A New Perspective: Ricoh Document Governance Index 2012

Part 3: What employees really think about the process puzzle

Contents

Executive summary

As any business executive will know, when they introduce a new process, new technology, or a new way of working, it's crucial they take employees along for the journey, clearly explaining why something new is being introduced and what the benefits are – both to the business and to employees themselves. Executives will be familiar with the need for this process of change management to ensure any investment achieves its desired results. What this research shows is that in practice however, change management is often not at the centre of adopting new ways of working and, as a result, many investments are unlikely to deliver their full potential.

Unfortunately in many cases, employees, the most valuable asset of any organisation, are not always being listened to when it comes to ensuring business-critical document processes – the core interactions that run within core business tasks like HR, finance, procurement and accounts – run efficiently and effectively. Employees are advising senior management to review the way they work more regularly, but the research shows there is a gap between Board-level perception and employee reality when it comes to employee feedback and training, meaning businesses may be failing to maximise new investments in the workplace. And with many businesses now managing four or even five generations in the workforce, it's crucial they listen to the way employees want to work now and in the future, to get the most from this most valuable resource.

The key findings are:
- **Employees are not always consulted,** while lack of training could mean businesses fail to capitalise on business process improvements
- **Senior executives need more insight on document processes** and to more regularly review the way employees work
- **Lack of global connectivity presents the greatest challenge** to European businesses by 2015, with employees saying the way they work today is out of date
- **Youngest employees crave a structure they can learn within,** while all generations agree information sharing will remain important

This Index forms part three of a series. *Part one: Business leaders puzzled by process priority jigsaw* and *Part two: The role of technology in the process priority jigsaw* can be found at www.ricoh-europe.com/thoughtleadership.

"82% of employees say the way they work today is out of date and prevents them from being as effective and efficient as they could be."

About the research

A new perspective: Ricoh Document Governance Index 2012 is an independent research study conducted by Coleman Parkes Research and commissioned by Ricoh Europe PLC. It provides a fresh perspective into how business-critical document processes are being managed across Europe, and builds upon Ricoh's previous Indexes – the *Ricoh Document Governance Index 2009* and the *Ricoh Process Efficiency Index 2011*.

The research focuses upon business-critical document processes – the core interactions in an organisation that occur regularly and repeatedly. They may be document-heavy but more importantly they have a direct impact upon businesses interactions with clients and employees. They include document processes within HR, financial management and reporting, procurement, accounts payable and accounts receivable.

The research consisted of 1075 interviews amongst C-level executives, Directors and other employees within large (1000+ employees), medium (500-999 employees) and small (fewer than 500 employees) organisations, located in Belgium, France, Germany, Italy, The Netherlands, The Nordics (Sweden, Finland, Norway and Denmark), Spain, Switzerland, the UK and Ireland.

The organisations are based within the education, legal, utilities/energy, healthcare, public sector, retail, manufacturing and financial services sectors. Qualitative interviews were also completed with European C-level executives to gain further insight into how they manage their business-critical document processes.

Employees are not always consulted, while lack of training could mean businesses fail to capitalise on business process improvements

This research reveals a gap between the C-level and Director perception, and the reality experienced by employees, when it comes to the introduction and use of technology in the workplace.
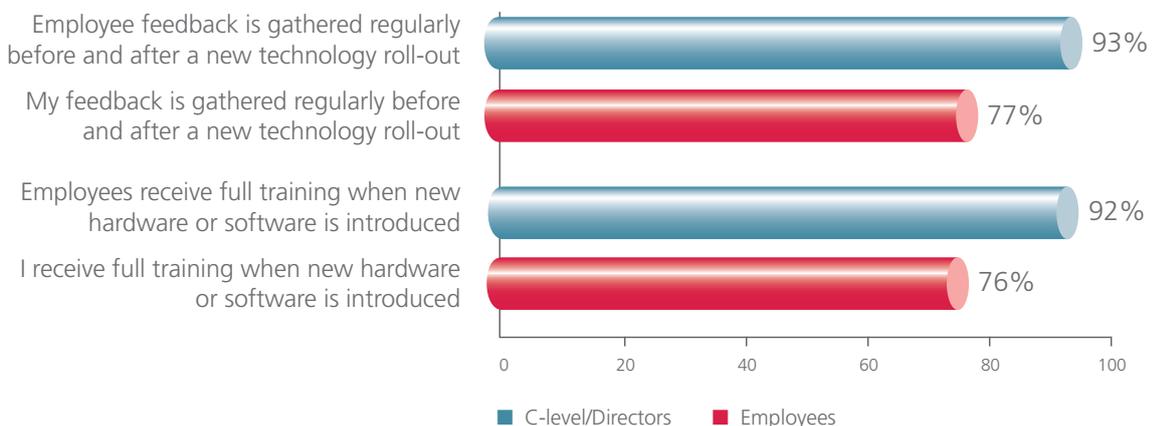
When asked if they agree that employee feedback is gathered regularly before and after a new technology roll-out, 93 per cent of C-level/Directors said that employees were consulted, compared to just 77 per cent of employees. At first glance, 16 per cent may seem like a narrow gap, but when considered in the context of an organisation of 1000 employees, this means 160 employees do not feel fully involved in the roll-out of new technology. Businesses are missing out on vital input as to the way employees work with technology, meaning they're at risk of introducing technology that may not meet employee needs or fully meet business objectives.

