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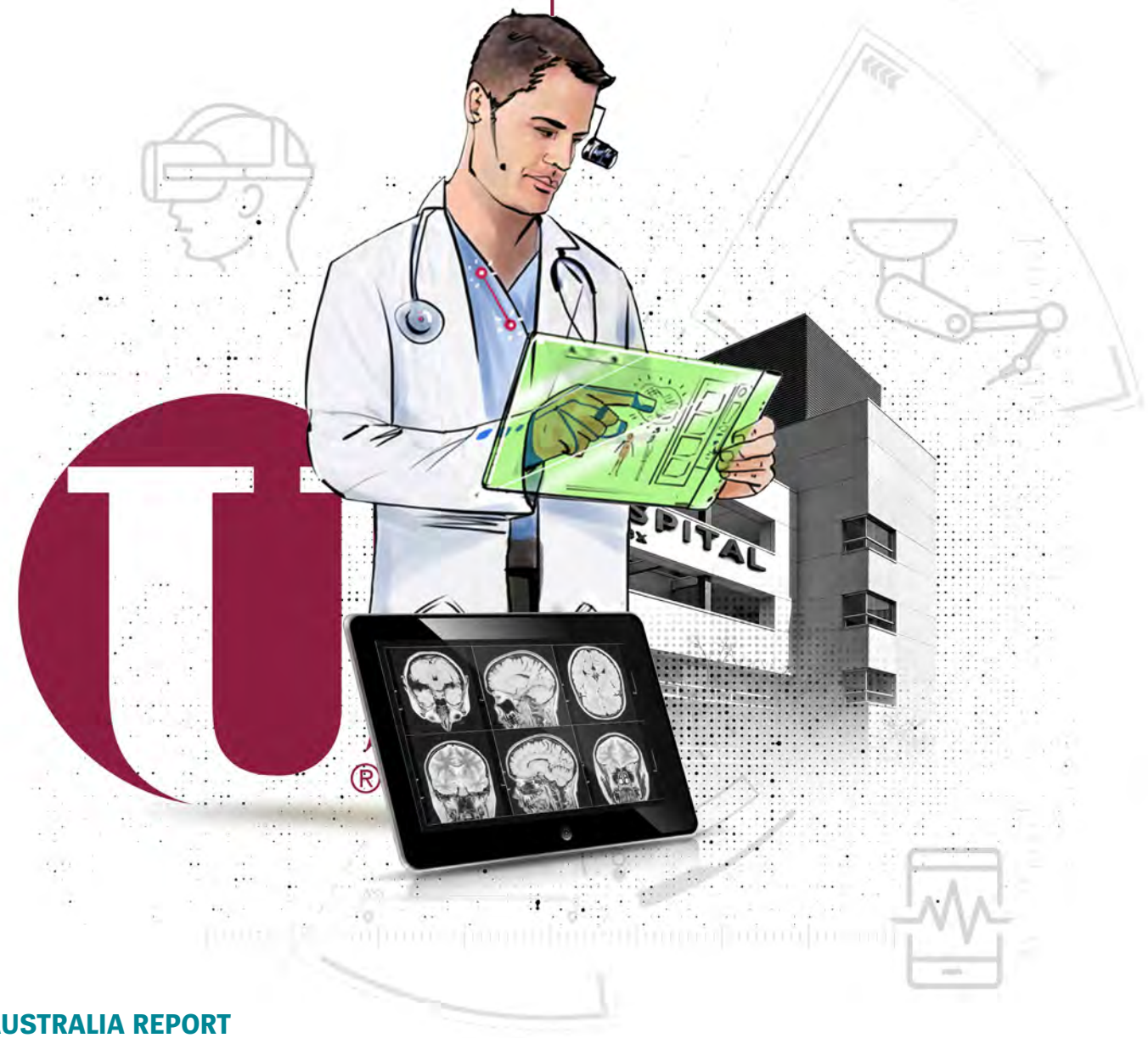
THE NEW DIGITAL WORKPLACE DIVIDE

Global study finds workers at "technology laggard" organisations more than 600 percent more likely to be frustrated, and more than 1 out of 10 are likely to consider quitting when they work with outdated technology



