

Industry Insights

State of the Industry Future of Work

In partnership with



Executive Summary



▶ The Pandemic has forever changed the trajectory of the work environment. CxO's understand this but **culture, processes and technology** are not yet mature enough to meet the expectations of today's workforce.



▶ A Hybrid work environment will be the default form of working by 2024, with over **80% of the workforce conducting work in this manner**. However, there will not be a 'one size fits all' model. Companies will develop their own hybrid models that will best fit their culture.



▶ A disconnect still remains, however, in that company executives would still **prefer their workforce be onsite (64%)**. Culturally, CxO's are still overly concerned with losing employee oversight.



▶ To meet the needs of the hybrid workplace of the future, companies will be required to **upgrade their infrastructure and assess their data security** practices to ensure employees can maintain maximum productivity.



▶ The promise of AI/ML to better enable the workplace of the future is real. **Executives believe leveraging these tools** in a distributed workplace to provide more effective training and more efficient interactions with customers will help them to better perform in the next 24-36 months.





Anne Chow
CEO, AT&T

Anne Chow is the Chief Executive Officer of AT&T Business. She leads the company's Business Solutions unit, comprising of over 30K employees who serve nearly 3 million business customers globally. She has enterprise-wide responsibility for all business sectors including small and medium-sized businesses, global multinationals, and public sector clients. Her P&L ownership spans all of AT&T's business services across wireless, networking, cybersecurity, IoT, and advanced managed solutions.

The Future of Work

There's no question that the pandemic has profoundly changed the way we live, work, and engage. We've had to adapt and execute at breathtaking speed, working in ways we've never before imagined. What we're learning is that it's possible for our workforce to be productive nearly anywhere and that their expectations have evolved substantially. So where do we go from here?

It's time to embrace hybrid work, rethink and redefine our operating models for the future – but many aren't there yet. From strategic gaps to company policies and culture, to implementing the right technology infrastructure, there are many big questions to ponder and address.

That's why we at AT&T Business, together with Dubber, have partnered with Incisiv to survey more than 300 C-suite executives and senior managers on topics that range from talent retention, technology resources, the role of artificial intelligence (AI) and analytics, productivity, collaboration, and more.

I hope that you find the results engaging, thought provoking, and importantly, a catalyst for change as you shape your organization to capitalize on growth opportunities now and into the future.

Yours in transformation,
Anne



Steve McGovern
CEO, Dubber

Steve McGovern is the CEO of Dubber, a conversational intelligence company that enables conversations to be captured when and where they happen, generating deep insights to fuel business revenue, compliance, people, and customer intelligence.

With over 20 years of executive experience in telecommunications, media, and pay TV, Steve now leads a global team of over 240, helping business and government bodies harness their conversational data for informed transformation across all aspects of the organisation and, enabling service providers to embed recording and conversational intelligence as a native feature of their networks.

We've taken the first steps into a 'work from anywhere' world.

Removing employees from the workplace was necessary, but the sense of distance and dislocation wasn't.

Businesses are realizing hybrid work is here to stay and will be a leading driver in capturing talent. Addressing underlying maturity issues in culture and technology necessitates quickly closing the digital chasm between the business, its employees and their customers. We're in the midst of a workplace revolution, driving the need for organizations to harness the power of technology in order to compete and thrive.

Technology lets organizations capture every conversation – sharing it and turning it into data. Knowledge into employee sentiment, performance and engagement has immense value in this hybrid workplace environment. The same is true for every customer and supplier.

AI makes it possible to mine this vast treasure trove of information. It can show where there are risks and opportunities.

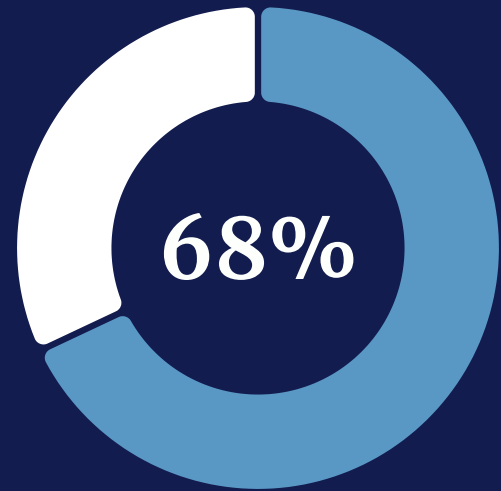
Businesses moved with urgency to distance employees. That same speed is now necessary in deploying the tools required to overcome distance, improve visibility, insights and outcomes. That way, they can close the gap with their customers and employees.