For training, there is a similar divide. While 92 per cent of C-level/Directors said employees receive full training when new hardware or software is introduced, only 76 per cent of employees agreed, meaning there's a gap of 16 per cent between senior perception and employee reality. This means more than one in ten employees may be under- or mis-using hardware or software, with the new tools failing to achieve the desired business benefits. [see figure 1]

These gaps could be the result of businesses failing to fully adopt, or successfully implement, a programme of change management that encompasses consultation and training before any new way of working is introduced, as well as ongoing governance to ensure any new approach delivers the required results.

With employees set to remain the main source of new ideas for the improvement of business processes[1], these results show many European businesses are at risk of not achieving the full potential of business processes improvements.

Figure 1: When it comes to your business-critical document processes, please select your level of agreement with the following statements (those agreeing)

- Employee feedback is gathered regularly before and after a new technology roll-out — 93%
- My feedback is gathered regularly before and after a new technology roll-out — 77%
- Employees receive full training when new hardware or software is introduced — 92%
- I receive full training when new hardware or software is introduced — 76%

■ C-level/Directors   ■ Employees

Geography plays a part

At a country level, we see further interesting trends emerge, with employees in Germany and France least likely to say they're asked about their needs before important decisions about new hardware and software are considered, at 63 per cent and 72 per cent respectively. Yet the C-level/Directors in these countries almost universally report that they do consult their employees ahead of investments being made (Germany 90 per cent and France 98 per cent), indicating significant gaps between employee reality and executive perception. Conversely, Italy and Switzerland appear to be more consultative, with responses from employees and the C-level/Directors more closely aligned. 93 per cent of Italian and 92 per cent of Swiss workers said they were asked about their needs, which is broadly in line with the C-level/Directors in each country, where 100 per cent said this was case. [see figure 2]

Figure 2: *I am asked about my needs before important decisions about new hardware/software is considered/ Employees are asked about their needs before important decisions about new hardware/software are considered (those agreeing)*
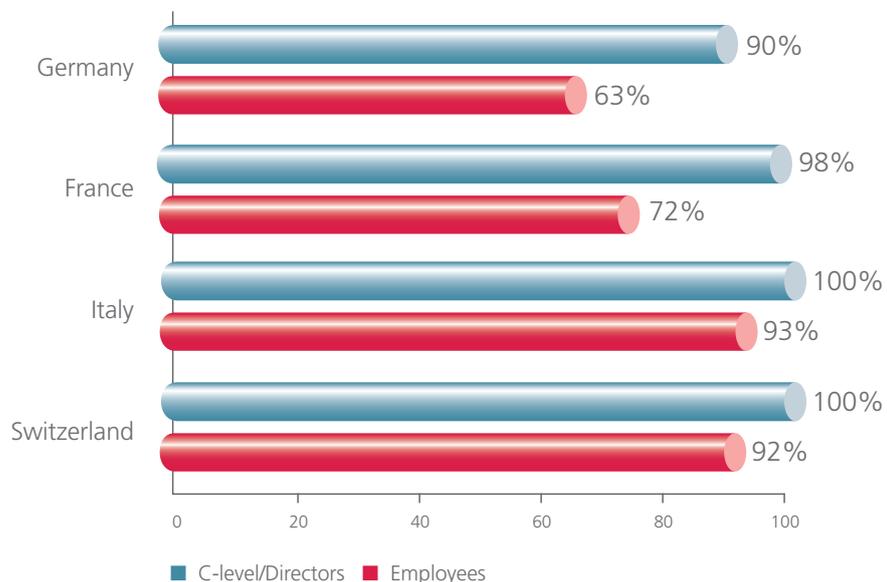
In light of these findings it is essential that business leaders across Europe revise the way they approach new ways of working, adopting a rigorous change management programme. For business-critical document processes, not doing so means businesses are at risk of missing out on improved productivity and knowledge sharing throughout the business, resulting in slower decision making and response to customers.

