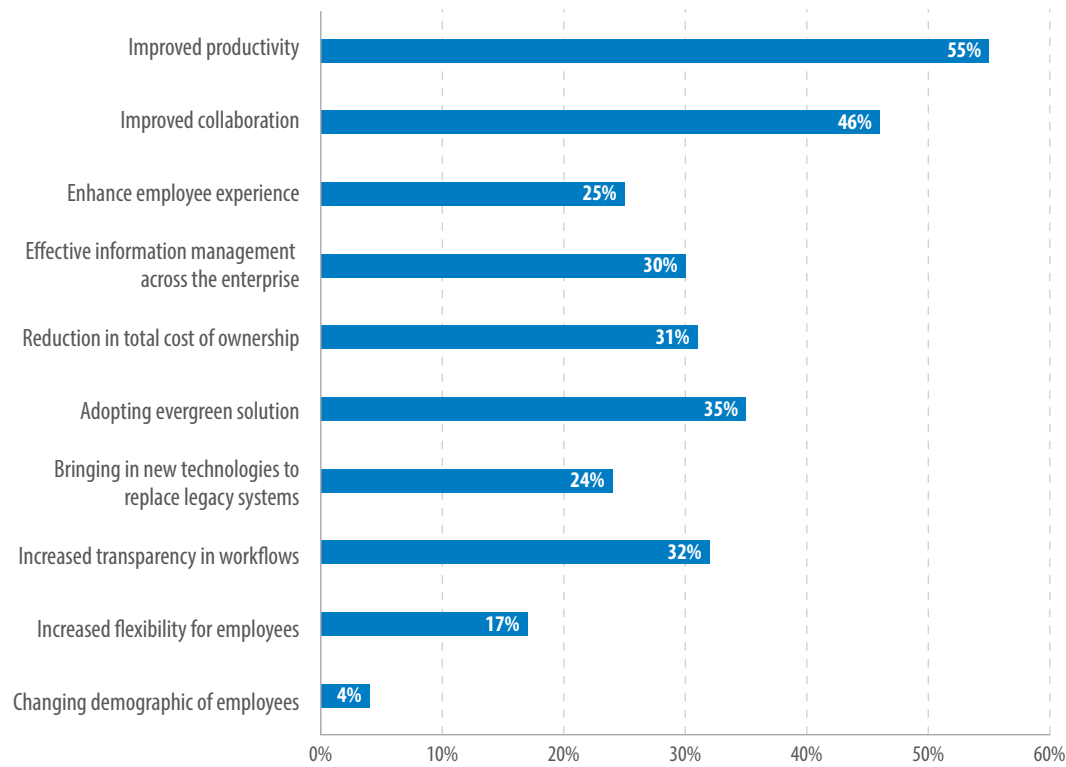
Technologies that rule the roost

HLS organizations lean toward workplace transformation solutions/technologies that enable efficient time management and simplify resource planning. Furthermore, there is a strong demand for productivity improvement (55%) and collaboration (46%) solutions as well. See Figure 4. The survey indicates that the choice of solution primarily depends on the features offered (63%) and the ease of adoption (49%). See Figure 5.
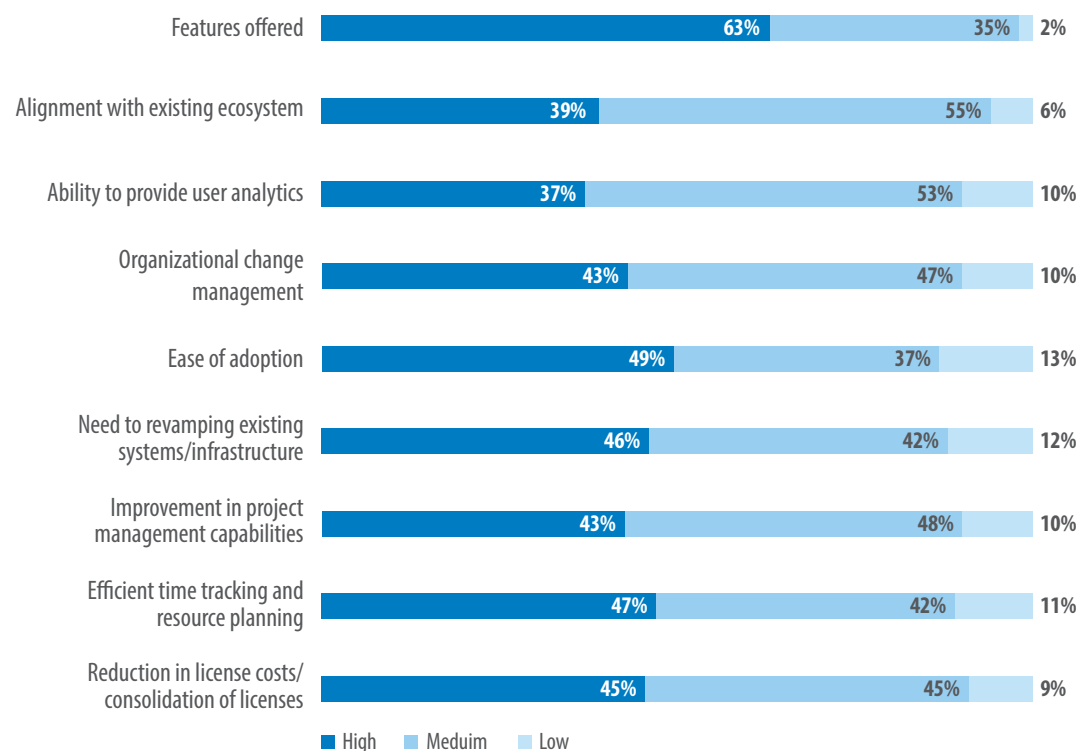
Enterprise Communication Software (76%) emerged as the top choice for investment, followed by Enterprise Productivity Suite (69%), and Internal Collaboration Tools (67%). More than 40% of respondents see Cloud and smart workplaces becoming mainstays.

Figure 4. Reasons to adopt solutions

Reason	Value
Improved productivity	55%
Improved collaboration	46%
Enhance employee experience	25%
Effective information management across the enterprise	30%
Reduction in total cost of ownership	31%
Adopting evergreen solution	35%
Bringing in new technologies to replace legacy systems	24%
Increased transparency in workflows	32%
Increased flexibility for employees	17%
Changing demographic of employees	4%

Source: Infosys

Figure 5. Criterion for choosing a solution

Criterion	High	Medium	Low
Features offered	63%	35%	2%
Alignment with existing ecosystem	39%	55%	6%
Ability to provide user analytics	37%	53%	10%
Organizational change management	43%	47%	10%
Ease of adoption	49%	37%	13%
Need to revamping existing systems/infrastructure	46%	42%	12%
Improvement in project management capabilities	43%	48%	10%
Efficient time tracking and resource planning	47%	42%	11%
Reduction in license costs/ consolidation of licenses	45%	45%	9%

■ High ■ Medium ■ Low

Source: Infosys

The role of a transformation partner

Those respondents that choose an external partner to support their workplace transformation journey select the partner based on alignment to the company's outlook (56%) and support/help desk access for employees (52%). Past relationships/ experience (54%) and effective implementation capability (52%) also make a difference in the selection decision.

Various stages of the transformation journey require different expertise. While consulting firms have a major impact on the strategic roadmap definition, technology firms take the lead in identifying the right digital workplace solution and implementing it, and product firms play an important role in the maintenance and continued operations.

> "Healthcare is a demanding space and we believe technology-led workplace transformation can make the job easier for healthcare workers."