With the right tools, people, and processes in place, hybrid work has the potential to be a model that can drive better outcomes in productivity, collaboration, innovation, and motivation.



Section 1

The Future of Work is Hybrid



Believe the **distributed workplace model** will be the industry standard

Current vs. future workplace models

Hybrid workplaces will become the default work model.

In 2020, COVID-19 forced organizations into a remote working model. As the threat of the pandemic eases, organizations are in the process of deciding whether to return to physical offices, let employees work remotely, or find a middle path and choose a hybrid model. While there is a significant surge in organizations that prefer to have employees back in the office (80% increase by 2024), offsite working will still be the dominant working model.

Complete remote working models will see a drastic decline (of 1/3 by 2024), as firms will ease employees back to the office with a hybrid work model. A vast majority (68%) of organizations believe the distributed work model will become the industry norm in the future.

Where will work happen?

Employees working onsite will increase from 24% in 2021 to 44% in 2024.
Employees working offsite will decrease from 76% to 56% in 2024.

| Onsite |



24%

2021

44%

2024

| Offsite |



76%

2021

56%

2024

Where will offsite work happen?

Employees working completely remote will decrease from 58% in 2021 to 19% in 2024.
Employees working in a hybrid model will increase from 42% to 81% in 2024.

| Remote |



58%

2021

19%

2024

| Hybrid |



42%

2021

81%

2024

Organizations keep exploring their version of "hybrid"



56%

C-suite executives believe they have been able to sustain their organization's culture while working in a distributed working model



73%

Report their financial performance was on par with the industry average in the past year when the working model was completely remote



Announced 3 days a week in the office and other days work from home even after the pandemic ends.



Offers a "hybrid" working culture for 30,000 employees worldwide. Those working from home can continue to do so in the future, with flexible working hours approved by their managers.



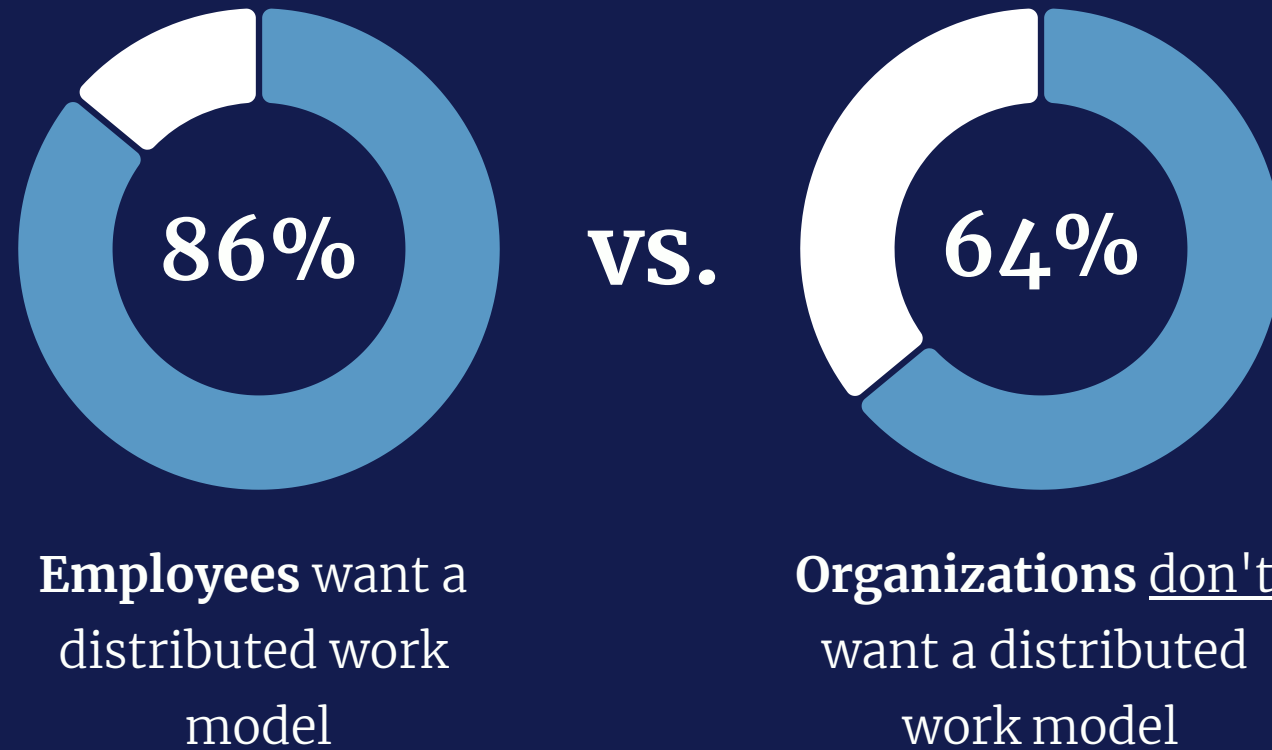
Gives workers the flexibility to choose their preferred office location from a list of dedicated team hubs (vs. being limited to their pre-pandemic location). Those working in offices will spend at least 50% of their time there, instead of a minimum of 3 days per week.

