



Workforce Experience 2020

Six trends that will dominate
the workforce of the future



Executive summary

New disruptive digital technologies are changing the face of workplace as well as worker expectations. The rapidly evolving 21st-century workforce is becoming increasingly mobile, contract-based, and technology savvy. Corporate real estate, IT, and HR leaders need to improve their work environments to suit these evolving needs, or they risk losing their employees to competition.

This paper:

- Discusses why your employees are disengaged
- Discusses the six trends that will dominate the workforce of the future
- Describes how Cisco® Workforce Experience solutions can help enable these rich workforce experiences



- 01** Executive Summary
- 03** Why Are Your Employees Disengaged?
- 04** The Evolving Workforce: 6 Disruptive Trends that will dominate the future of work
 - 05** The 'Gig' Economy
 - 06** Shared Workspaces
 - 07** Augmented Workforce
 - 08** The Sensing Workplace
 - 09** Virtual and Augmented Reality
 - 10** Digital Twins
- 11** Cisco Solutions Power Smart Workplaces
- 11** Conclusion: Empowering Your Workforce for the Future



Why are your employees disengaged?

What is the difference between an engaged and a disengaged employee? Engaged employees are passionate about their work and feel a profound connection to their company. They drive innovation and ultimately move the organization forward. Employee engagement is the key to high productivity, retention, profit increase, and better customer satisfaction. Simply put, happier employees lead to 81 percent higher customer satisfaction and 50 percent lower turnover.¹

Disengaged employees, in contrast, are essentially “checked out.” They are literally counting the hours through their workday and might be putting in the time, but lack passion and energy. Today ~9 out of 10 employees are disengaged.² Bottom line: forty-one percent of those surveyed believe the total disengagement cost to their organization is more than \$25,000, while 24 percent said it cost them more than \$50,000.³

Figure 1 Disengagement Leads to:



Fortunately, there are ways to combat the costs of disengaged employees. Today's workforce is continuously evolving as we intake more millennials, who have different habits as to when, where, and how they work. Giving them the flexibility and autonomy to work anytime, anywhere through digital technologies will make you their employer of choice.

Figure 2 Factors of Disengagement

The Evolving Workforce: Six disruptive trends that will dominate the future of work

There are six technology trends that will have a profound effect in shaping future of workforce experience.

Figure 3 Six technology trends to power the future of work



The 'Gig' Economy
Contract Workforces



Shared Workspaces
Co-Working is
the new reality



Augmented Workforce
Machine Displaces
Humans



The Sensing Workplace
Data is the new currency



**Virtual &
Augmented Reality**
Blending Physical
with Digital



Digital Twins
Play Safe

1 The Gig Economy

Freelance is the new employed

Today's labor market is characterized by short-term contracts, freelance work, or essentially "gigs," as opposed to permanent jobs. Firms connect giggers with these jobs through a digital marketplace- websites or mobile applications to work on demand. In 2015, more than one-third of

millennials (the largest demographic in the workforce) were employed as independent workers.⁵ Today's evolving workforce is a portfolio of full-time employees, contract and freelance talent, with no formal ties to a company at all. Thanks to evolving technology, increasing connectivity, and nonrigid attitudes, the gig economy is becoming the new normal.

Why Gig Economy?

- Employers want to increase their flexible workforce to reduce cost and increase talent supply engaged remotely
- Full-time freelancers want (1) high degree of autonomy, (2) work schedule and location flexibility, and (3) good work-life balance

Figure 4 **Freelance Is The New Employed**



91%

Gen Y: Avg. job length < 3 yrs.⁶



80%

Large firms to up contractors⁷



15%

Freelancers earn via a digital platform⁸

Figure 5 **Hello Freelancers**



McDonald's + UberEats

McDelivery goes live in >1000 US locations



Indian Railways + Ola

Ink \$8M deal to ensure "last-mile" connectivity



Microsoft

2/3rds as many contractors as full-time employees

>40% America's Workforce will be Freelancers by 2020⁹

2 Shared Workspaces

Rent-a-desk

Expanding from its beginnings as an experimental office concept for entrepreneurs and technologists, co-working has rapidly emerged as an effective workplace strategy for a growing number of corporates. Because shared workspaces provide firms with greater flexibility and efficiency than traditional office leases, the global co-working swell is expected to continue indefinitely. Businesses can integrate co-working spaces by leasing

portions of an off-site co-working space to accommodate vendors, consultants, specific teams or by creating a co-working environment on-site in an existing corporate-owned or leased office.