Scott White,

AVP, Senior Industry Partner, Infosys

Tasting success

Respondents are gauging the success of investments in workplace transformation by improvements in employee engagement (45%), cost reduction (42%), and operational efficiency (42%). The impact of workplace transformation is visible in effective information management (84%), increased transparency in workflows (86%), and improved employee experience (82%).

The HLS ecosystem has much to gain from building workplaces that augment the human potential—including helping employees have a better work experience.

About This Report

This report is based on an anonymous survey conducted between October and November 2019 on workplace transformation trends, adoption of various contemporary tools, transformation benefits, and apprehensions about organizational change. The survey respondents include 187 senior business leaders representing some of the leading organizations in manufacturing (72%) and automotive (28%), with revenues of over $1 billion, operating in the United States, the United Kingdom, Europe, or Australia–New Zealand (ANZ). For more information about digital transformation and the workforce, please see the Infosys Knowledge Institute's Talent Radar and Digital Radar 2019 and 2020.

Manufacturing (MFG)

Insights into the workplace transformation trends in manufacturing

Trade wars, narrow margins, skill gaps, and increasing competition are increasing pressure for manufacturers to be more productive with limited resources[11]. To address these challenges, the Infosys Workplace Transformation study found that manufacturers need to equip employees to convert the promise of these digital technologies into measurable business outcomes. A connected, collaborative workplace makes a significant difference in manufacturing workforce productivity. For instance, digitally-enabled front-line workers like production supervisors can help companies realize as much as 88% improvement in operational efficiency.[12]

Manufacturers are increasingly undertaking workplace transformation initiatives to drive collaboration and boost employee productivity and experience.

> "We're also creating flexible seating and more comfort as opposed to a strict environment, with a focus on ergonomics, natural lighting, and environment-friendly conditions. We want to fundamentally change the definition of the manufacturing workspace."
>
> - VP - Operations, leading American manufacturer

> "Interestingly, there is a lot happening in this sector when it comes to workplace transformation. Manufacturers have embraced connected technologies with open arms, and we are already seeing a lot of impact on productivity and efficiency of the workforce."
>
> **Vijay Suda,**
>
> Industry Partner, Infosys

Digital maturity in manufacturing

Compared with other sectors, the majority of manufacturing organizations (81%) is committed to a formal workplace transformation strategy or plan to develop one over the next 2 years. See Figure 1. Senior executives, especially CEOs, CTOs, and CIOs are deeply involved to drive this agenda (40%) and develop a roadmap (60%), with board support.

The manufacturing industry also has a head start in implementation, with approximately 50% of these organizations completing their process transformation or implementing transformation across specific functions.
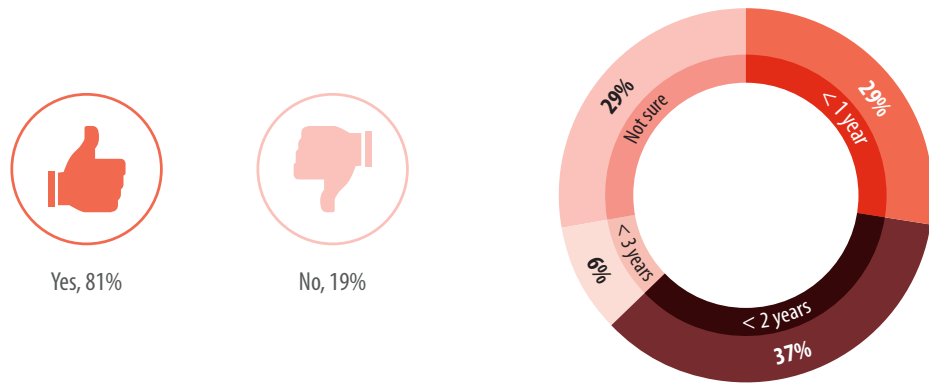
Opportunities for improved collaboration and increased efficiency are driving workplace transformation in manufacturing

Organizations strongly believe workplace transformation can increase efficiency (85%), enhance collaboration across teams (84%), and boost employee productivity (84%). See Figure 2.