AUSTRALIA REPORT

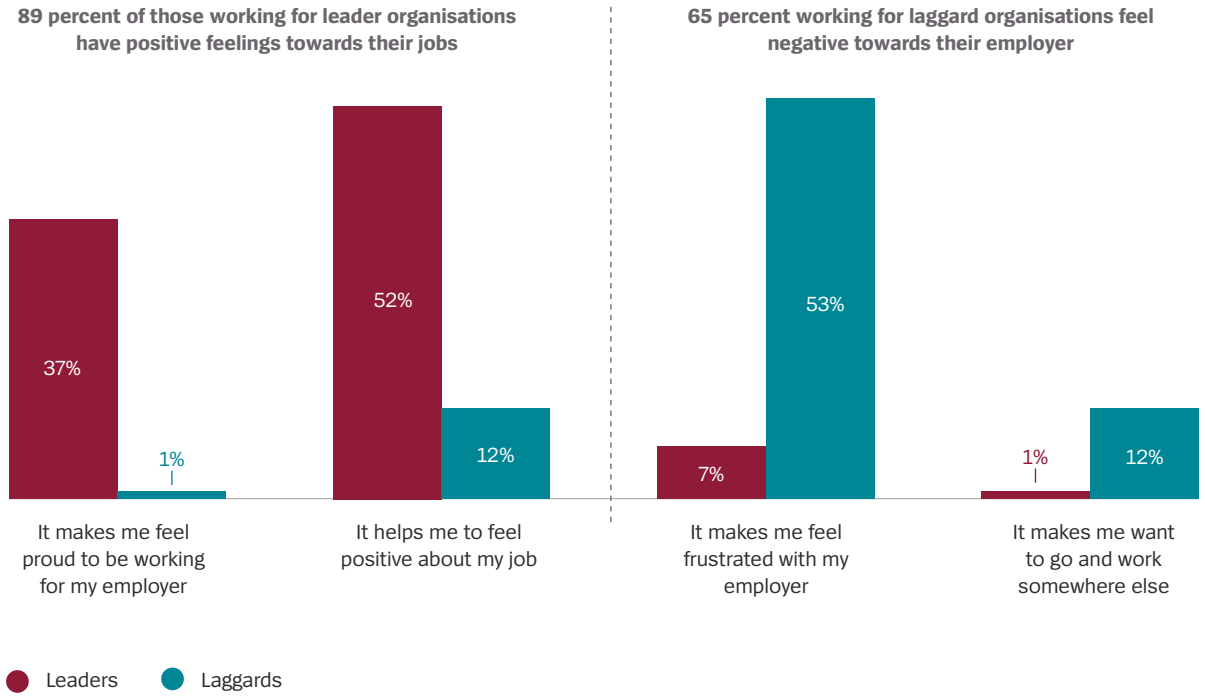
Executive Summary

There is a growing digital divide in Australia's workplace between organisations that have placed themselves at the forefront of technological investment and development and those that have failed to invest in the latest technology or invested in the wrong areas. More specifically, there is a stark divide between those businesses that are technology leaders as compared to those that are technology laggards – and the side of the divide on which a business falls has a deep and lasting impact on not just productivity, but also on employee attitudes and emotions.

Data from **The New Digital Workplace Divide** research show that more than half of workers for technology laggards (53 percent) report being frustrated with their employer because of the technology provided, compared to only seven percent of workers at technology leader organisations.

As a result, workers at technology laggard organisations are more than 600 percent more likely to be frustrated with their employer and substantially more likely to want to leave to work elsewhere, as compared to their counterparts at technology leader organisations – only three respondents out of 286 surveyed who identified their employer as a technology leader said they would want to work elsewhere because of the technology provided, compared to more than one out of every 10 workers at technology laggard organisations.

Fig. 1 | How does the technology you use at work make you feel about your employer?