"Organizations that do not place a high priority on improving their document processes are missing a golden opportunity, but companies need to focus executive-level attention and take action – now." *IDC, 'Organizational Blind Spot: The role of document-driven business processes in driving top-line growth', September 2012*

Senior executives need more insight on document processes and to more regularly review the way employees work

While employees are not as involved as they'd like to be when new technologies or ways of working are introduced, they are clear on the crucial role document processes play in underpinning all critical activities in a business, and the importance of making sure these processes are up to date and working as smoothly as possible.

When asked which single thing they would tell senior managers about how to improve the way their business manages document processes, the number one employee response (29 per cent) was to more regularly review the way they work or manage processes and business-critical information.

The second highest response saw nearly a fifth (17 per cent) calling for higher level executive sponsorship to champion improvements. Employees are clearly advising senior management to get a stronger grasp on these processes, recognising that senior involvement and regular reviews are crucial to ensuring document processes – which underpin business-critical operations like invoicing, HR, procurement and customer interactions – are working effectively.

Importantly, employees realise that technology will not be the sole solution to improving the management of business-critical document processes, with just three per cent saying improved technology is the answer. Instead, employees realise the importance of ensuring the process itself and the people involved with it are working efficiently and effectively, not relying simply on technology to do the job. [see figure 3].

Figure 3: Please select the one way that you would tell senior management (CEO, CIO, CTO) to improve the way it deals with business-critical document processes

1. More regularly review the way we work or manage business processes and business-critical information
2. We need higher level executive sponsorship to champion improvements
3. Enable better information sharing across functions and departments
4. Focus on mobility
5. Should we have a strategy that links to business objectives
6. Focus on greater security
7. Make business critical documents a higher priority in the business
8. Employ dedicated teams to manage, filter and share data
9. Improve technology
10. Nothing, they work fine as they are

Respondents divided over best approach to improving processes for the business

But while respondents had clear views on how to improve these processes for the wider business benefit, they were split on what would most improve the way they work in their own day-to-day tasks. Almost one third (31 per cent) said allowing processes specific to their role or team to be used throughout the business would most positively impact the processes they work with, recognising perhaps the benefits of uniformity throughout the business to streamline document processes and avoid duplication. A fifth (21 per cent) saw things in a different light, taking an approach more focused on individual goals by saying allowing them to do their own thing by adopting their own business processes that work best for their team or function would make the biggest impact.

Again, technology is recognised by employees simply as a tool that helps manage processes, not as the sole answer to all business challenges. Just nine per cent of employees said using existing technology more effectively would be the action that would most positively impact the processes they work with, and just four per cent recommended investing in the latest technology. [see figure 4]

