HFS

Enterprise leaders must build the three pillars of hyper-productive work to be successful in the modern economy

March 2020

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Foreword

The 2020s present an extraordinary opportunity to prepare for the future of work and to drive it with a diverse, inclusive, and ever-evolving workforce.

Our work, as we increasingly share it with technology, can become so much more than just getting stuff done faster and at lower costs. The digital age brings us the opportunity to do more than just "a better job," and to be truly hyper-productive. This is of special significance for businesses that are not digital-native yet but keenly aspire to become more digital. Digitally native firms build their operating model on hyper-productivity, leveraging real-time and dynamic working practices that are constantly rewiring themselves to market needs.

But perhaps the most compelling aspect of the future of work or hyper-productive work is the fact that it will leverage alternate and more inclusive talent pools to execute jobs—jobs that are only just emerging in the digital era. In this study, we can hear from executives that are already seeing these roles emerge—finding new thresholds of value for humans while technology and machines take over traditional forms of work. While this process may be challenging, it harkens the rise of fresh opportunities for both existing talent pools and those that have been largely untapped by modern businesses.

The future hyper-productive workplace can only be successful when enterprises deploy new talent models, whether that's through tried-and-tested models such as crowdsourcing and the gig economy or through more innovative structures, such as the autonomous and agile teams championed by a significant proportion of the respondents in this survey.

This is no simple task and possibly one that must bring together enterprises, educators, policymakers, and private citizens to work in unison to move us all into the digital future—a future where enterprises can find, nurture, and leverage a diverse talent pool to drive their digital agenda, and our workers can realize their fullest potential.

Happy reading!

Phil Fersht, CEO and Founder, HFS Research

Ravi Kumar S, President, Infosys Technologies

Executive summary

HFS, in conjunction with Infosys, surveyed 100 C-level executives and functional heads across the globe to understand how they are evolving their enterprises to meet the changing business environment. In the process, we examined how the right culture plays a differentiating role in the modern enterprise and the plans many leaders have in place to ensure their culture enables success. We also explore how placing technology at the core of the business, a principle well-known to leaders, is shaping the modern workforce. But where these two well-explored areas meet—with talent—remains somewhat less defined. As new roles and talent pools emerge, we learn that many executives have little in place when it comes to a coherent talent strategy. It seems that the technology questions have long been answered, with digital tech shopping lists growing every day. There are plans in place to reshape business culture to make it more responsive to change, but when it comes to the people that drive businesses, there is still much to be done.

Crucially, throughout this study, we examine how enterprises are coming to the quick realization that to be successful in the modern economy, they must embrace three core pillars to build a hyper-productive workplace:

1. A model that breaks down silos and barriers internally to adopt a "OneOffice" culture.
2. A process of embedding technologies at the core of the business.
3. An inclusive and enabling talent strategy to drive the business forward.

Only with all three of these pillars in place will enterprises be able to develop a workplace that responds to change as readily as it presents itself. While we will continue to see some areas of major digital revolution with disruptors pushing the urgency of change, these will be relatively few and far between. Now we have a basic digital framework for many industries; it's how organizations use their newfound agility to evolve businesses that can respond effectively to customer needs and tap into data. These businesses will have a culture that embraces change, digital technologies such as AI and automation enriching the workplace, and crucially, a talent strategy that will see leaders move in to untapped talent pools to fill a growing range of new roles and tasks. It is this final point that will become the true signal for success in the modern workplace.

The future will undoubtedly see employees and businesses impacted in ways that we cannot predict today. There are both opportunities and challenges ahead as leaders balance the need to bring in new talent and resources to tackle the immediate pressures they face with longer plans to reskill existing talent and build a broader culture around continual learning. We will also see new buckets of work emerge as technology erodes traditional tasks and processes but creates new opportunities for existing talent pools and those that are not fully tapped.

Enterprise organizations need to structure themselves to drive change and not be swept away by it. They must look internally at their existing structure and approach—and start transforming to a hyper-productive workplace.

Key insights from this research include

- Over 80% of executives believe building a hyper-productive workplace is key to be competitive.

- More than 80% of executives expect organizational culture to be a major battleground, but less than half believe mentoring and role models will drive meaningful change.

- Almost 80% of business leaders recognize emerging technologies will have a significant impact on employees.

- Over thirty percent (30%) of executives expect this impact to replace people, although the majority anticipate technology will enrich existing jobs and create new ones.

- Sixty-six percent (66%) of executives believe humans will take on the emerging role of "problem-finding" as machines become more effective problem solvers.

- 58% of leaders think we'll see new roles in end-compute maintenance as testing and maintaining software-defined networks grows exponentially.

- Over 80% of leaders believe a hyper-productive workplace will need inclusive and diverse global teams.

- Over 60% anticipate using untapped talent pools such as non-STEM graduates and talent with vocational qualifications to fill new roles.

- However, only 60% have a robust talent strategy to meet business aspirations over the next three years.

As you'll discover when reading this report, the next decade presents a significant opportunity for those willing to embrace the talent, culture, and technology pillars of hyper-productive work.

What you'll read

Technology, culture, and talent are the three pillars executives must build to fuel the future of hyper-productive work

Undoubtedly, the future of work is somewhat undefined. However, executives agree there are three broad pillars the modern enterprise will need to adopt to fuel hyper-productive work. In Exhibit 1, we can see that a significant portion of these business leaders is describing a change to a "OneOffice-like" structure—an operating model in which hierarchies and silos are broken down in favor of autonomous and agile teams and where wider and smoother innovation pipelines continually drive improvement and change.