Most companies report their financial performance was on par with the industry average and they sustained their organizational culture during the past year. Nevertheless, they see the future work model as a hybrid of office and remote work. However, there is no standard defining the hybrid model. Some organizations (mostly tech) have taken bold steps, yet most are still figuring it out and moving towards a hybrid model.

Flexible office locations instead of pre-pandemic physical space, 3-day-a-week flexible schedules, and completely remote positions are a few initiatives by brands to adapt to the new normal.

Executives also cite concerns about the potential hazards of screen (or Zoom) fatigue caused by long video conferences and reduced mobility.

Employee vs. organization work model preference



Employees and organizations have opposing preferences

The distributed workplace is a talent accelerator, but organizations still prefer an onsite model.

Employees prefer a distributed work model because it allows them to strike a better work-life balance. 86% of the surveyed organizations told us their employees prefer a distributed working model to an onsite one. They also see its benefits in terms of attracting and retaining talent.

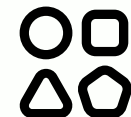
However, 64% of the surveyed organizations told us they do not prefer an offsite model. It's essential to understand the reason behind this dramatic disconnect and why firms are uneasy about making remote working the default.

Plausible reasons behind their skepticism include challenges in maintaining employee oversight and limited innovation resulting from a completely remote way of working.



97%

Of respondents believe a distributed workplace model will help attract new talent



91%

Of respondents believe the distributed workplace model improves workplace diversity

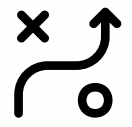


49%

Of respondents believe they don't have the culture to sustain the distributed work model

Section 2

Strategy Has To Catch Up With Reality



72%

Lack a detailed strategy to support a distributed work model



72%

Lack well-defined employee policies to support a distributed work model



71%

Lack a well-defined internal communication strategy to support a distributed work model



61%

Lack the right technology infrastructure to support a distributed work model



Organizations lack a well-rounded approach

Most continue to struggle to find rhythm in a distributed work model.

What seemed like a temporary solution for business continuity at the start of the pandemic is now likely the future for organizations as they head towards a hybrid working model for employees. Most firms started unprepared, have been operating remotely for 12-18 months, and they still don't have it all figured out.

Not built for a remote working model, most organizations realize their shortcomings in strategy, internal communication, policies and processes, and technology infrastructure.

Most (72%) companies lack a strategy and roadmap for establishing a distributed work model, as well as employee policies and communications. In addition, 61% lack the right technology infrastructure.

Organizations have to take a step back and evaluate the entire workplace restructuring challenge before crafting policies and investing in infrastructure to support the hybrid work model.



Rank	Top 5 Challenges (Overall)
#1	Maintaining employee oversight
#2	Losing institutional/tribal knowledge
#3	On-boarding new employees
#4	Lack of a comprehensive strategy
#5	Old technology systems/technology debt

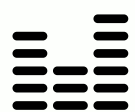
Maintaining employee oversight and losing institutional knowledge are top challenges

Evolution to a hybrid model means rethinking performance.