Figure 4: Please select the below action that would most positively impact the processes you work with in your job role
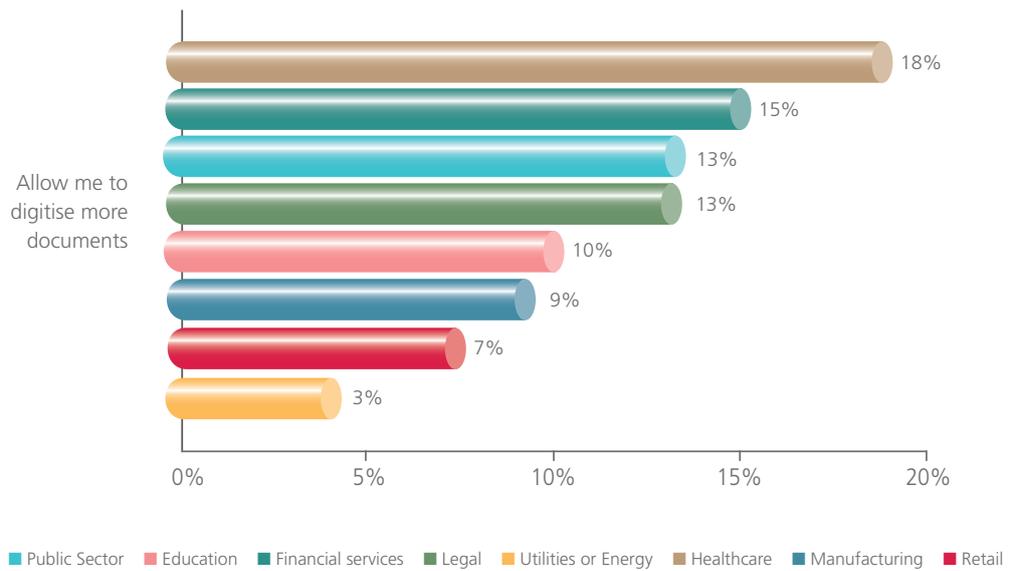
1. Allow processes that are specific to my role or team to be utilised throughout the firm
2. Allow me to adopt my own business processes that work best for my team or function
3. Improved employee mobility and let me work from anywhere
4. Allow me to digitise more documents
5. More investment in the latest technologies
6. Let me choose my own technology
7. Have personalised technology
8. Keep hard copy files
9. Adopt collaboration tools
10. Have searchable archives or databases

Employees are divided on the best approach, and clearly greater internal direction and alignment is required to address these gaps in a unified way. The most effective way to address this is to first consult with all employees fully to identify how things are being done currently and see where a best practice approach can be repeated, then to implement the new approach across the business with ongoing governance so it's evaluated and constantly improved upon.

Healthcare going digital

Interestingly, employees in the healthcare sector said greater digitisation of documents would have the most positive impact on the processes they work with. Those working in healthcare were six times more likely to select this as the single thing that would most positively impact them than those in the utilities/energy sector, and double those in manufacturing. This highlights a rising demand for information in the healthcare sector – like patient records or pharmaceutical information – to be accessed immediately by a workforce that tends to work in non-deskbound roles. [see figure 5]

Figure 5: *Please select the below action that would most positively impact the processes you work with in your job role (by vertical market)*

Allow me to digitise more documents

18%
15%
13%
13%
10%
9%
7%
3%

0%   5%   10%   15%   20%

■ Public Sector ■ Education ■ Financial services ■ Legal ■ Utilities or Energy ■ Healthcare ■ Manufacturing ■ Retail

It's clear that employees understand the vital role document processes have in the day-to-day operations of a business, and have views on how to best improve them. It's important that business leaders consult with employees at the beginning, throughout, and after any review of processes or technology takes place, ensuring their valuable input is considered and any investment or new way of working maximised to achieve the desired results.

Lack of global connectivity presents the greatest challenge to European businesses by 2015

It's no surprise that the businesses surveyed agreed that the future of business is global. Employees, Directors and C-level executives were asked to think about how the workplace meets the needs of employees, and indicate which particular aspects are most important today, and in 2015. 65 per cent agreed that global connectivity will be most important by 2015, compared to only 39 per cent today. This was most acute amongst those from larger businesses, of whom 72 per cent said global connectivity would be important; but it's also interesting to note that those working in small and medium sized businesses recognise that global connectivity will be central to their competitiveness in the future, with 61 per cent of small businesses, and 66 per cent of those from medium businesses, identifying it as important in 2015.

The ability to share information in an increasingly global, mobile and collaborative workplace is also set to stay top of the agenda, with 61 per cent saying it's important today, and 63 per cent agreeing it will stay important in 2015 [see figure 6]. Part 1 of the Ricoh Document Governance Index, *Business leaders puzzled by process priority jigsaw*, reported 91 per cent of business leaders that said increasing amounts of data/information from more sources is the trend most impacting the way they manage their business-critical document processes, so it follows that information sharing is highlighted as important by business leaders and employees alike.