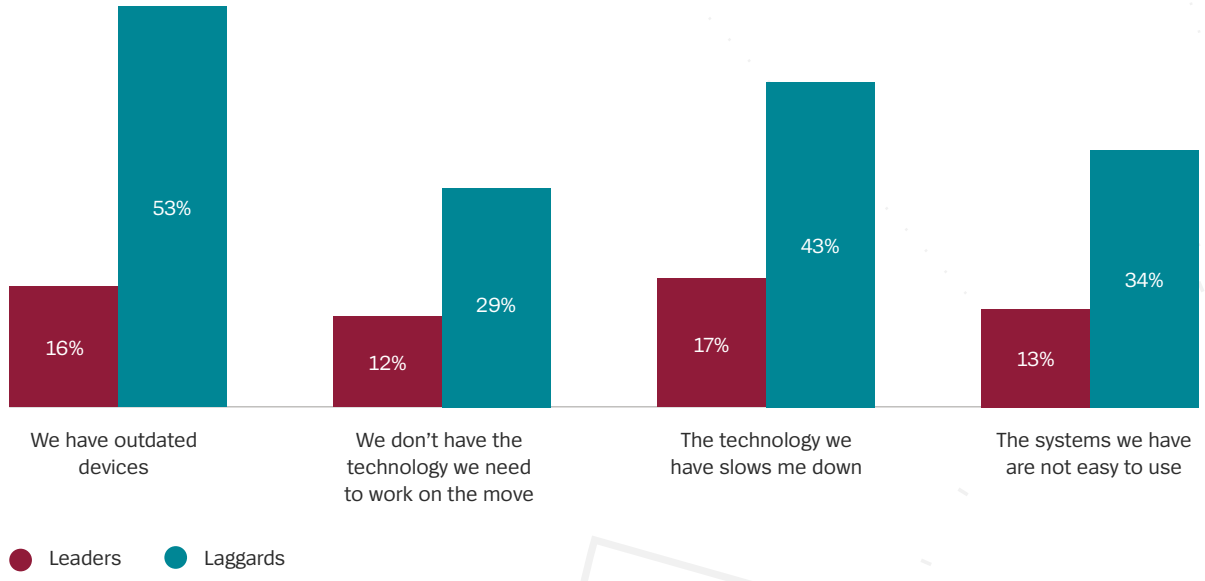
The Push and Pull to Innovate in Australia

In 2017, Prime Minister Malcolm Turnbull pledged $100 million to drive technology, profit from the fruitful opportunities it presents and help position Australia as an 'innovation nation'. The country is now also opening its doors to talent by trialling a new visa scheme, targeted at the tech industry, to recruit overseas skills to give the country a competitive, global edge.

Technology clearly sits high on Australia's public agenda. But how is it doing within the Australian workplace? New research from Unisys has revealed a chasm between the engagement and innovation of employees – a new digital workplace divide that is parting the "technology leaders" and the "technology laggards."

Within the Australian workforce, technology is seen as something of a morale booster – 89 percent of those who work for technology leader organisations feel positive about their jobs compared to 65 percent in laggards who feel negatively because of the technology provided. And 12 percent of workers at laggard organisations want to leave, compared to only one percent of workers at leader organisations. Devices serve as the biggest pain point, with 53 percent of workers for technology laggards citing outdated devices, compared to only 16 percent of those at leader organisations. This suggests that an issue that began with IT now has the potential to be an HR crisis.

Fig. 2 | In what ways does the technology provided by your employer prevent you from working effectively?



The Impact of Employee Engagement on Productivity

The picture painted here is clear. Workers are looking for agile, modern solutions that support their need to work in different locations or when on the move. Failure to provide mobility-fuelled productivity has big consequences for employee satisfaction and motivation – which are driving factors in productivity.

Ultimately, the cost of not engaging the workers in your workplace has real consequences on both productivity and the bottom line:

Engagement: Given that organisations that invest in employees have 4.2 times the average profit of those that do not, it is clear that making the conditions right for workers has a real impact on a corporate bottom line. Source: https://hbr.org/2017/03/why-the-millions-we-spend-on-employee-engagement-buy-us-so-little.

Productivity: A 2017 report by research and polling company Gallup found that actively disengaged employees cost the U.S. $483 billion to $605 billion each year in lost productivity. Source: http://news.gallup.com/reports/199961/7.aspx#aspnetForm.