Employee oversight stands out as the top challenge in moving to a distributed workplace. The absence of physical interaction and flexible work routines has made it increasingly difficult for supervisors to measure performance effectively.

This performance measurement challenge is a cultural problem. Both employees and supervisors need training to be effective in a hybrid or remote model. The training needs to cover improving personal performance and measuring performance (based on outcomes instead of inputs) in a distributed work model.

The other top challenge facing organizations also relates to culture. Organizations worry about losing proprietary and institutional knowledge. Without water cooler conversations and ad-hoc chats, employees have fewer avenues to share historical knowledge or context. To alleviate this challenge, organizations need to leverage knowledge management systems and codify knowledge artifacts.


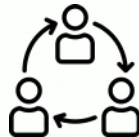




57%

Believe they were not able to measure employee performance effectively while working in a distributed working model



Employee Performance Scorecard

Performance Area	Effectiveness
 Productivity	79%
 Collaboration	58%
 Motivation	55%
 Innovation	45%



Employees have been productive, but not innovative

It's been challenging to innovate in a distributed workplace model.

With hybrid becoming the default work model, it's essential to take stock of what worked and what didn't during the forced remote working model during COVID.

Employees have been productive in a distributed work model, and we've heard numerous anecdotes of them going above and beyond the call of duty to deliver for their organization. The level of collaboration has also risen due to the rapid adoption of new collaboration tools.

When work and business processes are well-defined, productivity seems to be high. The challenge arises when work goals are loosely structured, and a high degree of creativity and problem solving is required to meet those goals. It's probably why we find innovation at the bottom of the employee performance list.

It's challenging to spark innovation without in-person interactions. Finding ways to support and foster innovation through new technologies will be a big part of the workplace transformation plan.