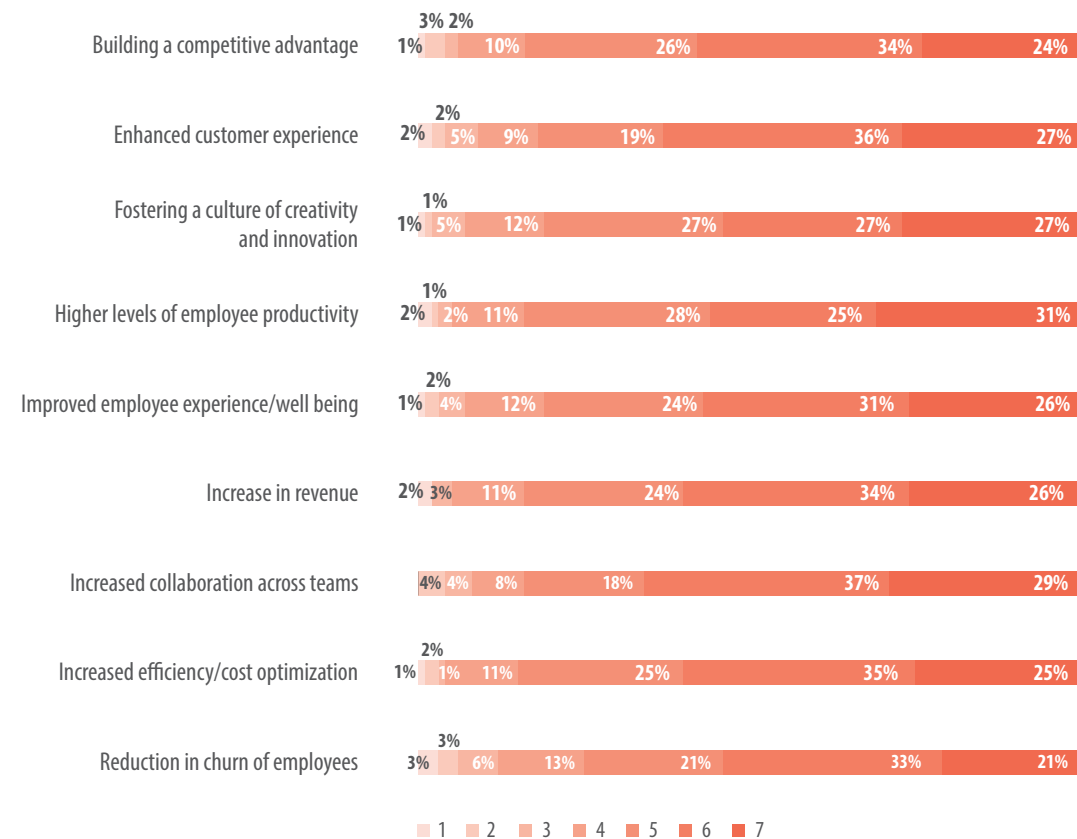## Figure 1. Progress on workplace transformation initiatives

Does your organization currently have an outlined 'workplace transformation strategy' in place?

Yes, 81% No, 19%

By when do you envisage a 'workplace transformation strategy' taking shape in your organization?

29% < 1 year
37% < 2 years
6% < 3 years
29% Not sure

Source: Infosys

Figure 2. Drivers of workplace transformation

Driver	1	2	3	4	5	6	7
Building a competitive advantage		3%	2%	1%	10%	26%	34%	24%
Enhanced customer experience		2%	2%	5%	9%	19%	36%	27%
Fostering a culture of creativity and innovation		1%	1%	5%	12%	27%	27%	27%
Higher levels of employee productivity		1%	2%	2%	11%	28%	25%	31%
Improved employee experience/well being		2%	1%	4%	12%	24%	31%	26%
Increase in revenue		2%	3%	11%	24%	34%	26%
Increased collaboration across teams		4%	4%	8%	18%	37%	29%
Increased efficiency/cost optimization		2%	1%	1%	11%	25%	35%	25%
Reduction in churn of employees		3%	3%	6%	13%	21%	33%	21%

1 2 3 4 5 6 7

Source: Infosys

Digital solutions are leading workplace transformation

Just over half (52%) of manufacturing enterprises believe that digital transformation delivers the maximum impact on workplace transformation, while physical transformation is next in line (39%). Furthermore, 88% of manufacturers indicate they include physical transformation into their strategies. See Figure 3.

