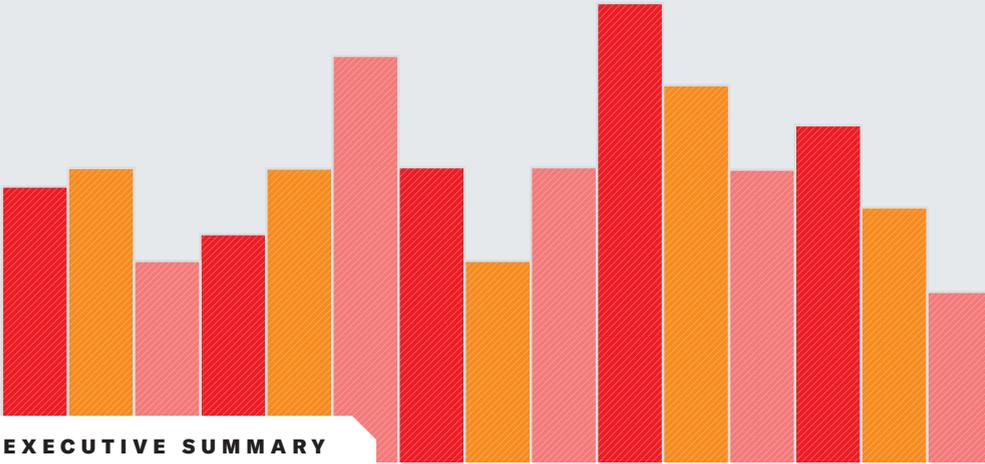




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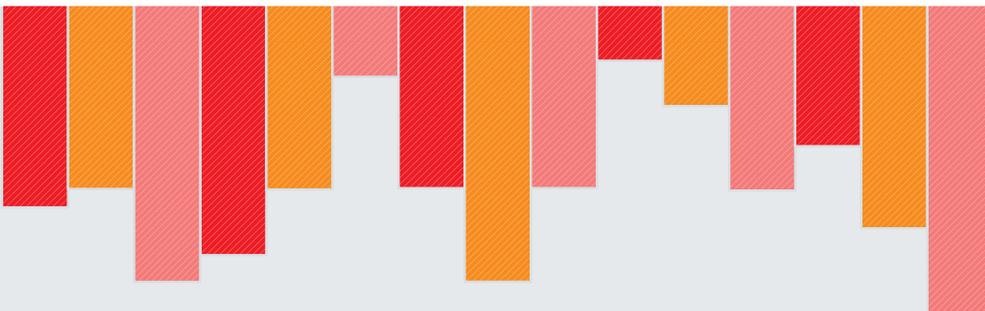
ANALYTIC SERVICES



EXECUTIVE SUMMARY

# The New Digital Workplace

Overcoming the Limits of Time and Place



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# The New Digital Workplace

## Overcoming the Limits of Time and Place

When it comes to remote working, the pandemic of 2020 was like throwing the entire world into the deep end of a very large pool, regardless of individuals' previous swimming experience or whether they had a floatation device. For organizations that continued to operate during the shutdowns, this mass work-from-home experiment has proven to be a remarkable success, according to new research from Harvard Business Review Analytic Services.

The global survey of 1,080 business leaders explores the current and future state of the digital workplace. It shows that companies are moving quickly to expand their use of tools and capabilities that enable employees to communicate, collaborate, and carry out their work as needed, independent of physical place or proximity to other people.

Organizations in industries as diverse as technology, manufacturing, financial services, and health care, among others, had to adapt as the pandemic shutdowns stretched from weeks into months. In the process, they learned that, in many cases, remote work and digital workplace capabilities can be as effective as the manner in which they operated before.

A majority of respondents (61%) say the quality of remote work has been at least as good as that done in the physical workplace. Only 22% disagree. Two-fifths (44%) say their investments in digital workplace capabilities have increased productivity (only 11% say that productivity declined), and more than half say it has improved business agility (57%), business continuity (56%), and collaboration (52%). Looking ahead, 86% agree that the digital workplace must integrate and coexist with the physical workplace for the foreseeable future.