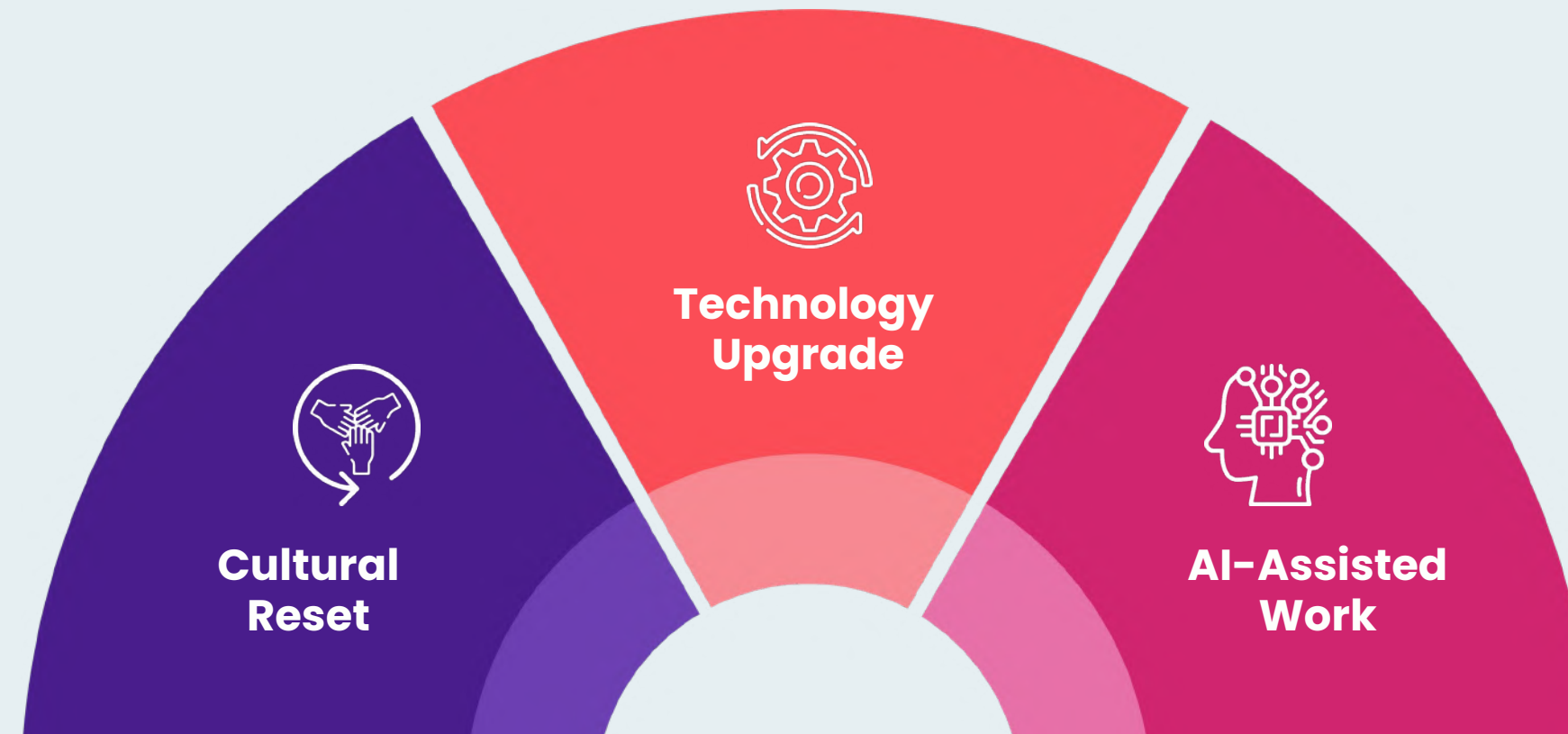
Future of Work: The CXO Perspective



Section 3

A Cultural and Technology Reset is Imminent

Organizations have to rewire themselves to adapt to the changing workforce.



Cultural Reset

Brands don't believe they have the culture to sustain a distributed model, despite it being a huge selling point for attracting and retaining talent.

Cultural roadblocks are the biggest impediment to brands as they transform into a distributed work model. Employee policies, performance management, and the overall strategy would require a reset.

Technology Upgrade

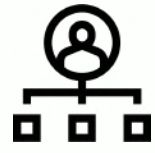
Employees are dealing with multiple interfaces and tools, from video-conferencing software products to different interfaces for performance management, reporting and more.

The tech suite, including infrastructure, has to be more intuitive and integrated across systems and processes for a hybrid work model. Organizations also need to revisit their data security, keeping in view the ease of access when teams work remotely.

AI Assisted Work

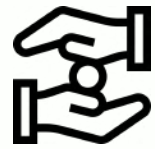
The rise of the gig economy, [The Great Resignation](#), and the desire to strike a work-life balance will further compress the job market.

Addressing these macro challenges will mean that firms will need to adopt advanced analytics to rethink the future of work and build analytical assistance across the entire employee lifecycle.



60%

of CxO's believe they have been able to maintain company culture while only **44%** of Non-CxO's believe the same in the last 24 months



42%

of firms believe they can maintain their current culture going forward.



#3

Sustaining company culture is the third biggest challenge for CxO's but #7 for non CxO's



91%

of executives believe offering a hybrid work model will enhance workplace diversity

Work culture plays an increasingly large role in company performance

Company culture has hit the tipping point in becoming a KPI for success.

Not long ago, 'Company Culture' was viewed more as lip service in earnings calls or quarterly reports. In today's environment, it can be a defining factor in attracting the best talent and contributing to better performance. Cultural drivers such as flexibility, openness, diversity and ethical practices carry tremendous weight on the part of today's workers. The younger the workforce skews, the more important these factors become (e.g. store associates).

As the pandemic wanes, values derived from the last two years will carry over. Companies are required to look at their cultures through this new lens and adjust accordingly. Statistics show that a company that has a strong culture and can align their values with employee values have seen a 4x increase in revenue growth¹.

As companies set their hybrid work strategies, they must not only factor in what is best for their companies, they must factor in what is best for their employees.



90%

of businesses will opt for an on-premise, multi-cloud and legacy platform mix to meet their infrastructure requirements¹



86%

of network executives believe 5G and Wi-Fi 6 will result in significant organizational transformation in the next three years²



67%

of retail executives believe the cloud will be the default deployment model for future technologies³



#1

operational challenge for retail IT executives is integrating disparate systems³



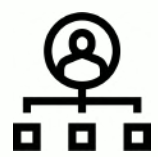
Enhanced infrastructure is required to enable the new work environment

A more mobile, more automated workforce will mean greater I.T. needs

Executives can't support a hybrid workplace environment with traditional infrastructure requirements. Decades of technology debt and complex system customizations prevent firms from deploying systems faster.