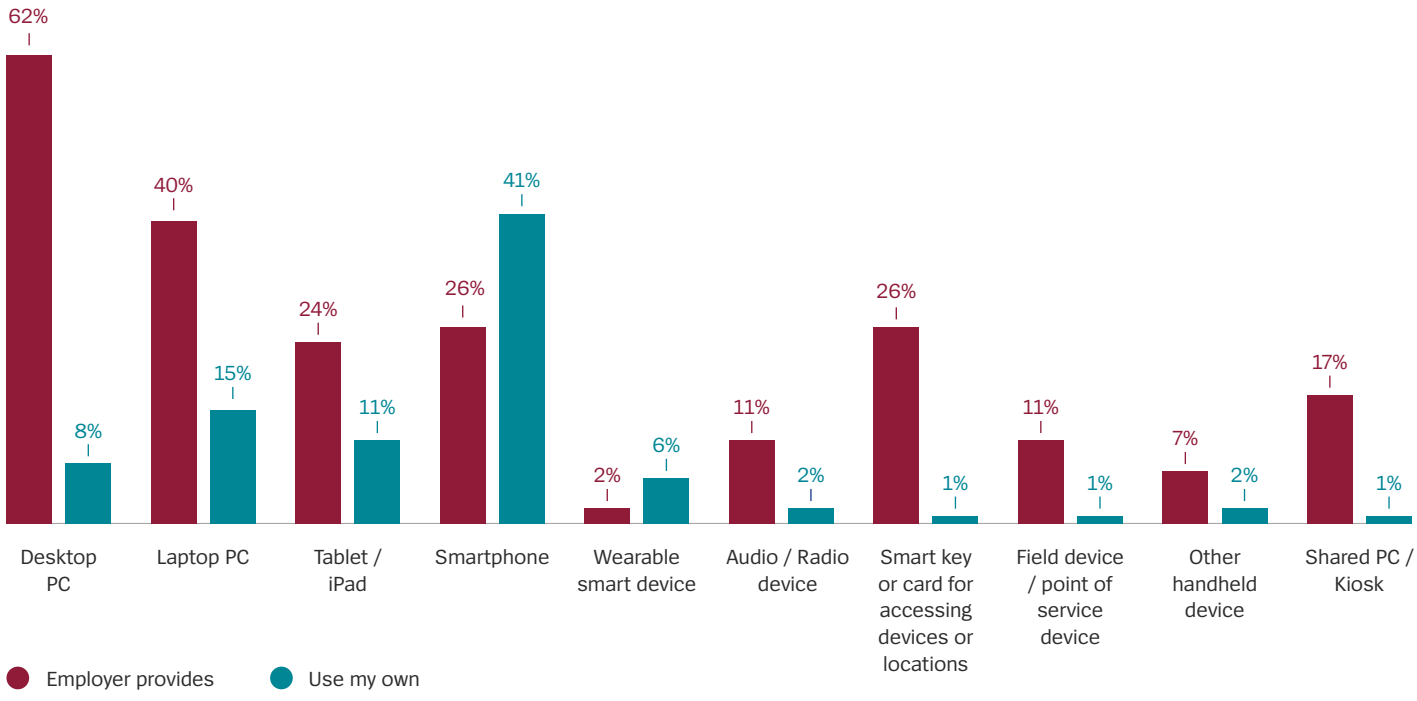
Attrition: A 2016 survey by Samsung found that 10 percent of workers have left a job because of technology frustrations. And the impact on the bottom line for replacing employees is significant; some studies predict that every time a business replaces a salaried employee, it costs six to nine months' salary on average. Sources: http://www.bbc.com/news/business-38125619; https://www.peoplekeep.com/blog/bid/312123/employee-retention-the-real-cost-of-losing-an-employee.

The Slippery Slope of Outdated Technology and the Impact on Productivity

Devices are the most tangible opportunity for improvement in the Australian workplace, but are equally one of the biggest drivers of the digital workplace divide. Outdated devices and poor ease of use are a significant source of dissatisfaction for 53 percent of those working for laggard organisations, over three times as many as are in leaders. The common complaint is that the technology they have slows them down.