Driving this change is a foundation of inclusive talent, where broader and more flexible talent pools bring new skill sets and perspectives into the workplace, while distributed agile teams provide the responsiveness necessary to meet rapidly changing business demands. Finally, enterprises are placing technology at the core—leveraging change agents such as AI and automation as well as new approaches and models, including DevOps and OpenSource. These are the three pillars of a hyper-productive operating model: a OneOffice structure with inclusive talent and technology at the core.

Exhibit 1: **Culture, technology, and talent are the three pillars of hyper-productive work**
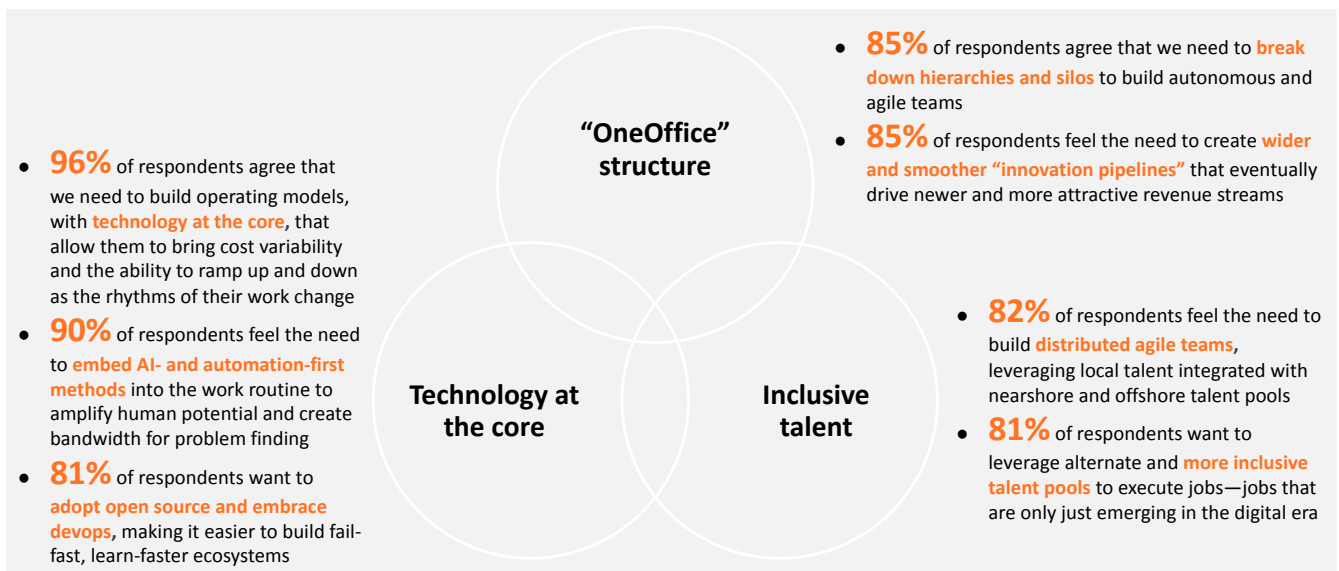
Sample: 100 C-level and business unit or function heads from Global 2000 enterprises

Source: HFS Research, 2020

Driving significant internal change and building these three pillars is of increasing importance to business executives. With over 80% of senior executives arguing it is important to rewire their operating model to stay competitive (see Exhibit 1), there's a clear argument among business leaders that they need to build a hyper-productive operating model. Further, a third of leaders believe driving this change is mission-critical, with only 9% believing it's unimportant to their future competitiveness.

Exhibit 2: **Over 80% of executives believe they need to rewire their operating model**

How important is it to rewire your current operating model so that it can respond dynamically to the changing market needs to stay competitive and meet these business challenges?

Mission critical	Important	Neither	Unimportant
40%	46%	5%	9%

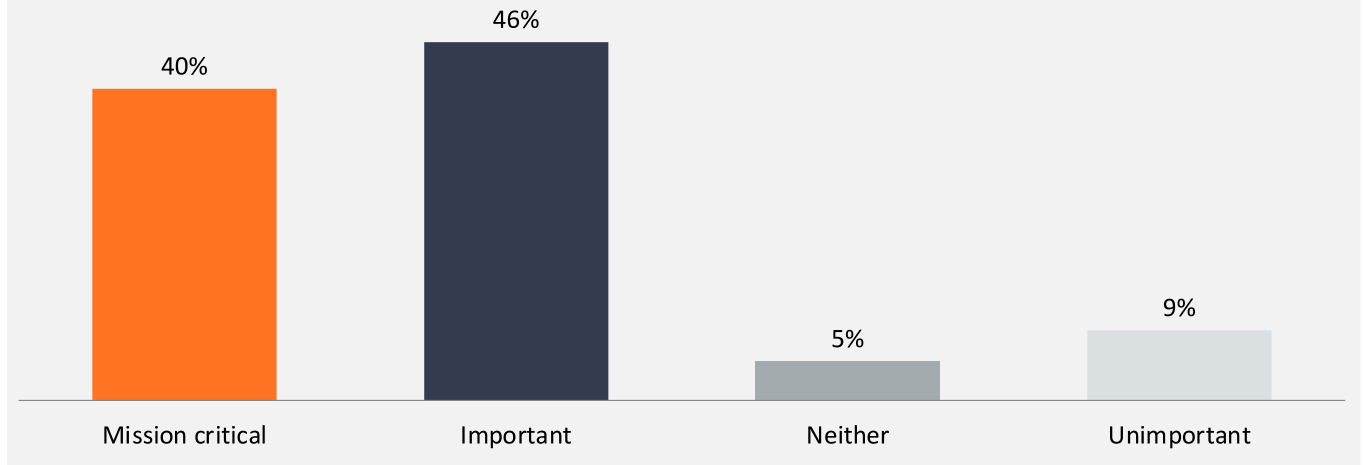*Sample: 100 C-level and business unit or function heads from Global 2000 enterprises*