Co-working spaces (67%) and training and up-skilling the current workforce (72%) are key priorities for physical and cultural transformation, respectively.

Figure 3. Transformation priorities

Which of the following factors are built into your organization's 'workplace transformation strategy'?

88% Digital   72% Physical   53% Cultural

Source: Infosys

Based on your opinion, please rank the following elements in order of their perceived impact on transformation of the workplace

Digital: 52%, 32%, 16%
Physical: 39%, 36%, 25%
Cultural: 16%, 35%, 50%

Rank 1 Rank 2 Rank 3
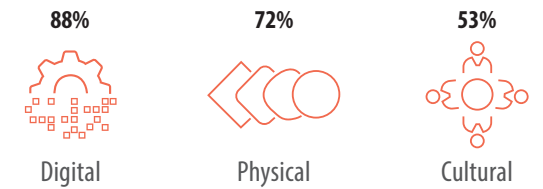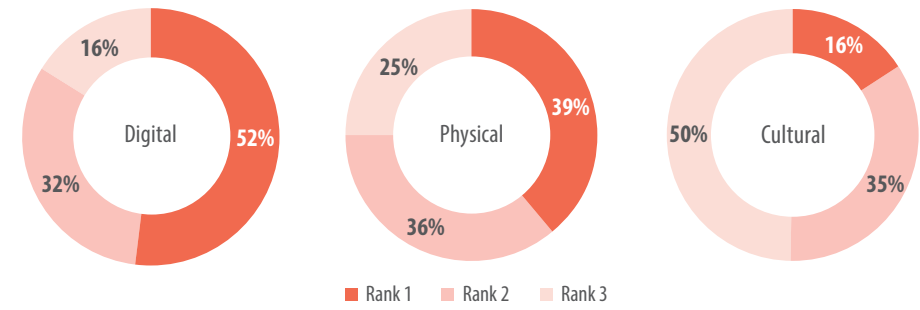
Source: Infosys

What's holding back implementation?

Our survey respondents identified concerns about being able to choose the right solution/technology (59%) and data security (39%) as the biggest challenges to workplace transformation. See Figure 4.
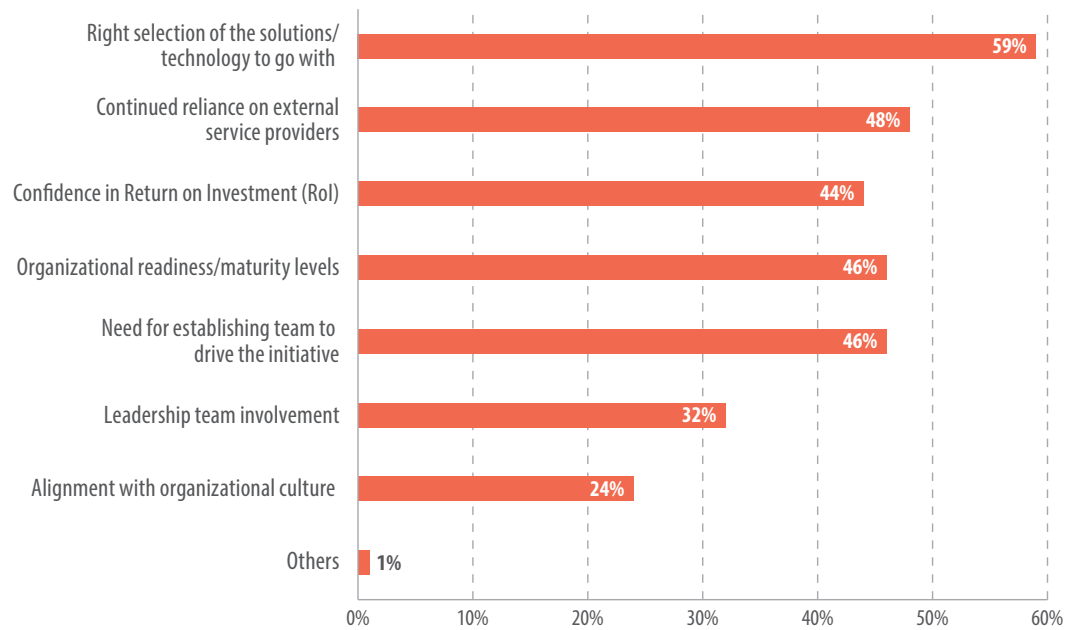
Which technologies are driving workplace transformation?