Desktop PCs are still used by more than two-thirds of workers, making them the most prevalent device. But this is not out of choice, with nearly half of respondents (41 percent) using their own smartphone and almost half (45 percent) claiming they would rather have a new or upgraded laptop PC or tablet – positioning mobile tech as highly valued.

Fig. 3 | Which of these are your own devices or ones provided by your employer?

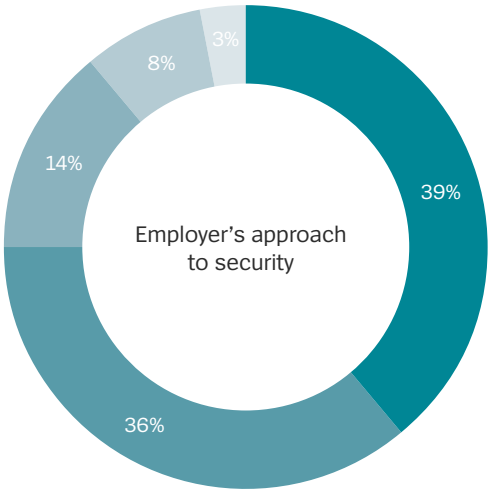


The dominance of desktops means BYOD (Bring Your Own Device) is more limited in Australia, as workers lack the agility needed to work from anywhere. This is especially true for workers at laggard organisations, with 29 percent saying they do not have the technology to work on the move, up from the global average of 24 percent.

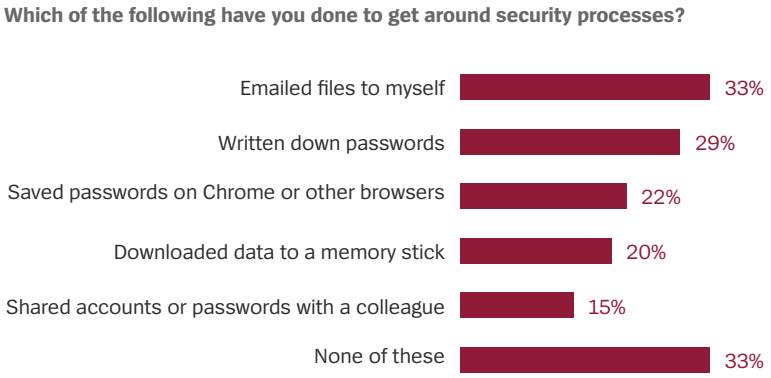
This lack of mobility has implications for security, as well, with more than two-thirds (67 percent) of employees saying they use workarounds to help them achieve greater productivity.

Additionally, more than half of respondents (51 percent) who use their own device at work download apps and software not supported by their IT groups. Looking at how the leader and laggard organisations identify where technology can add value reveals where opportunities may be missed. Laggards are still focused on using tech to improve their basic infrastructure, while leaders prioritise collaboration or security. This points to the latter's smarter use of data – they've already sorted their operations and can now focus on using data to extract value and grow their business.

Fig. 4 | What describes your employer's approach to IT security?