Source: HFS Research, 2020

Building a model and workplace that responds dynamically to changing market needs is fueled, in part, by immediate business pressures. When homing in on immediate business pressures, these three pillars powering a hyper-productive operating model shine through again. In Exhibit 3, we can see digitalization and personalization at the top of the list, with executives clearly under pressure to leverage new technologies and approaches to shift toward digital and online experiences. Developing talent with the specific role of driving this change ranks as the third priority.

Crucially, reskilling existing staff ranks much lower than hiring external talent and building teams focused on driving digital projects, indicating that existing team structures and talent aren't enough to successfully meet new business goals and pressures. Or, perhaps of more concern to those in incumbent roles, reskilling isn't viewed as being impactful or quick enough to handle imminent business pressures.

Many executives focus on combating disruptors in their industry and transforming processes to provide a competitive edge, enabling their talent through newfound agility to be the disruptor. It's possible that this focus on the immediate is forcing executives to invest in new capability that can be scaled rapidly, while reskilling and evolving internal talent pools and capabilities sits further down the priority list. In line with this pivot, we can expect to see more businesses leverage new and innovative talent models, such as crowdsourcing and the gig economy to bring in specific skill sets to support their business. The talent model of the modern business is likely to be a blend of these new ways of working alongside traditional roles enriched by technology as businesses grapple with an increasingly competitive labor market.

Exhibit 3: **Digitalization, personalization, and talent development are the top three immediate business challenges**

When you look at today's immediate business pressures, what are the major business opportunities faced by your company at the moment? (just number 1 choice)

Business opportunity	Percentage
Making a rapid shift toward digital and online virtual experiences away from physical and face-to-face engagements	33%
Hyper personalization or customization of our products and services to delight our customers	13%
Hiring and developing digital talent as a specific capability or business unit to drive digital projects	12%
Reduce operating costs and drive efficiencies through automation	10%
Hiring the right external talent to be effective in our business environment	10%
Combatting the presence of disruptive digital competitors	14%
Transforming our processes to deliver a real competitive edge	12%
Reskilling existing staff to keep our business moving forward	22%
	3%
	2%
	1%

Sample: 100 C-level and business unit or function heads from Global 2000 enterprises

Source: HFS Research, 2020

Building the right culture is key to success—enterprises should invest in "mentorship" and "apprenticeship" models to drive toward a hyper-productive culture

A core pillar of hyper-productive work is fostering the right culture. The majority of respondents agree that they need to invest in a culture that is inclusive and diverse, drives interdisciplinary collaboration (versus siloed working), enables continuous learning, and rewards those who are open to change and innovation. All of these approaches combined represent a broader cultural shift in the modern business environment as executives look to develop working practices that underpin the three pillars of the hyper-productive operating model, particularly the responsiveness and agility necessary to be competitive in the modern economy.

The success of the modern enterprise rests on building an innovation culture that's not only responsive and open to continual change but also incentivizes professionals to fail fast, take risks, and continually learn. In Exhibit 4, we can see executives highlight the core cultural building blocks they need to implement to fuel hyper-productive work which, when combined, emphasize a much broader push to develop an innovation culture—a culture viewed as vital by the 85% of executives who recognize the importance of wider and smoother innovation pipelines (see Exhibit 1).

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Leaders understand that they can foster a winning culture by building decentralized and autonomous teams that, when provided with the right infrastructure and resources, can experiment and develop creative solutions, with teams focusing on real-world insights and data rather than centralized leadership structures. Crucially, executives agree the right incentive programs are required to drive meaningful change—rewarding those who embrace the new culture of change and innovation and penalizing those who fight to maintain the status quo.