Manufacturing organizations adopt workplace transformation solutions and technologies to improve productivity (57%) and collaboration (52%), our study showed. See Figure 5. Features

offered by the solutions (68%), ease of adoption (57%), and organizational change management and project management (PM) capabilities, drive the choice of technology.
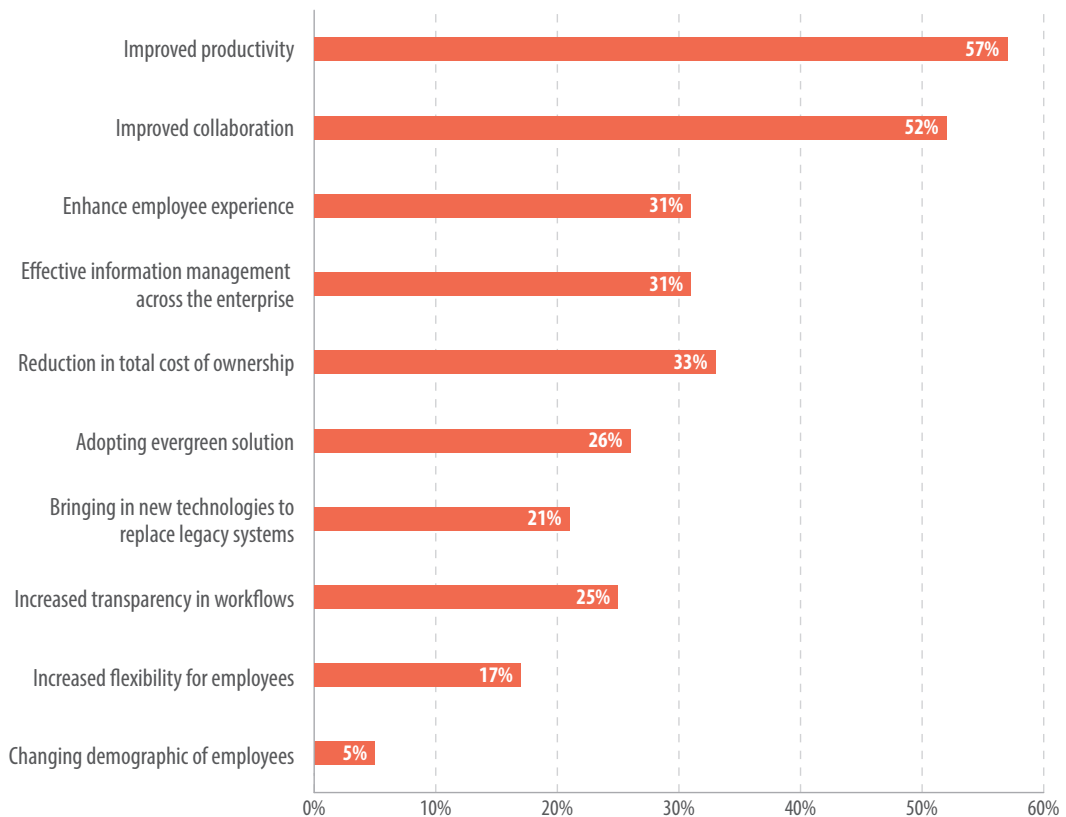
Respondents indicated they are investing in enterprise productivity suites (80%), enterprise communication software (75%), and internal collaboration tools (64%). Most organizations see cloud (63%) and team collaboration services (47%) becoming mainstays.