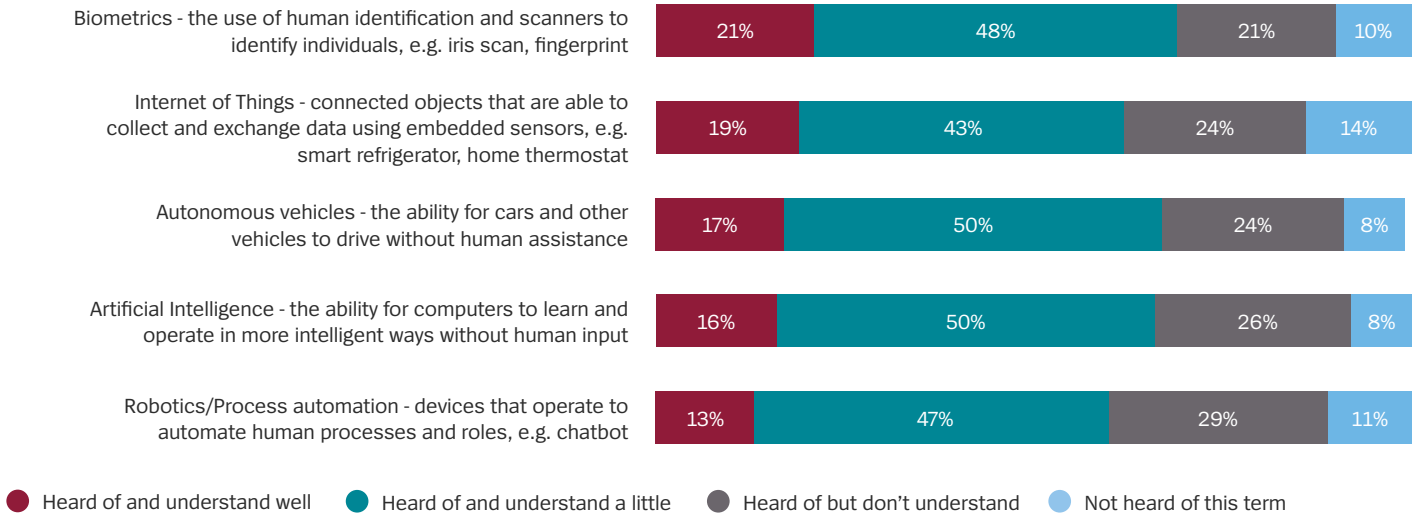
- They put security above all else, even if that slows us down
- They view security as important, but make sure it doesn't get in the way
- Their approach to security is variable – some systems and equipment seem harder to access than others
- Don't know
- I feel like my data is at risk



The Tech Knowledge Gap

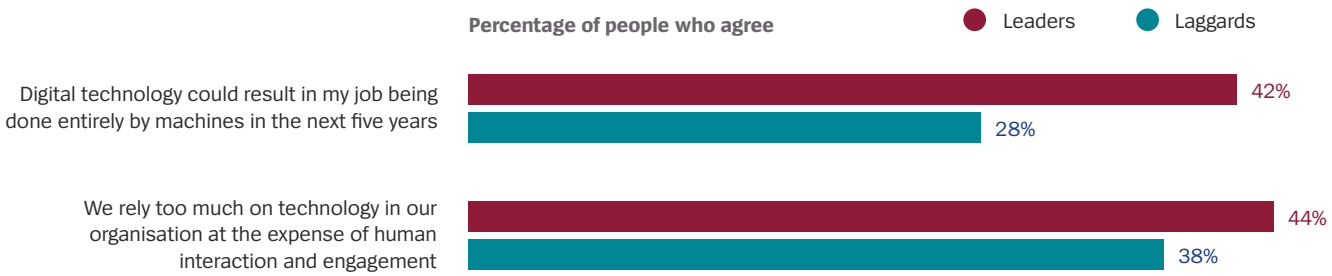
Despite all this, the workforce understands that technology is the way forward. While there is an awareness of emerging technologies, most people lack depth of understanding. For example, 69 percent have a grasp of biometrics, perhaps as a result of sign-in on their mobile phones, but only 21 percent understand it well.

Fig. 5 | To what degree are you familar with the following types of technology



When it comes to the technology of the future, 33 percent believe the Internet of Things (IoT) has the greatest potential to improve the workplace by 2023, with Artificial Intelligence (AI) as a close second (32 percent). But there are warning signs even here, with 42 percent of workers at leader organisations concerned that their jobs could be rendered obsolete by machines.

Fig. 6 | To what extent do you agree with the following statements?



Conclusion

Without the proper investment and employee training, the digital workplace divide will grow as time rolls on. Leaders are more likely to profit from innovating with emergent technologies, leaving laggards even further behind. And knowing that 65 percent already feel negatively about poor technology, it's unlikely their employees will remain loyal for long.

The Unisys Perspective

The fact is the technology used to do business in the workplace is perpetually evolving. This is true whether your business has undertaken modernisation efforts or not. However, investing in technology by itself is not what separates those organisations that are tech leaders vs. laggards. Indeed, Unisys believes that the common theme that runs through The New Digital Workplace Divide research more specifically around culture. Indeed, a recent 2018 Gartner CIO Survey found a majority of CIOs agreed that cultural change is a key aspect of digital transformation.