Exhibit 4: **Attributes of the hyper-productive work culture will need an interdisciplinary collaboration and an inclusive and diverse workforce**

To what extent do you agree or disagree with the following statements about the desired work culture for the future?
(percentage of respondents who agree or strongly agree)

■ Strongly Agree   ■ Agree

Statement	Strongly Agree	Agree
Work culture will evolve from siloed working to interdisciplinary collaboration	38%	48%
Need for an inclusive and diverse global workforce	30%	53%
Need to build a culture around continuous learning and provide adequate resources	37%	45%
Experience-based, leader-driven decision making will give way to data-based, real-time decision and making at the front line	37%	43%
Need to design structures that penalize those who maintain the status quo	40%	39%
Need to design structures that reward those open to change and innovation	40%	36%

Sample: 100 C-level and business unit or function heads from Global 2000 enterprises

Source: HFS Research, 2020

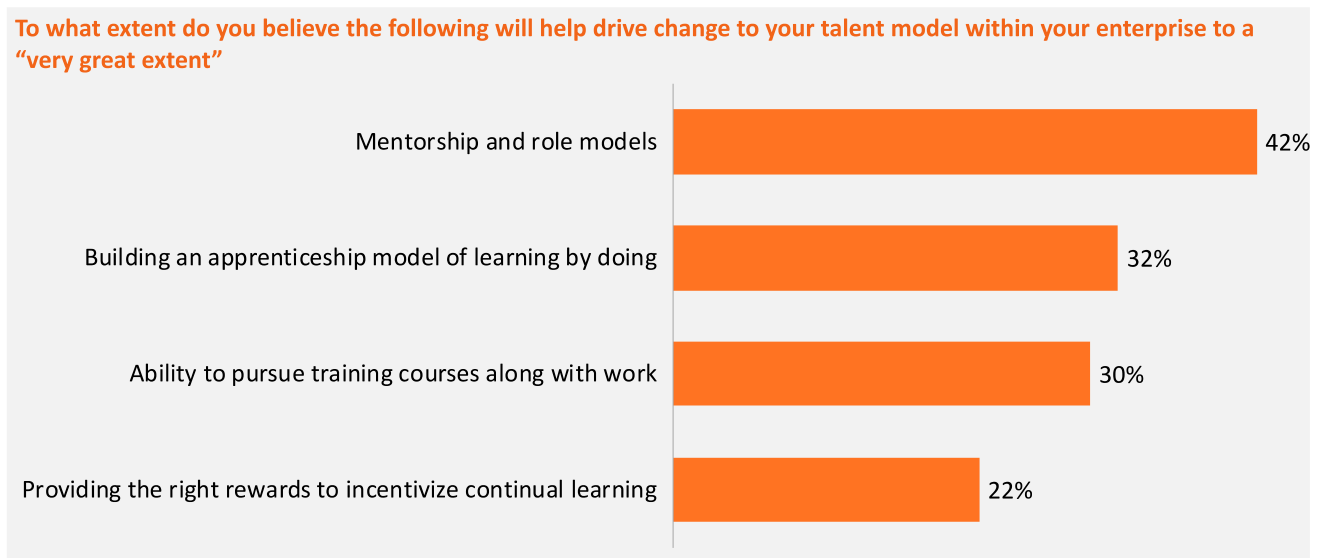In Exhibit 5, we can see executives emphasizing the importance of mentoring and apprenticeships to help embed the right behaviors and drive broader cultural change. At its core, this investment in cultural change must start with investment in "mentorship" and "apprenticeship" models that encourage desirable behaviors and approaches. Furthermore, as the nature of work continues to change, businesses must provide individuals with the ability to pursue training courses alongside work, with a culture of continual learning incentivized through the right rewards.

As businesses move to embrace the pillars of hyper-productive work, one pillar in particular will necessitate the development of new ways of working—building a OneOffice culture. As organizational silos break down and teams become more autonomous, decentralized, and cross-functional, there will be much more emphasis on an employee's ability to learn, unlearn, and relearn as the business environment, approach, and practices around them change. We can see the evolution of two core tenets to support and emphasize this shift in Exhibit 5—the provision of more resources to support workplace training, and the development of the right incentives to fuel continual learning. Without these practices driving meaningful cultural change, executives will struggle to truly embrace a OneOffice culture.

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And for future talent, their success may no longer be linked to their qualifications, but to their developed ability to learn and adapt as they move from one project to the next. These Z-skilled employees—named for their capacity to zig-zag across projects, unlearning and relearning as they go—bring empathy, creativity, and learnability to the fore of the future of work, supplying the necessary agility and versatility necessary to be successful in a rapidly evolving business environment.

Exhibit 5: **Executives looks to mentorship and role models to drive cultural change in their business**

To what extent do you believe the following will help drive change to your talent model within your enterprise to a "very great extent"

Mentorship and role models	42%
Building an apprenticeship model of learning by doing	32%
Ability to pursue training courses along with work	30%
Providing the right rewards to incentivize continual learning	22%

Sample: 100 C-level and business unit or function heads from Global 2000 enterprises

Source: HFS Research, 2020

The reality is, with a combination of all of these approaches, enterprises will be able to incentivize the right behaviors that drive broader cultural change. At its core, the talent model underpinning a hyper-productive operating model must encapsulate an innate willingness to change and continue learning. Technology alone will not keep businesses afloat in a punishingly competitive business environment.

Technology at the core will undoubtedly impact people, but it will also enrich existing work

The shift to hyper-productive work will necessitate the integration of emerging technologies into the very core of the business. These technologies will affect existing talent models—whether that's the displacement of individuals through automation in some areas of the businesses or more flexible working environments that use technology to enable decentralized teams to retain autonomy while working toward common business goals.

The reality is the impact won't affect all businesses and roles equally. In Exhibit 6, we can see a large shopping list of digital technologies and the perceived impact these will have on employees. Many of the

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productivity-focused technologies—such as digital workplace and enterprise mobility—sit at the top of the list, with executives highlighting these as having a high or existential impact on employees. These technology groups are largely focused on enabling employees to access resources and information more efficiently and flexibly.