### HIGHLIGHTS



86% say the digital workplace **must integrate and coexist** with the physical workplace



78% expect the amount of **remote work to increase** in the future



39% have advanced **digital workplace capabilities**, 38% are evolving, and 23% are lagging



More than a third of respondents to the survey (39%) have advanced digital workplaces, with mobility and online collaboration being a normal way of working and with most of their applications and services online.

One upshot of these learnings is that the vast majority of respondents expect the amount of remote work to increase from where it was prior to the shutdowns, even after the pandemic passes. Nearly a third (30%) of respondents expect the amount of remote work at their organization to increase significantly, with another 48% expecting a moderate increase. **FIGURE 1**

Specifically, while only a fifth (22%) of respondents say that employees in their part of the business spent more than a quarter of their time working remotely before the pandemic, more than half (57%) expect that to be the case moving forward. (During the pandemic, the percentage of employees spending more than a quarter of their time working remotely rose to 92%.)

More than anything else, the lived experience of employees and employers during this period has led to this anticipated increase in remote work. More than half of respondents (58%) expressing why they expect an increase say simply that remote work has been normalized and proven to work. Twenty-seven percent cite improved quality of life for

employees, and 20% say it has increased productivity and improved outcomes.

Of course, not every company's experience has been the same. A lot goes into ensuring that remote workers are productive and effective—everything from having the right tools to establishing new norms for engagement and collaboration. This research explores what it takes to be successful from a business perspective when it comes to managing remote workers. One thing is clear: the widely held view that employees must be “at work” to be working has been largely overcome.

## The Business Value of a Strategic Approach

As with any domain, there are different levels of maturity when it comes to digital work. More than a third of respondents to the survey (39%) have advanced digital workplaces, with mobility and online collaboration being a normal way of working and with most of their applications and services online. These are the leaders. A similar number, 38%, are followers, with widespread use of mobile devices, a growing number of online applications and services, and some standardization of collaboration tools across departments or business units. The 23% who trail as laggards have, at best, some online applications and services and little or no standardization of tools.

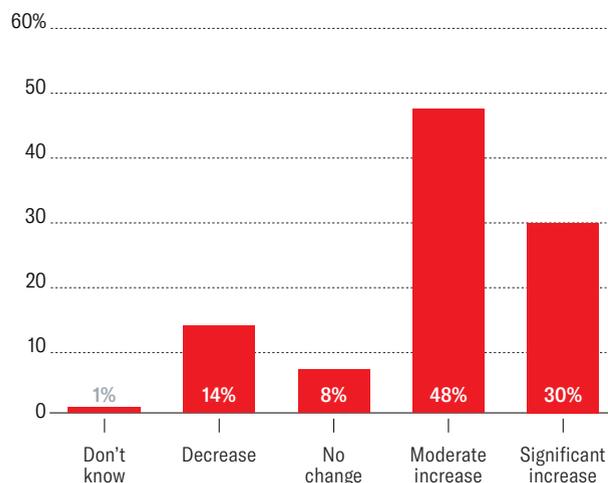
Leaders were better prepared to adapt to the demands of the pandemic, thanks to their more advanced approach to a digital workplace. Nearly two-thirds (62%) said they were very well prepared to shift to virtual operations with remote communication and collaboration, compared with only 13% of laggards and 30% of followers.

However, organizations getting real business value from their investments in the digital workplace requires more than setting up employees and turning them loose. Those that are seeing the greatest returns are going beyond a mere work-at-home policy to define the purpose and goals of the program, the approach the organization will take, and how management will measure success. Respondents whose organizations have defined a digital workplace strategy in this way are more likely than any other group to have seen improvements to a variety of key business metrics as a result of their investments in the digital workplace. These include customer satisfaction, productivity, product/service quality,

FIGURE 1

### Remote Work Will Certainly Increase

Few respondents anticipate a return to the low pre-pandemic levels of remote work.



Source: Harvard Business Review Analytic Services Survey, May 2020

agility, business continuity, collaboration, and the ability to leverage data and analytics.

Less than half of leaders (46%) have a digital workplace strategy, but that's still much higher than laggards at 19% and followers at 28%. And those who make up the 46% are seeing the greatest improvements to their business metrics of all. **FIGURE 2**

Laggards see their organizations' lack of a digital workplace strategy as one of the greatest barriers to accelerating their shift to a digital workplace. The other barriers in the top three are concerns about security and corporate cultures that expect people to be in the office.