Figure 4. Areas of concern before embarking on workplace transformation

Right selection of the solutions/technology to go with — 59%
Continued reliance on external service providers — 48%
Confidence in Return on Investment (RoI) — 44%
Organizational readiness/maturity levels — 46%
Need for establishing team to drive the initiative — 46%
Leadership team involvement — 32%
Alignment with organizational culture — 24%
Others — 1%

Source: Infosys

Figure 5. Key factors driving adoption of digital technologies

Improved productivity — 57%
Improved collaboration — 52%
Enhance employee experience — 31%
Effective information management across the enterprise — 31%
Reduction in total cost of ownership — 33%
Adopting evergreen solution — 26%
Bringing in new technologies to replace legacy systems — 21%
Increased transparency in workflows — 25%
Increased flexibility for employees — 17%
Changing demographic of employees — 5%

Source: Infosys

Choosing the right transformation partner

On average, 60% of firms prefer engaging an external service provider to help them with workforce transformation instead of taking it all on in-house. These providers are selected because they align with the company's outlook (64%) and because of their ability to leverage the latest technologies (54%). For well over half the firms surveyed, previous relationships and experience with the provider (66%), as well as the provider's implementation capability (63%), also influence the decision.

Respondents indicated that consulting firms play a major role in defining the strategic roadmap for workplace transformation. However, technology firms are often in a prime position to identify, implement, maintain, and manage the right digital workplace solution.

The fruits of success

For manufacturers, workplace transformation success is measured by increases in revenue per employee (56%) and cost reduction (50%). In fact, the impact of workplace transformation is evident in the replacement of legacy systems (92%) and improved employee experience (88%).

The manufacturing ecosystem is conventionally regarded as prioritizing infrastructure investments over workplace improvement. However, our data clearly demonstrates that the tide has turned. The manufacturing organizations leading workplace transformation have the opportunity to pull ahead of the competition as they unlock greater workforce productivity.

About This Report

This report is based on an anonymous survey conducted between October and November 2019 on workplace transformation trends, adoption of various contemporary tools, transformation benefits, and apprehensions about organizational change. The survey respondents include 187 senior business leaders representing some of the leading organizations in manufacturing (72%) and automotive (28%), with revenues of over $1 billion, operating in the United States, the United Kingdom, Europe, or Australia–New Zealand (ANZ). For more information about digital transformation and the workforce, please see the Infosys Knowledge Institute's Talent Radar and Digital Radar 2019 and 2020.

Conclusion

The shift toward workplace transformation has begun in earnest, with our research showing that initiatives are driven from the top. In a bid to give 'consumer-like' experiences to their employees, our research shows that companies are investing in digital tools and technologies and fostering collaborative workplaces that boost productivity and experience. While the race to go digital is on, we found that physical and cultural transformation elements still take a back seat. As the adoption of digital technologies in the workplace increases, our research indicates that training and upskilling people to use these tools becomes a high priority. The findings from our report are a clear indication that companies have a lot to gain from building workplaces that augment the human potential. The players leading this transformation will hone their competitive edge and derive more value from their workplace, faster.

Note:

Note:

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1   https://newkind.com/talent-in-tech-3-challenges-facing-todays-hr-leaders/

2   https://theundercoverrecruiter.com/fight-industry-turnover-rate/

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