Why Shared Workplaces?

- Co-working strategy is being adopted: to attract and retain talent, drive innovation, build community, optimize productivity, and utilize real estate portfolio efficiently.

- Communal benefits have been reported by independent and remote co-workers who are physically disconnected from co-workers.
- The two fastest growing co-working spaces worldwide are WeWork and Regus, which have 80 percent of market share in the co-working space.

Figure 6 InstaOffice

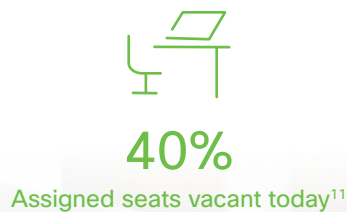


Figure 7 Shared Workspaces Are Skyrocketing



WeWork

2X Members
from 40k to 80k



Regus

1,500 to 2,000
spaces worldwide



DesksNear.me

List Your Desk
or Office Space

Office-as-a-Service: Leasable by hour, day, or month

3 Augmented Workforce

My Pet AI

Consider a robot costing \$30,000. Unlike the \$30,000 worker, the robot's expense is one time, it can work 24 hours a day without getting tired, and there is no health insurance. As artificial intelligence, machine learning, robotics, intelligent assistants, and cognitive tools grow in sophistication, almost every job is being reinvented, creating what many call the "augmented workforce." As this trend gathers speed, organizations

must reconsider how they design jobs, organize work, and plan for future growth. Areas such as IoT, cybersecurity, and healthcare, which have access to massive data points are quick to adopt and experiment with AI algorithms, but deals are slowly emerging in other verticals as well such as legal tech, travel tech, real estate, media and entertainment.

Why Augmented Workforce?

Automation is going to redefine jobs. In fact, 50 percent of occupations today will no longer exist in 2025.¹³ You need to assess the automation potential of jobs in your industry and its impact on your workforce. You need to look for gaps in the workflow where AI and machines can assist humans and incorporate that assistance. Interactions between humans and machines will occur in the same place, side by side, all working toward a common goal of driving businesses forward.

Figure 8 AI, ML, and IA are redefining jobs

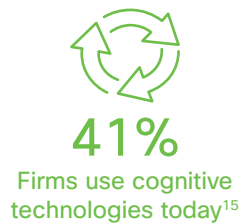


Figure 9 The Rise of The Bots



Amazon + Kiva

50% more inventory & 1/5th the processing time



ROSS Intelligence

Sifts through billion law documents each second



HR ChatBot Talla

"Do we have Labor Day off?"

25% customer service & support operations to rely on virtual assistants by 2018¹⁷

4 The Sensing Workplace

Data is the new digital currency

Thanks to mobile technology and remote working, people are no longer just sitting in their cubicles as they used to and cranking out work. Between pricy commercial rent and utilities costs, that's a lot of wasted cash on unused space. Real estate is typically the second biggest corporate expense after salaries. Collecting workplace data to determine building occupancy and space utilization to optimize real estate is an initiative many firms are taking

up today to combat this. Even motion, sound, temperature, and presence tracking is done through networked sensors in smart offices today. This data can help inform decisions about employee whereabouts during the day, effective office design, or even lease renewals depending on space utilized.

Applying talent analytics to hire the right people, increase productivity, and optimize strategic workforce planning is another aspect of big data analytics

in the workplace. Typically HR, hiring, and promotion processes have been very qualitative, but carrying them out with hard numbers is a new approach. As today's data-driven world gets more sophisticated through mobile, cloud, and IoT, organizations must build the tools to turn their workplace-based data into business insights. Google's HR department, called "People Operations," is a data-driven function that quantifies decisions about hiring, promotion, training, and culture and it is clearly working for them.

Figure 10 Data & Talent Analytics

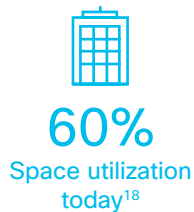


Figure 11 Know Your Business Better



Google People Analytics

Led to 35% increase in retention



Microsoft Workplace Analytics

Delivers 140+ Unique KPIs



AMC Entertainment

Reduced Employee Turnover by 50%

5 Virtual & Augmented Reality

Science fiction is becoming reality

Augmented and virtual reality was once considered a set of consumer gaming technologies. This has changed now as companies search for new ways to make the workplace more tech savvy, trendy, and in line with workforce expectations. AR superimposes computer-generated images and overlays information on a

user's real-world view. VR takes this a step further by creating an immersive virtual environment. Businesses are beginning to test AR/VR applications to improve productivity and provide new experiential learning experiences e.g. immersive training, faster improved design, collaboration without borders, field service through immersive instruction, making hands-free data access easier, and more.