If the barrier to transformation is culture, then technology represents a path to prevail over that barrier. However, there is a lot more to becoming a technology leader than just investing in new laptops for your staff; rather, it is about creating a culture of technology leadership in an organisation that starts from the top down, and spans across several key areas: access to information, building security into everything you do and looking at how emerging technology will continue to adapt in the workplace. Failure to account for these elements could pose a significant threat to your future success.

Zeroing in: Access and Collaboration Are Key to Culture Change

Based on its deep domain expertise and experience in building better outcomes securely for its clients across the Government, Financial Services and Commercial markets around the world, Unisys believes enabling access is a critical component of a culture of productivity. Consider the significant levels of frustration in the survey from workers at technology laggard organisations.

Fifty-three percent of workers at these organisations reported being frustrated with their employer because of technology, which was more than 600 percent more likely compared to workers at technology leader organisations (seven percent). Additionally, 53 percent at laggard organisations cited devices as the main source of that frustration, compared to only 16 percent of workers at leader organisations.

This frustration brings with it a troubling trend for attrition, with workers at technology laggard organisations (12 percent) more likely to want to leave to work elsewhere, as compared to only three respondents out of 286 surveyed who identified their employer as a technology leader organisation.

"The data shows a clear new paradigm in today's digital workplace: more than half of those people who work for technology laggards are frustrated with their employer, more than half cite devices as the primary source of frustration and those people have one eye on the door," says Leon Sayers, lead advisory consultant for cloud and infrastructure services, Unisys Asia Pacific. "Their frustration is very real and has a tangible emotional impact – but when you boil it down, it's really about access. Workers want to be able to do their job, anywhere, and do it easily, without having to jump through hoops. The device itself is not going to make a difference unless it's equipped with the right applications and the right productivity and collaboration tools, which is critically important to access and engagement."

Balancing Access and Collaboration With Security

The "Bring Your Own Device" to work movement, which relates primarily to smartphones, brings with it greater access to company information, but it also brings substantial security risks – particularly in Australia. The survey showed that 64 percent of digital workers downloaded apps and software not supported by their organisation's IT group because they are "better than what my company provided" or "my company did not provide an alternative," up slightly from the global average of 63 percent. More concerning, 67 percent admit to having used workarounds – bypassing security protocols – to be more productive.

"The average cost of a data breach last year was over US$3 million per incident; so there's no denying the importance of security – but it can't come at the expense of access, because the results showed that workers at laggard organisations were 1,100 percent more likely to want to leave to work elsewhere – which paints a very stark picture," says Sayers. "The trick is being able to provide a built-in approach to security, leveraging technologies like microsegmentation and encryption, which establish that critical element of digital trust by offering protection across multiple devices, services, networks and with identity authentication – regardless of whether it's at an airport kiosk or using my work laptop at my house – without compromising data."

The Future of the Workplace

According to the survey, one-third (33 percent) of respondents viewed the Internet of Things (IoT) as the emerging technology with the most potential to transform their workplace environment in the next five years, followed closely by Artificial Intelligence (AI) (32 percent). However, while a majority of respondents cited familiarity with these technologies, only 19 percent and 16 percent, respectively, said they understood IoT or AI well.

Importantly, this lack of understanding plays strongly into what people believe the impact of emerging technology will be on their workplace. Notably, the survey found that 42 percent of workers at leader organisations believe that technology and automation could make their jobs obsolete in five years.

"The level of concern is understandable, even for those who identify themselves with technology leaders, because when you think about it, it's the fear of the unknown – because a significant number of people still don't really understand how it works yet, they just know it's coming into play. From our standpoint, AI will enhance workers, not replace them," says Sayers. "The workplace is transforming regardless of whether organisations modernise or not. This is about modifying and transforming workplaces to bring in technology that will better enable workers. To truly create a culture of tech leadership, you're saying that you're not fighting the transition, you're understanding that it is happening. This is something that is occurring, and it must be accounted for in your corporate strategy."

Calls to Action

So what can organisations looking to become technology leaders do? While there is no silver bullet, Unisys believes there are tangible steps they can take.