A little further down the list, we can see technologies that many believe will have a much stronger impact on employees: machine learning, AI, automation, and analytics. While also heralding the opportunity to drive greater productivity and flexibility, these tools and technologies have the potential to dramatically change the way employees work, in some cases replacing the role of humans in processes and environments entirely.

Exhibit 6: **Emerging technologies will have a significant impact on talent models**

How significantly will the following technologies impact employees in your company?
(percentage of respondents who chose 4 or 5 on a 5-point scale, where 1=no impact and 5=existential impact)

■ 5 Existential Impact ■ 4

Technology	5 Existential Impact	4
Cyber security	50%	30%
Cloud	43%	36%
Digital Workplace	44%	34%
Machine Learning	35%	42%
Artificial Intelligence	41%	35%
Predictive Analytics (What is likely to happen?)	33%	42%
Internet of Things (IOT)	41%	33%
Robotic Process Automation (RPA)	45%	28%
Enterprise mobility	36%	35%
Augmented Reality	38%	31%
3D Printing	28%	37%
Low code / no code software	26%	36%
5G	33%	27%
Blockchain	29%	28%
Quantum computing	27%	28%

An overwhelming majority of the respondents feel that these emerging technologies will have a significant or existential impact on their talent model

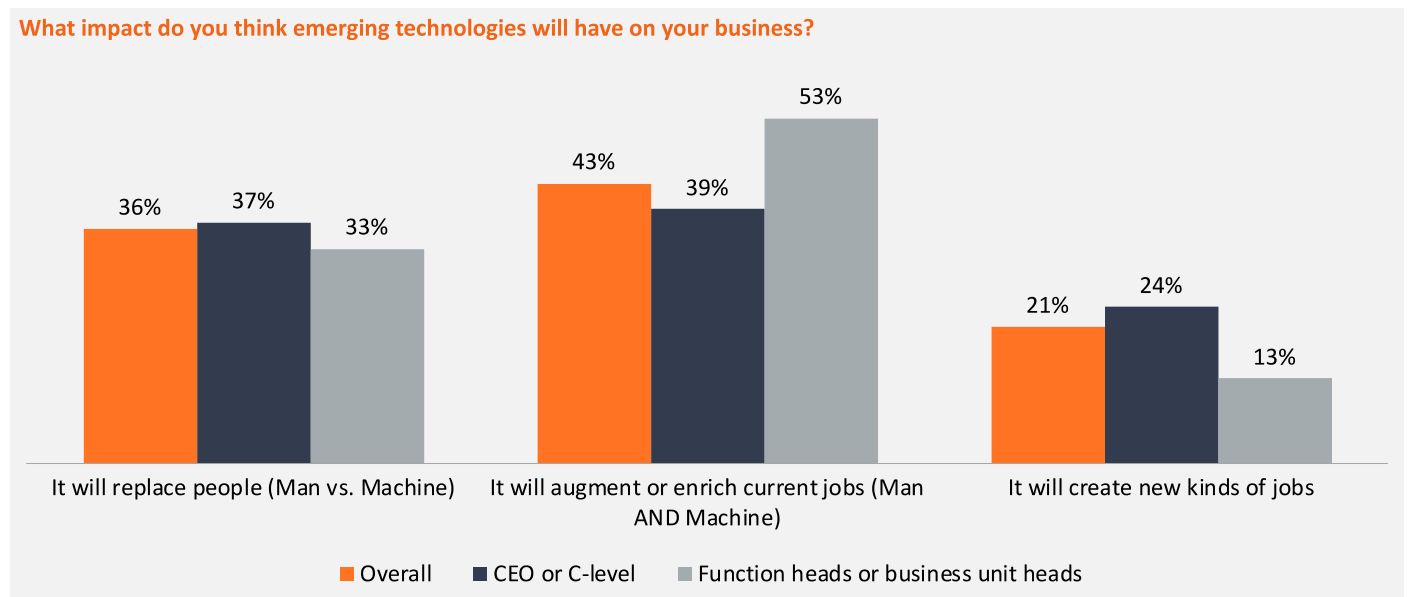*Sample: 100 C-level and business unit or function heads from Global 2000*

Source: HFS Research, 2020

The "man versus machine" sentiment, popularized by the mainstream media and the perception of sweeping change in the business world, represents a significant proportion of business executives in Exhibit 7, but not the majority. Of the options, however, it is the one most consistently shared across the levels of seniority. At a strategic level, C-Level executives were far more likely to believe new technologies will create new forms of work than business unit leads, who were more likely to see new technologies enrich existing jobs.

Crucially, the spread across all three options is representative of the general feeling of the unknown in the modern business environment. For several years, the narrative has largely focused on the replacement of humans by intelligent robots, which is a fear still largely present in roles impacted by robotic process automation (RPA). However, this perception is largely far from reality as enterprises build new roles and tasks into their business and modern technologies form a supplementary role to existing talent models.

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However, the pace of change has picked up considerably, with innovations accelerating across many of the technologies examined in Exhibit 6. The pace of change has also dramatically increased in the creation of new forms of work, and already executives are anticipating significant growth in forms of work that as yet remain nascent.

Exhibit 7: **The majority of executives believe technology will augment and enrich current jobs**

What impact do you think emerging technologies will have on your business?