Today's digital workforce is not impressed with just a brick-and-mortar office or 19th-century pen and paper collaborations. Workers expect to be operating in a smart office in the very near future. To attract and retain top talent in your industry, you need to equip yourselves with the latest innovations.

Figure 12 Harness The Power of Mixed Reality Workspace



66%

Want to use AR/VR products to train in virtual environments²¹



25%

IT firms are testing AR business apps on smartphones²²



AR/VR will change the world just as much as the smartphones did²³

Figure 13 How Will VR/AR Transform Your Job?



NASA

Trains astronauts with zero-G virtual reality



Ford

Global teams optimize vehicle design on Oculus Rift



Boeing

AR to build airplanes, cut error-rates by 50%

\$162 billion+ Revenue by 2020 in AR/VR²⁴

6 Digital Twins

IoT expands with Digital Twins

When the physical and the digital worlds meet, digital twins are born. A digital twin is a digital software representation that mirrors a unique physical object. It relies on sensors and data to report on the object's state. Digital twins include a combination of:

- 1) A model (metadata, composition, and structure)
- 2) Data (for example,

location and temperature) 3) Unique identity (unique correspondence to an object) 4) Monitoring (state or alerts)

Why Digital Twins?

- Digital twins help in enhancing product development and innovation, asset monitoring, optimization, and improving user experience e.g. they could analyze how a car is

driven to suggest new features that reduce accidents. Predictive maintenance, reducing downtime and maintenance costs are other high-value benefits.

- Organizations will use digital twins to increase operational efficiency in factories by planning for equipment service and predicting equipment failure.

Figure 14 IoT Expands With Digital Twins

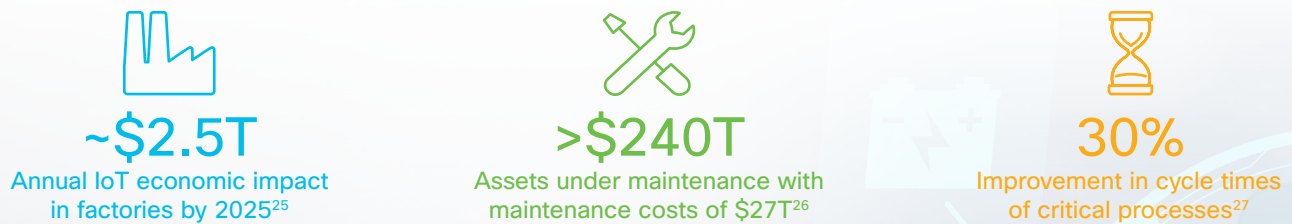
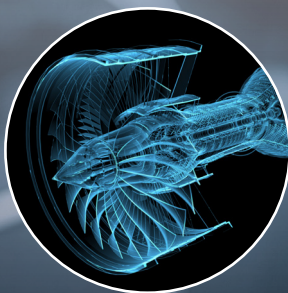


Figure 15 Twinning is Revolutionizing The Industry



General Electric

Digital Twins and HoloLens to “talk to turbines” in cruise liners



Virtual Singapore

3DEXPERIENCE City project is the all-seeing “urban dashboard”



McLaren Honda

Formula 1 carmakers generate digital representation of the race real time

Cisco solutions power Smart Workplaces

Partner with us to transform your Cisco Workforce Experience journey (Figure 17).

Figure 17 Our Workforce Experience Solutions



Workplace Analytics

Understand and optimize real estate management with actionable, real-time building and occupant intelligence



Workplace Design

Increase employee engagement and satisfaction with pre-validated, collaborative workspace templates



Digital Building

Make your building smarter—converge standalone building systems onto one IP platform



Collaborative Knowledge

Empower your workforce with digital tools they need to access experts, learning, and knowledge anytime on any device

Conclusion: Empowering your workforce for the future

When thinking about how the workforce is evolving, you need to think about what really matters to employees and how you can integrate technology in the workplace for the digital nomads of today. Corporate real estate, IT, and HR executives need to do a lot to meet those needs and achieve their HR goals.

Cisco has the expertise needed to deliver high-quality mobility and collaboration solutions. We make business-critical communications possible in real time, across multiple channels. Cisco Workforce Experience offers are complete, enterprise-class solutions designed to scale smoothly and make your vision of the digital workspace a reality.

For more details, visit [Workforce Experience Solutions Page](#)



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