1. Identify and map a path to digital maturity specific to your needs.

Not every business or organisation needs to keep up with Google or feel the need to invest in every emerging technology available. Digital maturity, or the process of learning to respond appropriately to the emerging digital environment based on your needs, starts with creating a strategic roadmap that will help you align your IT and technology with your specific business goals.

"It is ultimately about where you want or need your business to be. An organisation will always be spread across the maturity spectrum and will never be at any one level; however, taking a holistic viewpoint that incorporates both technology and people perspectives can help your organisation better understand where your gaps are, how your resources are allocated and what you can expect from a modernisation effort," says Sayers.

2. Start internally to effect change in how you operate externally.

"The rationale here is you have to be digital internally before you can be digital externally," says Sayers. "To accomplish this transition, it's imperative to give your digital workers access to services in the cloud, empower them to find answers via social media and use analytics and automation to free them from tedious tasks. Doing so not only increases an organisation's speed and ability to deliver better digital solutions, faster, but it also establishes the foundation needed for your workers to help your customers adopt."

3. Make IT support synonymous with access.

The research supports that today's digital workers want to be able to access the information they need to do their jobs from anywhere, at any time. But what good is access if your workers don't get timely IT support when systems or devices go down?

"Today's digital workers expect personalised, instantly accessible, frictionless support from their organisations, just like what they expect as consumers," says Sayers. "And that means you need more than one type of support. You need a holistic set of offerings that can deliver a consistent experience across devices, and both live and virtual agents to provide fast, personalised, proactive support tailored to respective user needs and preferences."

4. Find the right cloud for you to enable workspace productivity.

When you look at the laggards and the leaders, one thing is clear: the laggards are working with older application sets. Odds are, they are slowly trying to move to the cloud, but transitioning is not easy: the right strategies, governance, policies, security and controls are essential to manage risk, expense and to eliminate disruption.

"The more things you put in the cloud and other modern technology platforms, the easier they are to integrate," says Sayers. "And based on your business needs, your data can be managed on-premises or in private, public or hybrid cloud environments. This enables businesses and agencies to reduce overhead and increase their speed in delivering secure digital services, which enables the business and workers to focus on their core competency."

5. Proactively secure your digital workforce.

With nearly two-thirds of digital workers accessing company information from and working from their smartphones, it's more important than ever for organisations to take proactive steps to secure their workers' devices and data. The new formula for cybersecurity success lies in implementing a model for Digital Trust that addresses four related and complementary pillars: devices used, services provided, connectivity across channels and identity management and authentication.

"As more workers gain anytime access to their data, the focus around security also needs to shift from simply protecting your network to protecting information wherever it goes," says Sayers. "This means focusing protection not on the employee device, but on the data they are accessing by implementing the proper encryption tools and authentication technology to mitigate the risk of damage should information be compromised."

6. Keep future-facing by partnering with a trusted technology provider.

One of the biggest hurdles for organisations today is that they are hamstrung by older, siloed systems that do not connect with one another and are less flexible. For these businesses and government agencies, trusted technology providers can help make a big difference.

"Specifically, when siloed systems are broken down and offered as-a-service, suddenly they're not shouldering the load by themselves, and they have a partner that can help them break down all the silos and transition and transform into more of a microservices approach to service delivery," says Sayers. "And most importantly, this means you're not stuck in two or three years trying to figure out how you're going to keep up with the next wave of technology because it's all baked into the work that you are doing with your partners."

Conclusion

Overall, the research suggests investment in the right areas allows a business to be part of defining how digital workers will evolve in the long term, and that an innovative mindset toward technology is crucial to getting the most out of engaged employees.

The workplace today can be anywhere from a remote office to a transatlantic plane. Workers now expect the same tools, access and connectivity wherever they are. The result is that technology inspires some and disrupts others.

Businesses that keep up with technology survive. Businesses that define the future with proactive investment thrive. That is the eventual outcome of the leader vs. laggard dichotomy. It means that the right technological investment today is essential to keeping workers happy and ensuring that businesses retain the right skills, knowledge and experience they need to succeed.

For more information, please visit https://www.unisys.com/digitalworkplacedivide/australia. For more on Unisys digital workplace offerings, visit: https://www.unisys.com.au/offerings/digital-workplace-services.

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