	It will replace people (Man vs. Machine)	It will augment or enrich current jobs (Man AND Machine)	It will create new kinds of jobs
Overall	36%	43%	21%
CEO or C-level	37%	39%	24%
Function heads or business unit heads	33%	53%	13%

Sample: 100 C-level and business unit or function heads from Global 2000 enterprises
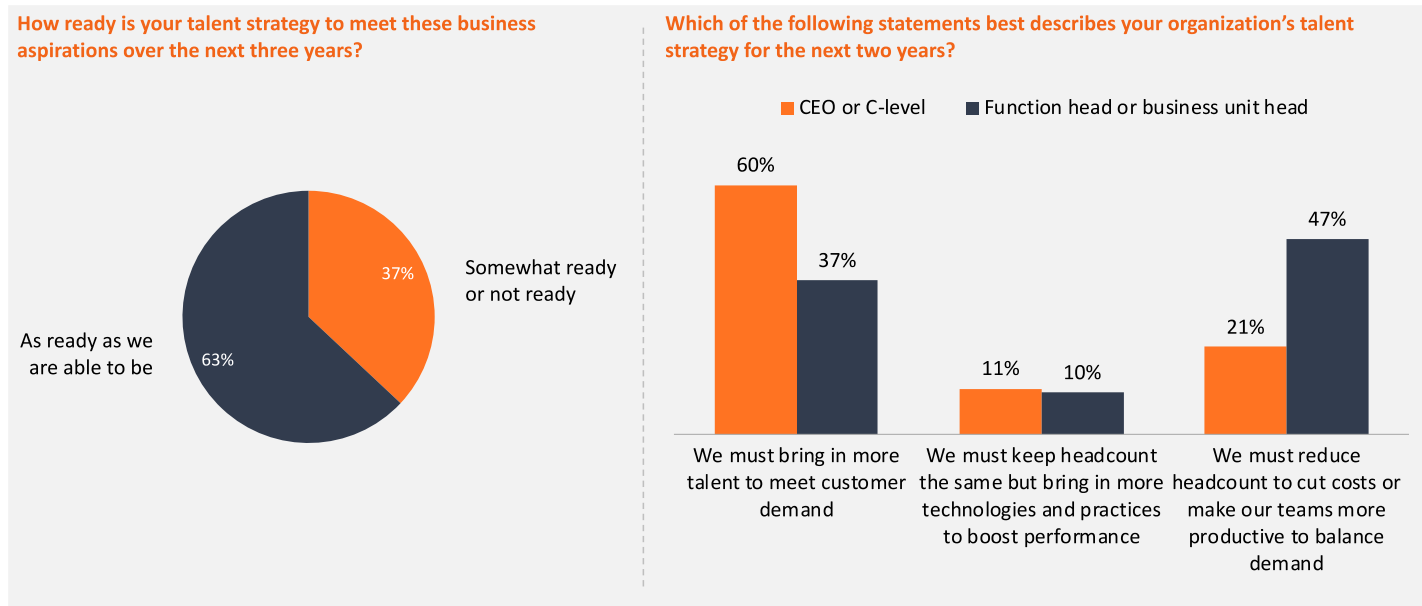
Source: HFS Research, 2020

Executives have a plan for technology and culture—but their talent strategies are far less defined

The emphasis on the short-term is more readily seen among the executives who, to date, do not have a talent strategy to meet business aspirations over the next three years. In Exhibit 8, we can see not only a general feeling of unpreparedness among executives when it comes to their talent strategy but also a disconnect between the imperatives adopted by C-Level executives and the functional heads and business unit leaders that report into them.

This disconnect—in large part aligned to the focus on bringing in fresh talent over reskilling existing talent pools seen in Exhibit 3—shows the majority of C-Level executives focusing on bringing more talent in to meet demand, while business unit heads focus on reducing headcount to cut costs. In the middle of the two sits a sizeable chunk of executives and business unit heads who believe in retaining existing headcount but boosting overall performance with new technologies and practices—focusing less on changing the number of people and more on building an operating model that enables teams and individuals to do much more.

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Exhibit 8: **Organizations don't have their talent strategies ready**

How ready is your talent strategy to meet these business aspirations over the next three years?

- 37% Somewhat ready or not ready
- 63% As ready as we are able to be

Which of the following statements best describes your organization's talent strategy for the next two years?