Figure 6: Thinking about how your workplace meets the needs of employees, please indicate which particular aspects are most important today and in 2015
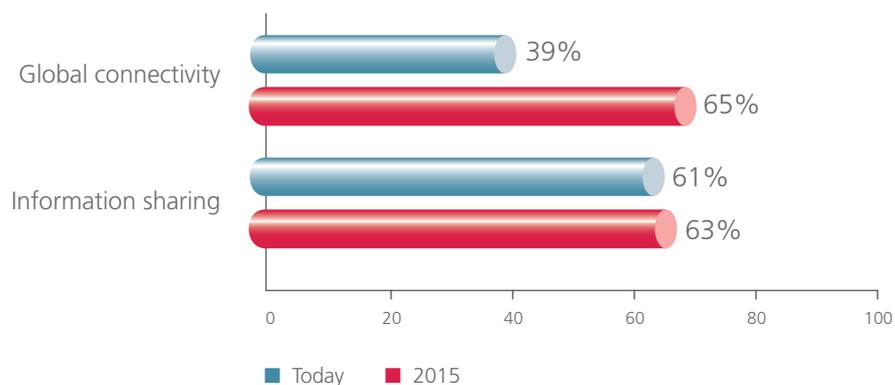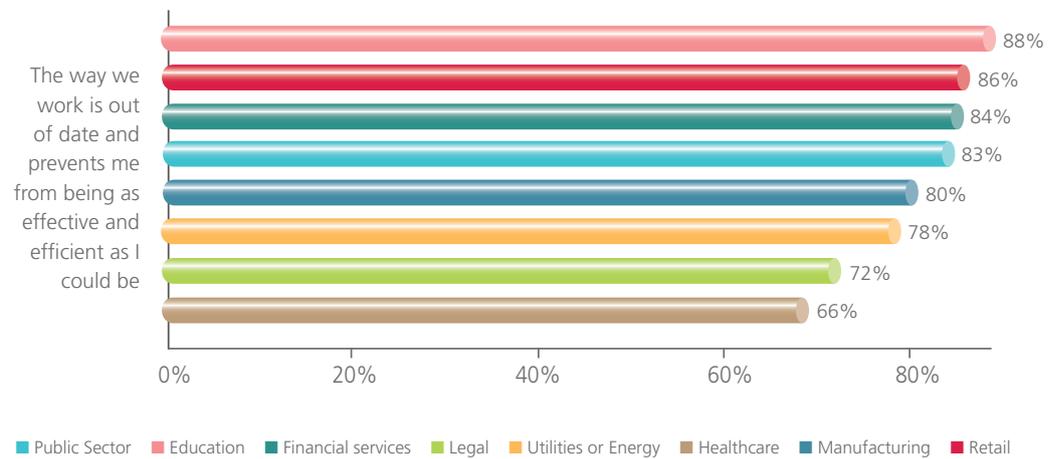

Interestingly, the solution to managing a more global business environment and sharing information more effectively isn't as simple as adopting a new tool to support collaboration, with just one per cent of employees saying adopting collaboration tools would most positively impact the processes they work with. Instead, they are recommending uniformity of document processes to allow information to be shared effectively throughout a business, avoid duplication and increase productivity. This will mean decisions can be made more efficiently and businesses can respond more quickly to changes and opportunities in the market. [see previous figure 4].

With globalisation set to rise to the top of the business agenda in just three years, it's obvious the pace of change will continue to increase. Businesses who fail to keep up risk losing competitive edge, with recent Economist Intelligence Unit research reporting nearly four out of ten businesses are worried their organisations will not be able to keep up and will therefore lose their competitive edge[2].

Of major concern is that 82 per cent of employees and managers said the way they worked today was out of date and prevented them from being as effective as they could be. This rises to a worrying 89 per cent amongst large businesses and is most strongly felt by those in the education and retail industries, with 88 and 86 per cent of those questioned in each industry agreeing with the statement [see figure 7]. This highlights potentially serious challenges on the horizon for these industries, both of which are subject to considerable change at present, with students expecting new, connected learning environments in the education sector, and a shift from the high street to online that is being seen in retail.

Figure 7: When it comes to your business-critical document processes, please select your level of agreement with the following statements (those agreeing, by vertical market)

The way we work is out of date and prevents me from being as effective and efficient as I could be

- 88%
- 86%
- 84%
- 83%
- 80%
- 78%
- 72%
- 66%

■ Public Sector ■ Education ■ Financial services ■ Legal ■ Utilities or Energy ■ Healthcare ■ Manufacturing ■ Retail

"Technology development is expected to be rapid enough that nearly four in ten of our surveyed executives are worried that their organisations will not be able to keep up and will therefore lose their competitive edge."
Economist Intelligence Unit, 'Agent of Change – The future of technology disruption in business', March 2012

Youngest employees crave a structure they can learn within, while all generations agree information sharing will remain important

There have been numerous studies about the preferences of different generations when it comes to work, with many assumptions made about the different characteristics of each generational group. Each generation has tended to identify the one following it as not having the same level of commitment to the established organisational structures required within the workplace. The 'C' generation (with the 'C' standing for connect, communicate, or change) is identified as those born after 1990, who have grown up in an environment utterly different to the generation preceding it, in a world of ubiquitous broadband, mobile coverage, social networking and gadgets. They're used to accessing information anywhere, anytime, and are set to change the workplace of the future with an attitude of personal freedom and a move to mixing of business and personal tasks throughout the day[3].