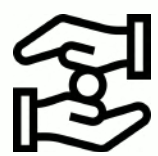
To support the significant growth in new technologies, firms will move to a **Microservices**-based, **API**-first, **Cloud**-native, and **Headless** architecture and will need to upgrade their underlying connectivity.

The migration to the new architecture will need to accelerate faster than it already has to enable workers to collaborate and work productively. With these changes comes the need to update cybersecurity strategies and governance policies to ensure a mobile workforce can work anywhere.



#1 AI/ML

Top technology that can drive associate impact



88%

Firms believe it is important to use AI/ML for employee training



76%

Believe it is important to use AI/ML for search FAQs/learning banks



71%

Believe it is important to use AI/ML for chatbots/conversational help



Artificial Intelligence will transform work

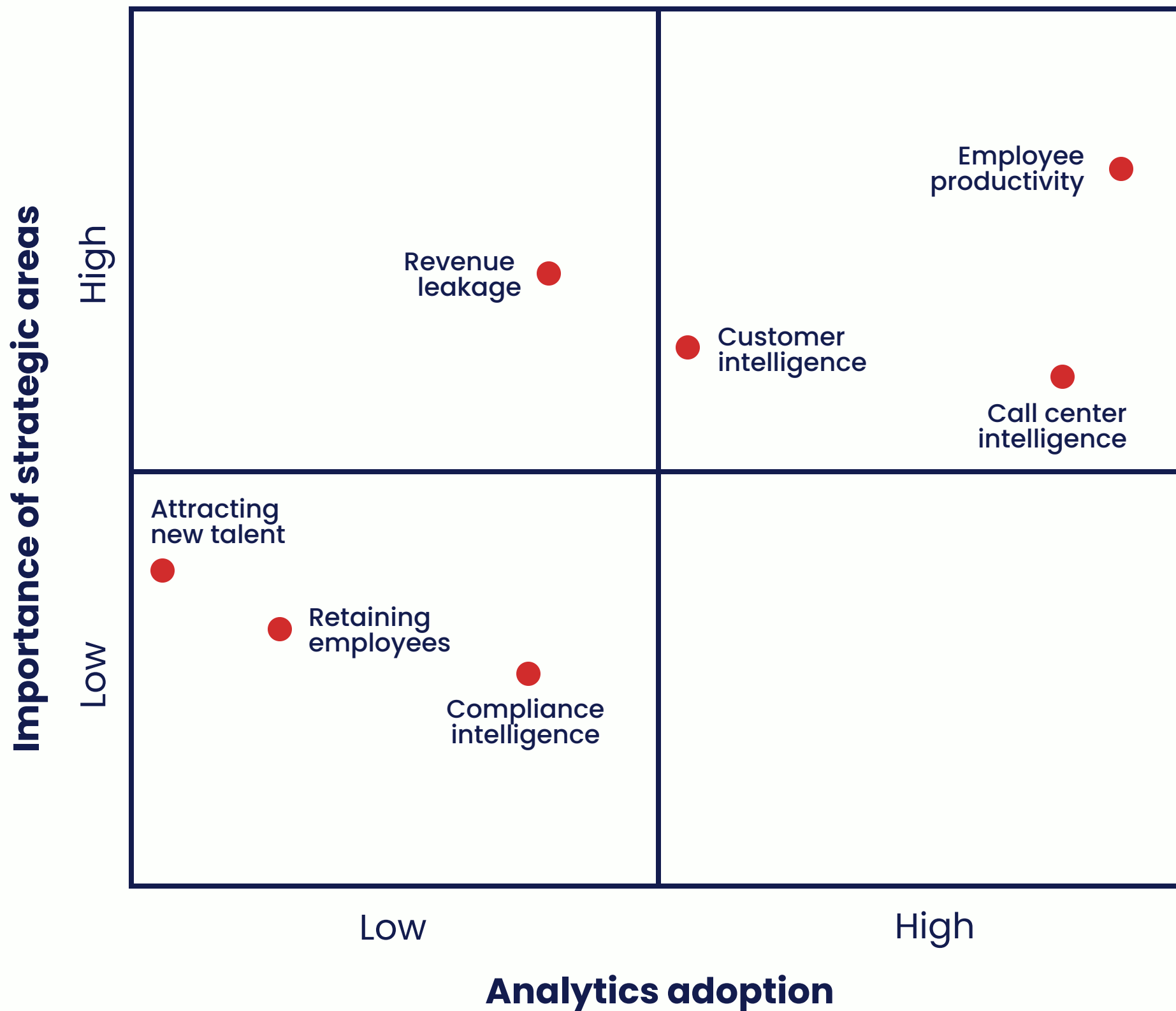
Analytics will impact all aspects of the associate lifecycle.

