

Employee Empowerment! Embrace It or Your Enterprise Could Be the Next Dinosaur

What's driving the transformation of digital workplace services?

By Rob Brothers, Program Vice President, Datacenter and Support Services, IDC

The wants and needs of employees are rapidly evolving—and employers better pay attention. With 56% of the labor force made up of individuals who were born digitally connected, these workers expect a seamless IT experience. They want and need technology that helps them do their jobs without interruption, enabling them to achieve their goals and objectives.

In a recent IDC study, 45% of employees stated that technology and the services that enable it are important factors for employee attraction and retention.

The good news is, in a tight labor market, companies are extra motivated to find ways to attract and retain top talent. More savvy organizations understand the critical role that technology and the services that enable them play in luring and keeping employees. The same market forces driving the evolution of IT services—mostly digital transformation of work processes and improving customer experience—are also helping transform employee experience.

Digital workspace services are more important than ever—and workers themselves are bringing these higher expectations.

Brave New Work World

According to the U.S. Bureau of Labor Statistics, in 2018 labor market demographics looked like this:

- 23% of the workforce was between the ages of 25 and 34 (Millennials)
- 21% of the workforce was between the ages of 35 and 44 (on the cusp of Millennials/Gen-X)
- 12% of the workforce was between the ages of 16 and 24 (Gen-Z)
- 44% of the workforce was 45-plus

The expectations of the 44-and-under workforce are very different from Baby Boomers (workers aged 55+). Millennials and Gen-Z workers will soon represent most of the workforce. As the percentages of Millennials and Gen-Zers grow, the workplace must evolve.

Two major impacts of this evolution are:

- 1) Employee tenure is decreasing.
- 2) Metrics for employee satisfaction are changing.

The result: employers must get new recruits up and running on their very first day. If the average tenure at an employer is six months, and it takes five days to onboard an employee, the employer has lost 3.5% of that employee's lifetime productivity. This situation is exacerbated by the increased use of the “gig economy,” which lets employers procure labor in short-term intervals with no long-term commitment.

Beyond decreased tenure, Millennials also have different ways of evaluating their job satisfaction. In the past, money was the primary contributor to job satisfaction. But Millennials place more

importance on how a job impacts their lifestyle. They want the ability to work remotely, and employers are beginning to realize that Millennials view their job fundamentally different from previous generations. This generation may be less willing to 'forgive' if the technology they are used to is not available and may disregard that company as a potential employer. Digital workplace services can help employers evolve their culture to capitalize on this shift.

Changing Labor Productivity Growth

Despite huge IT advances in recent years, labor productivity growth has remained relatively flat at 0.7%, according to the U.S. Bureau of Labor Statistics. Many economists colloquially refer to this flat growth as "the productivity paradox," and offer a variety of theories on its cause. The most accepted theory is that there's a lag between the creation of IT, the ability of organizations to adopt it, and the impact of that IT on employee productivity.

Corporate financial statements are starting to reflect this dynamic, with a recent finding that retail businesses with digitally capable workforces were able to provide \$300,000 more revenue on average than retail businesses focused on brick and mortar. Employers are turning to digital workplace services as the catalyst that can help them improve their labor productivity.

The Shift in End-User Expectations

User experience has been defined by consumer applications from pioneers such as Uber and Airbnb. Users of these services expect to be able to rent a car or an apartment at their destination of choice within five minutes of opening their smartphone app. These expectations are beginning to bleed over into other areas of consumers' lives, so that when workers need their PC repaired, for example, they justifiably wonder why it takes their employer multiple business days to get a laptop back in working order.

"Tech walk-up centers" or other walk-in service models are a closely related trend, giving consumers the ability to walk up and discuss any questions they might have regarding their products, in addition to hosting workshops that help users be more productive in using their technology. Employers are realizing that they need to provide consumer-grade user experience to their employees, or they risk losing top-level talent to organizations that will provide this kind of experience. The ability to provide effective digital workplace services has become a competitive differentiator.

For more on how the digital workspace is transforming to improve employee experience and create a more productive, innovative workforce, download the IDC paper, ["How IT Redefines Workplace Services."](#) sponsored by HP Services.

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