This research shows that while there are indeed some generational differences when it comes to managing business document processes, there is also a broad level of harmony. There was consensus among the generations that information sharing and having a central place to access information no matter where you are were important today and would remain so in 2015.

The research also showed that the younger generation, those aged 25 and under ('generation C') want to work within a formal structure, with tasks reviewed often so they can continue to learn and improve themselves.

Those under the age of 25 were least likely of all respondents to say effective home or mobile working would be important in 2015, and were less likely than those aged 26-35 ('millennials') to say it would improve the way they work today. In fact, the age group saying effective home working is most important today was those aged 36-47 ('generation X'), perhaps reflecting a need to balance work and home lives more effectively than the youngest generation who in many cases won't have the same family commitments and who are more willing to embrace a work-life blend rather than balance. [see figure 8]

It's important then, that businesses support employee desires to be mobile, but must ensure their business processes are accessible securely from outside the network if they are to avoid duplication of effort or potential security breaches.

Figure 8: Thinking about how your workplace meets the needs of employees, please indicate which particular aspects are most important today

Effective home working

- Under 25: 57%
- 26 - 35: 61%
- 36 - 47: 68%
- 48 - 55: 52%
- 56+: 59%
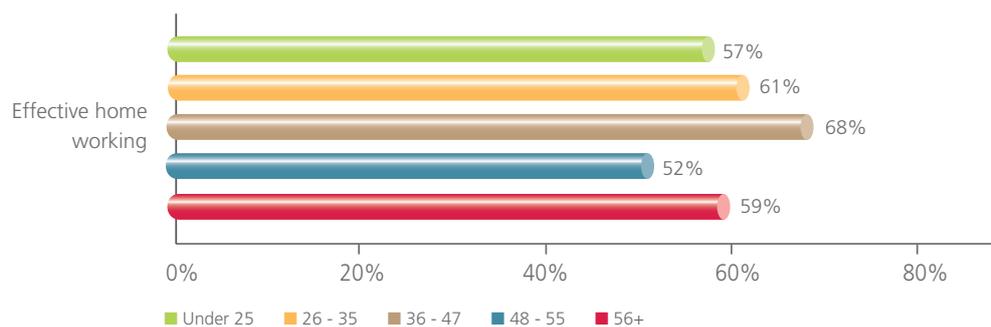
The study also suggests the youngest age group is seeking certainty and senior involvement in their working lives – perhaps not a surprise with other research shows this generation is characterised by wanting to constantly learn and improve themselves[4]. When asked what single piece of advice they'd give to senior management to improve the way it deals with business-critical document processes, almost one quarter (24 per cent) of under 25 year olds advised more regular reviews of the way they work or manage document processes and business critical information.

While this was the top piece of advice from 'generation C', it's in wide contrast to the answers of those aged 48-55 (part of the 'baby boomer' generation), for whom more regular reviews were a low priority at just seven per cent. Rather, this generation recommended having a strategy that links to business objectives (29 per cent) and making business-critical documents a higher priority in the business (21 per cent), indicating they feel perhaps the business has lost sight of the important role document processes play in the underpinning all tasks, or that they're being viewed or improved outside of a formal strategy that links to wider business objectives – like those for productivity, customer satisfaction, security or sustainability. [see figure 9]