The fight for talent and the shrinking talent pool will impact business twofold. First, attracting and retaining employees will become more challenging and more critical. Second, firms have to figure out ways to improve employee effectiveness. AI will play a significant role in addressing both.

Firms believe that AI/ML will have a transformative impact on the industry. A significant majority of firms think it's essential to use AI/ML for employee training (86%), to ease the use of FAQs and learning banks (76%), and to deliver conversational help (71%). The planned adoption of advanced analytics in attracting and retaining talent is relatively lower, but it's still an essential tool in workplace transformation.

The ability of firms to use AI/ML capabilities rests on scalable and robust technology and data infrastructure. Investment to build and upgrade these capabilities has to be a core priority for firms as they transform their business operations over the next few years to stay competitive.

Impact of conversational insights driven by AI/ML



Adoption of advanced analytics is driven by the desire to improve productivity

Analytics will impact all aspects of the associate lifecycle.

This chart compares important strategic areas for conversational data and insights driven by AI/ML to the extent of analytics adoption. Low adoption indicates no analytics or basic systems have been in place, while high adoption indicates the use of advanced and predictive analytics.

For example, employee productivity is rated the most important strategic area for implementing AI/ML and will see the most significant adoption of advanced and predictive analytics over the next 24 months.

Revenue leakage ranks second as the most important strategic focus for AI/ML. Yet it has a significantly lower analytics adoption, highlighting a potential growth area for using predictive analytics.

Retaining employees is among the top 3 most important KPIs for organizations to measure the success of their working model. However, it is comparatively low in importance as a strategic focus area for AI/ML.



71%

Believe using AI/ML in conversational help will have an important business impact

Research Demographics:

AT&T and Dubber commissioned Incisiv to assess the future of distributed workforce model across industries. The analysis was conducted between November and December 2021.

303

Total number of respondents

87%

Respondents were Director and above

33% CXO

22% VP

32% Director

1 million+

Employees represented

34%

Respondents represent companies with over \$1 billion in revenue

5 industries



28% Retail



19% Energy



18% Healthcare



17% Manufacturing



17% Banking & Finance

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About Incisiv

Incisiv is a peer-to-peer executive network and industry insights firm for consumer industry executives navigating digital disruption.

Incisiv offers curated executive learning, digital maturity benchmarks and prescriptive transformation insights to clients across the consumer and technology industry spectrum.

[incisiv.com](https://www.incisiv.com)



About AT&T Business

Technology is complex, and transformation is fast. But when it comes to connectivity and communication, AT&T Business has you covered. We combine our leading portfolio with continuous innovation and investment in our networks to give you what you need to move your business forward.

With experience across industries, we understand your business demands, and deliver the right insights, guidance, and highly secure solutions for you. From 5G to fiber, edge to cloud, we help you tackle today's challenges and seize tomorrow's opportunities.



About Dubber

Dubber is the world's most scalable Unified Conversational Recording service and Voice Intelligence Cloud adopted as core network infrastructure by more than 160 global communications services and applications in North America, Europe and Asia Pacific.

Dubber allows service providers to create immediate revenue, differentiation and improved customer retention. Dubber is a disruptive innovator in the multi-billion dollar call recording industry. Its Software as a Service offering removes the need for on-premise hardware, applications and costly, limited storage. By unlocking the potential of AI and NLP on any endpoint, service providers and their customers can transform conversations once lost when they ended into a source of value.

Dubber's cloud-based solutions allow secure Unified Conversational Recording from any device or location. Its AI and NLP-driven insights provide real-time search, alerts, transcription, sentiment analysis and more. Dubber's services allow businesses of any size to automatically record every call and transform their content into rich, usable data for compliance, revenue, customer and people intelligence.