Legend: ■ CEO or C-level   ■ Function head or business unit head

- We must bring in more talent to meet customer demand: CEO or C-level 60%, Function head or business unit head 37%
- We must keep headcount the same but bring in more technologies and practices to boost performance: CEO or C-level 11%, Function head or business unit head 10%
- We must reduce headcount to cut costs or make our teams more productive to balance demand: CEO or C-level 21%, Function head or business unit head 47%
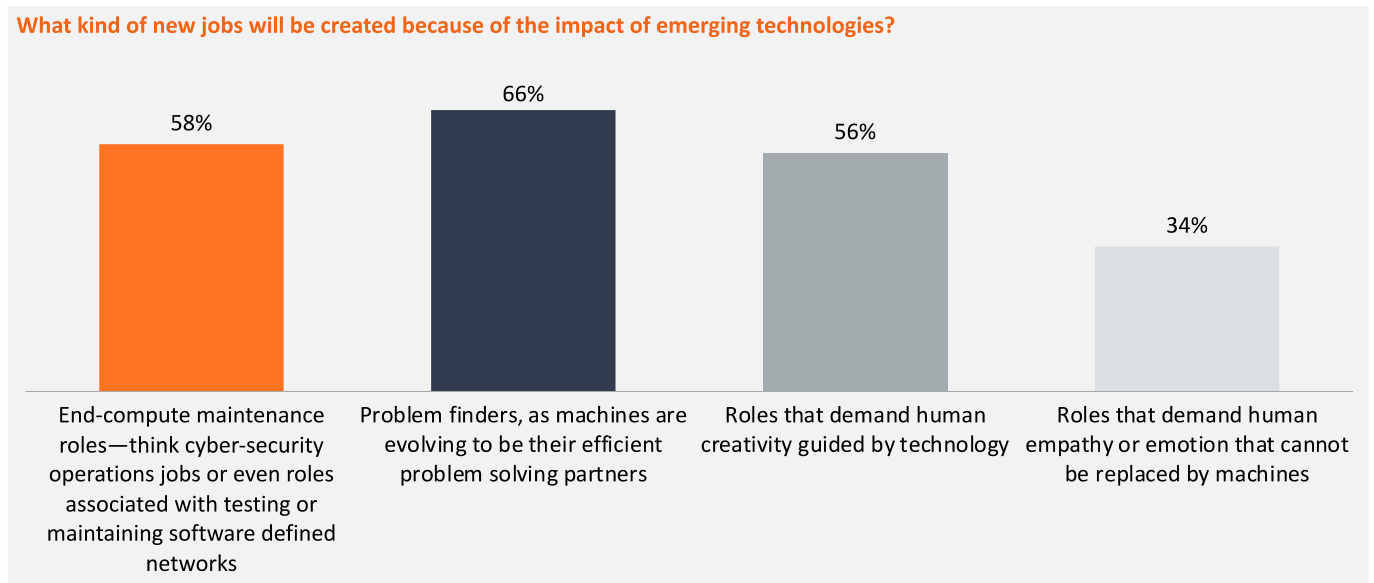
Sample: 100 C-level and business unit or function heads from Global 2000 enterprises

Source: HFS Research, 2020

Of course, new forms of work are relatively hard to predict, particularly during a period of such significant change. However, when asked what changes they anticipated, executives highlighted three core buckets of work; around 60% of respondents feel that there will be three kinds of jobs that will emerge as a result of emerging technologies (see Exhibit 9):

1. **Problem-finders, as machines are evolving to be their efficient problem-solving partners.** The nature of this work will be to proactively hunt and identify business challenges and work with machines to build solutions and improvements.
2. **End-compute maintenance roles, such as cyber-security operations jobs or even roles associated with testing or maintaining software-defined networks.** As businesses become more technology-centric, a greater number of maintenance and operations roles will focus on keeping environments functioning correctly.
3. **Roles that demand human creativity guided by tech-led analytic.** Businesses will continue to need creative individuals to bring in new ideas and business opportunities—we can expect these new roles to emphasize the value of new analytic technologies to test and experiment with ideas and hypotheses.

Exhibit 9: **Executives anticipate new roles to emerge that tap into creativity, end-compute maintenance, and the development of new "problem-finders"**

What kind of new jobs will be created because of the impact of emerging technologies?

| 58% | 66% | 56% | 34% |
| End-compute maintenance roles—think cyber-security operations jobs or even roles associated with testing or maintaining software defined networks | Problem finders, as machines are evolving to be their efficient problem solving partners | Roles that demand human creativity guided by technology | Roles that demand human empathy or emotion that cannot be replaced by machines |

Sample: 100 C-level and business unit or function heads from Global 2000 enterprises
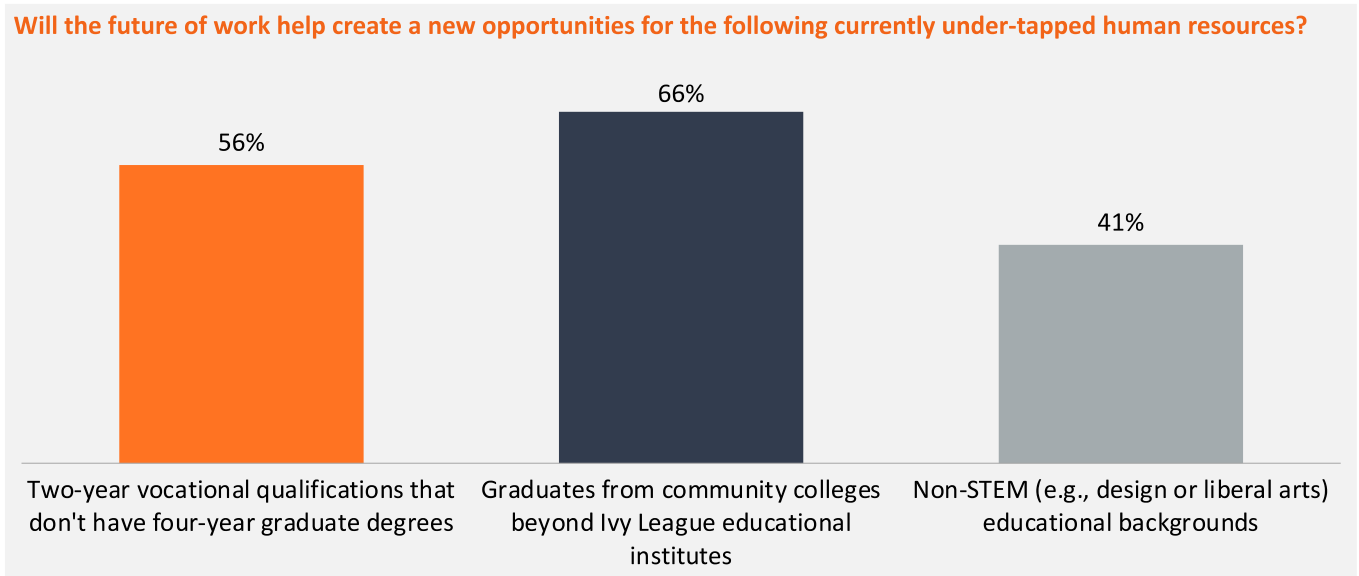
Source: HFS Research, 2020