Figure 9: Please select the one way that you would tell senior management (CEO, CIO, CTO) to improve the way it deals with business-critical document processes (under 25 and 48-55 age groups only shown)
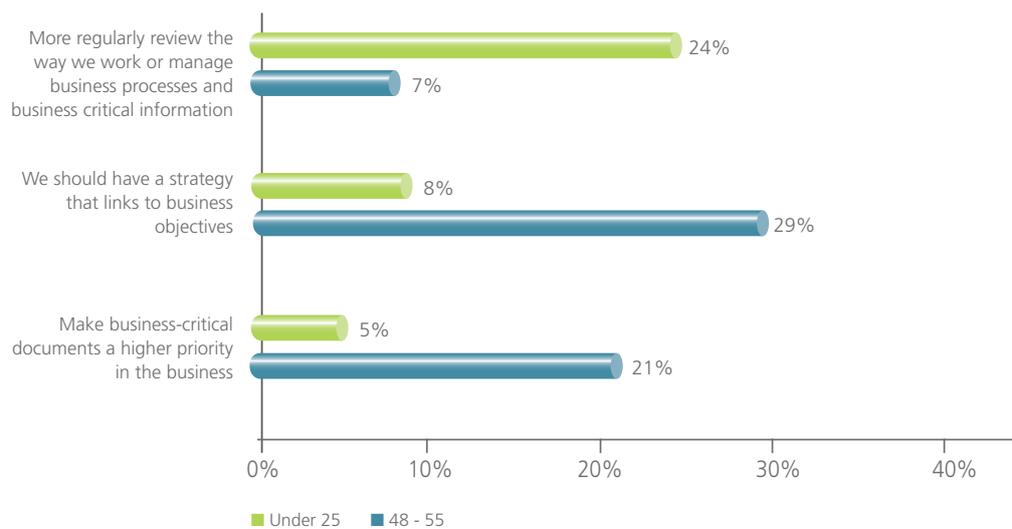
Overall, it is essential to have a flexible approach to the needs of each generation in the workplace. The C-level can organise their businesses in a way that motivates each generation while providing the structure that ensures it can operate at its optimum efficiency. Any assumptions about generational preferences should be considered within a strategy that ensures all employees are able to innovate and manage business-critical document processes in a way that both meets their needs, and those of the business.

"More of our staff work from home like most of the technical staff and we are also finding the customer service staff can work from home as technology is changing and thus is not restricted to only the office building. It helps our business and our staff as well." *CFO, Financial Services, UK*

Conclusion

With the global workplace set to get even more challenging in the near future, and 82 per cent of employees already saying the way they work is out of date, businesses have a real test on their hands. For those who listen to their employees – not just for their input when new technology or ways of managing information are introduced, but as the source of proactive innovative ideas – the reward will be continued competitiveness, agility and flexibility. But those businesses unable to keep up with the pace of change and fail to take their employees along for the journey risk being left behind.

The good news is that employees recognise the important role document processes have in keeping any organisation afloat. They're calling for more regular reviews and more senior involvement to ensure processes are running efficiently and effectively throughout the business. But the research also shows that senior executives across Europe are somewhat out of touch when it comes to what's really happening in the business, with a gap between Board-level perception and the reality as seen by employees when it comes to employee feedback and training.

It shows that one size does not fit all when it comes to document processes. Generation does play a role in how different employees want to work now and in the future, so the challenge for businesses is having a document processes strategy that is agile enough to respond to these needs – whether that be enabling mobile access, greater information sharing, linking to broader business objectives, or reviewing the way employees work more regularly. And most importantly, businesses should adopt a full programme of change management to ensure all employees are being heard at every step of the way.

Businesses that are able to master the management of business-critical document processes will be those that thrive in an increasingly global, fast-paced business environment – but they must keep employees at the heart of any decisions, they're the ones who have to implement any new ways of working after all.

"Businesses must keep employees at the heart of any decisions."

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[1] Economist Intelligence Unit, Agent of Change: The Future of Technology Disruption in Business, March 2012

[2] Economist Intelligence Unit, Agent of Change: The Future of Technology Disruption in Business, March 2012

[3] booz&co, The Rise of Generation C – Implications for the World of 2020

[4] PwC, Managing Tomorrow's People, 2012

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About Ricoh

Ricoh is a global technology company specialising in office imaging equipment, production print solutions, document management systems and IT services. Headquartered in Tokyo, Ricoh Group, operates in more than 200 countries and regions. In the financial year ending March 2012, Ricoh Group had worldwide sales of 1,903 billion yen (approx. 23 billion USD).

The majority of the company's revenue comes from products, solutions and services that improve the interaction between people and information. Ricoh also produces award-winning digital cameras and specialised industrial products. It is known for the quality of its technology, the exceptional standard of its customer service and sustainability initiatives. Under its corporate tagline, imagine. change. Ricoh helps companies transform the way they work and harness the collective imagination of their employees.

For further information, please visit www.ricoh-europe.com