The main driver for investments in developing digital workplace capabilities is enabling business continuity and

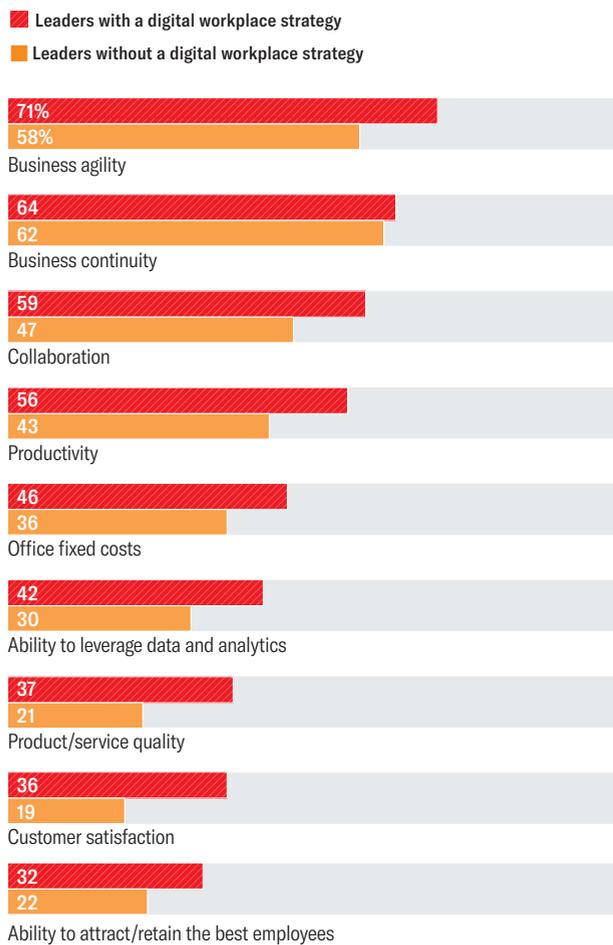
preparing for future crises, named by 55% as a top-three driver. This finding is not surprising, given that this survey was fielded at the height of the pandemic. But disaster preparedness is not the only thing on respondents' minds. Nearly half of respondents (48%) also seek to improve workforce flexibility. And a third are looking to increase business agility (33%) and enable collaboration across geographies (33%) through their investments in digital workplaces.

Another investment driver is the reality that as businesses across industries become more data driven, work itself becomes more digital. More than three-quarters of respondents (77%) agree that a digital workplace is essential to operating a data-driven business. Financial services businesses are the most likely to say this, at 86%.

FIGURE 2

### Having a Digital Work Strategy Leads to Better Outcomes

Even leaders do better when they have a defined strategy in place.



Source: Harvard Business Review Analytic Services Survey, May 2020

### The Structural Means to the Digital Workplace

Wi-Fi is still the predominant means by which employees access the digital workplace, with 63% saying they use mostly Wi-Fi and another 26% saying they use an equal mix of both Wi-Fi and cellular networks. The more widespread use of 5G mobile networking technology could change that, as respondents see it enabling a variety of positive outcomes, including being able to do current work faster and better (named by 42% of respondents) and to more seamlessly switch from one mode and location to another (32%).

Respondents see 5G's potential going well beyond such incremental improvements to provide more transformative change as well. A fifth (20%) say it will enable them to do work they've never been able to do before. Even more—28%—believe it will enable them to explore new business models.

The time frame within which respondents expect this to happen is very soon, with 41% saying they expect 5G to become a reality for their own organization within two years, opening the door to applications that employ higher-quality/lower-latency video and augmented or virtual reality (AR/VR).