Notably, a much smaller contingent of executives expects human empathy and emotion to be a core driver of new work. However, it is likely that this intrinsically human trait will continue to be in demand across many of the roles in the three core buckets.

Hyper-productive enterprises will create opportunities for currently underutilized talent pools

While much of the narrative in the man versus machine debate has focused on what becomes of the people who are displaced by technologies, there is also the rosier expectation that the new working environment will create opportunities in previously untapped talent pools, either through the enablement of more flexible and accessible working environments or through the requirement of new skills forcing employers to look outside traditional labor markets.

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Exhibit 10: **Executives expect to focus on untapped talent pools in the future as new opportunities emerge**

Will the future of work help create a new opportunities for the following currently under-tapped human resources?

56%	Two-year vocational qualifications that don't have four-year graduate degrees
66%	Graduates from community colleges beyond Ivy League educational institutes
41%	Non-STEM (e.g., design or liberal arts) educational backgrounds

Sample: 100 C-level and business unit or function heads from Global 2000 enterprises

Source: HFS Research, 2020

According to executives, the real winners will be the graduates from community colleges and those with vocational qualifications. As enterprises rewire their operating model and embed new technologies, we can expect more roles to emerge that focus on maintaining the digital backbone of businesses. Supported and enriched by workplace technology, these roles no longer require an extensive STEM-focused educational background, opening up roles to a broader pool of talent.

Those from non-STEM educational backgrounds are also set to benefit from changing talent recruitment practices as traditional STEM qualifications are pushed further down the list. In practice, this shift away from traditional talent hot spots is part of an ongoing shift in the labor market as businesses bring in more emphasis on design and creative capability—a boon for graduates of the humanities and liberal arts as well as qualifications with a specific design focus.

The Bottom Line: Enterprises have enthusiasm for technology and a plan for culture. Their focus must now turn to talent and developing hyper-productive work.

For decades now, entire business functions have dedicated their time and resources to building a competitive technological edge. Over the past five years, the emphasis has shifted to culture and driving

productivity with agile and collaborative teams. While both of these developments have been integral in driving the modern digital business, they have left a vital component relatively unexamined: talent.

In this report, we can see a whirlwind of change and disruption heading toward the very people that drive a modern enterprise. Advanced technologies such as AI and automation are changing the nature of work, enriching existing jobs, and creating entirely new job families in the process. And yet, a significant proportion of leaders confess to having no coherent strategy in place. They anticipate tapping into new talent pools and accommodating new job families, and yet at a strategic level have limited structured plans in place.

The reality is, this presents many business leaders with an important opportunity—by embedding technology at the core of their business, driving meaningful culture change, and developing inclusive talent strategies, enterprises can genuinely drive hyper-productive work and remain competitive in a rapidly changing business environment.

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Ollie O'Donoghue is responsible for HFS' IT Services and Talent Management research areas. Using his background in Enterprise IT, he helps drive a holistic research agenda aimed at helping enterprises make the right business decisions.

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The HFS Research team would also like to acknowledge the Infosys team who has worked closely with us towards this report. Special thanks to Harini Babu, Global Lead, Corporate Branding and Thought Leadership, for her valuable inputs and feedback throughout the research and publication of this report.

About Infosys

Infosys is a global leader in next-generation digital services and consulting. We enable clients in 46 countries to navigate their digital transformation. With over three decades of experience in managing the systems and workings of global enterprises, we expertly steer our clients through their digital journey. We do it by enabling the enterprise with an AI-powered core that helps prioritize the execution of change. We also empower the business with agile digital at scale to deliver unprecedented levels of performance and customer delight. Our always-on learning agenda drives their continuous improvement through building and transferring digital skills, expertise, and ideas from our innovation ecosystem.

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DEFINING
BUSINESS
OPERATIONS
IN THE NEXT
DECADE

About HFS Research: Defining future business operations

The HFS mission is to provide visionary insight into major innovations impacting business operations, including: automation, artificial intelligence, blockchain, Internet of things, digital business models, and smart analytics.

HFS defines and visualizes the future of business operations across key industries with our Digital OneOffice™ Framework.

HFS influences the strategies of enterprise customers to help them develop OneOffice backbones to be competitive and to partner with capable services providers, technology suppliers, and third-party advisors.

Read more about HFS and our initiatives on www.HFSresearch.com or follow @HFSResearch.

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