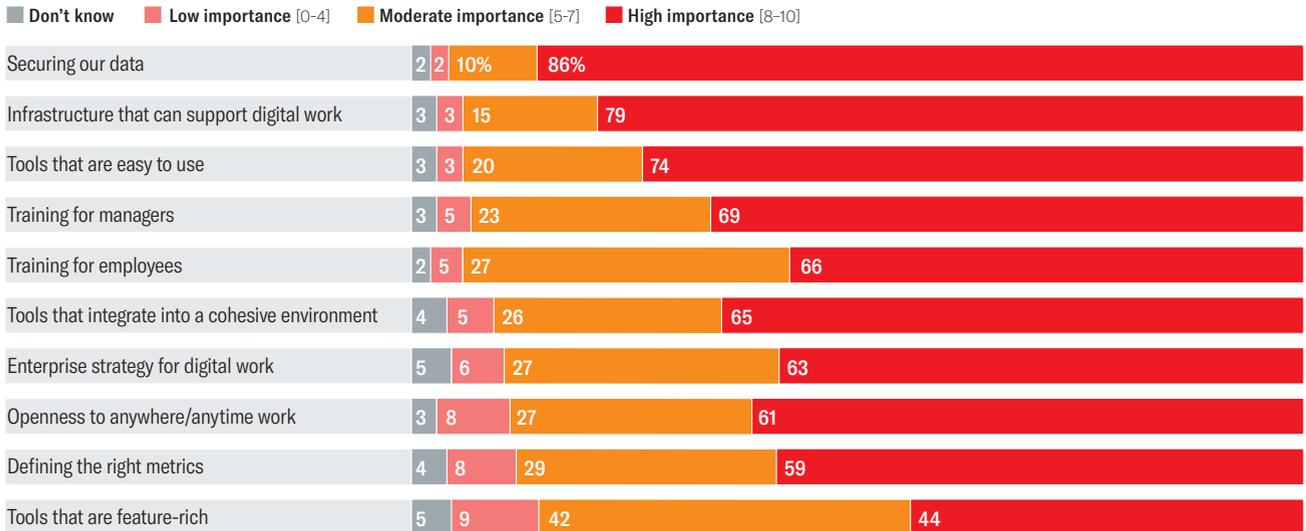
The main use cases cited by respondents when they have access to such capabilities cluster around the customer, including an AR/VR-supported immersive remote customer experience (43%), an AR/VR-supported immersive in-person customer experience (27%), and an AR/VR customer support (27%). Respondents also expect to roll out AR/VR-supported training (40%) and field support (32%).

In the meantime, the survey shows widespread current use of a variety of technologies as part of the digital workplace, with videoconferencing and meetings topping the list, used by almost all respondents (98%) and extensively by 80%. Nearly all also use file sharing (97%), instant messaging/chat (95%), shared calendars (89%), collaboration tools (e.g., Slack or Teams – 88%), cloud-based collaboration (85%), and online interactive training (85%).

FIGURE 3

## Getting Value Depends on Security

Data security and the right infrastructure and tools are key to success.



Source: Harvard Business Review Analytic Services Survey, May 2020

## Overcoming Barriers and How to Increase Value

More than a third of respondents (35%) say that security concerns are a top barrier to accelerating the shift to a digital workplace, with little difference between leaders, followers, and laggards. However, there are some notable differences between leaders and laggards in some of the other barriers they expect to encounter. For example, laggards are three times as likely as leaders to name a lack of a digital workplace strategy as a top barrier (29% versus 9%). They are also more likely to cite a corporate culture that prefers people in the office (33% versus 24%).

To get the most value from their digital investments, two-thirds or more of respondents say it will be very important to address data security (86%); ensure their infrastructure can support digital work (79%); employ tools that are easy to use (74%); and provide training for managers (69%) and employees (66%). **FIGURE 3** Leaders are far more satisfied with the performance of their network infrastructure to support remote work during the pandemic than others, with 60% extremely satisfied and only 17% of laggards and 34% of followers feeling the same.

Above all, the data shows that having a defined strategy for digital work increases business benefits across several important dimensions, from business agility and continuity to productivity to attracting and retaining the best employees.

Coming out of the pandemic, business leaders have a real opportunity to optimize and even transform their way of working. The workplace of the future will blend physical and digital work to an extent not seen before. To avoid sliding back into the old way of doing things, they should highlight and promote the success of their experiences during the shutdown, quantifying the value in whatever ways make sense for their business. They should continue to invest in the right tools and training, and make sure they have the right security models in place for virtual work. As challenging as the pandemic experience has been for many organizations, some valuable lessons have come out of it. The open question is how organizations will apply those lessons to be more successful moving forward.



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