



**RICOH**  
imagine. change.

**WORLD OF CHANGE**  
WELCOME TO THE SHIFTING LANDSCAPE OF 2017





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# INTRODUCTION

DAVID MILLS, CEO RICOH EUROPE

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We are living in a time of great change. This ranges from the challenge of digital disruption, to a newly uncertain political and economic landscape. Businesses have rarely, if ever, faced such a set of complex and dramatic forces.



Alone, each factor has significant scope to bring about change. Together, they form the dawn of an unprecedented period of disruption and opportunity. One that business owners must navigate in the coming year and beyond.

Disruption and crises can often tempt business leaders into reactive thinking. This includes making major decisions to mitigate perceived short-term risks. But, as we at Ricoh know from our 80-year history, success in turbulent times depends on the ability to anticipate the long-term benefits of change.

Pleasingly, the research we have commissioned shows that despite this period of great change, employers have much to be optimistic about. This report details employees' attitudes to these changes and how they expect them to impact their working lives. These range from the widely debated impact of automation to new ways of employee collaboration.

We surveyed 2,000 employees across 23 countries to assess employees' perception of change. What's apparent is the depth of these employees' positivity and optimism. Despite concern from some economic commentators, employees are happy to embrace change and keenly anticipate the new ways of working it entails. What's more, many already trust their employer to prepare their business for these changes.

It's up to business leaders to understand these trends and formulate a clear vision for the future. We believe businesses can learn much from employees to make change a success. Through this report we aim to assist employers as they prepare for change and give them confidence that they have the invaluable support of their staff.

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**David Mills**  
CEO  
Ricoh Europe

## 2 | ENTERING A WORLD OF CHANGE

There's no question that, even by modern standards, 2016 was a year of significant change for Europe. It has left many employees wondering what the implications of all of this change will be for their organisations in 2017 and beyond.

So what created this new “world of change” that we all now inhabit? We believe it was due to four major trends coming together.



### DIGITAL DISRUPTION

In the year that Google's AI bested a world champion in complex board game Go, a range of innovative technologies entered the mainstream. Automation and data analytics were embedded within many businesses. Pokémon Go demonstrated just how far augmented reality technology has come (and how popular it can be). At the World Economic Forum in Davos in January, business leaders from around the world considered how the “fourth industrial revolution” might transform society. Meanwhile, worldwide revenue from artificial intelligence technology hit \$644 million .

### SKILLS AND TALENT GAPS

Digitisation has resulted in increasingly high demand for STEM (science, tech, engineering and maths) skills in the labour market. Europe is struggling to meet this demand. In December 2016 the European Commission launched the Digital Skills and Jobs Coalition. Its aims include fostering national training in digital skills, attracting young students into relevant education and re-training adults. Digital technology is reshaping countless industries. As a result we're seeing the broad development of similar efforts to ensure employee skillsets keep up with modern requirements.

Source

<sup>1</sup> <https://www.wired.com/2016/03/two-moves-alphago-lee-sedol-redefined-future/>

<sup>2</sup> <https://www.tractica.com/newsroom/press-releases/artificial-intelligence-revenue-to-reach-36-8-billion-worldwide-by-2025/>

<sup>3</sup> <https://ec.europa.eu/digital-single-market/en/digital-skills-jobs-coalition>

### ECONOMIC UNCERTAINTY

Global political upheaval means greater potential for changes to trade pacts, taxes and import tariffs. These would all have a considerable impact on supply chains and investment strategies. Countries and businesses around the world are still adapting to this uncertain economic environment.

### REGULATION AND GOVERNMENT POLICIES

The result of Britain's EU referendum in June 2016 had a profound effect on Europe's political and economic landscape. This could have significant implications for areas such as data privacy, fintech, telecoms and talent acquisition. These are all heavily influenced by EU regulation.

You might reasonably expect these four trends to have produced a climate of risk and concern among Europe's workers. Our research, however, suggests the opposite.

Only 34% of employees believe economic uncertainty resulting from political turbulence negatively impacted their business in 2016. And 95% of employees are confident that their businesses can build success out of this uncertainty in 2017.

This collective optimism is inspiring. Let's look more closely at employee attitudes in this world of change.

# 3 | THE EMPLOYEE POINT OF VIEW

In spite of the concerns of some political and economic commentators, our research shows European employees are steadfastly optimistic about their business in 2017.

A majority of European workers (59%) expect their business to be in a stronger position by the end of 2017. Perhaps surprisingly, almost two-thirds (63%) believe the changes of 2016 had a positive impact on their business. This attitude contradicts many of the gloomier analyses of European business. It seems that rather than dwelling on the short-term impact of high-profile political changes, employees are focused on longer-term business trends.

We asked European employees to assess the impact of key trends on their business in 2016, and their expected impact for 2017.

Collectively they identified three highly positive trends for both years: automation, digital disruption and innovative competitors.

Automation was a clear favourite among the workforce. When asked to identify key positive trends, 57% highlighted automation. In spite of concerns that artificial intelligence (AI) systems may cause people to lose their jobs to robots, European employees have an optimistic attitude.

Throughout our research we found that most workers view technology as a solution, not a threat. They are keen to use it more in their roles and see it as a tremendous benefit to their business. When identifying positive trends 44% of employees pointed to the disruptive effects of technology. They're confident that their

businesses will harness these disruptive forces, rather than fall victim to them.

In a similarly pragmatic manner, European employees are clearly up for a challenge. Business leaders are often wary of competitors who can innovate faster than them. But 43% of workers think this should have positive repercussions for their own business. Competition spurs businesses into creative and innovative thinking, and benefits entire industries. Innovation from the likes of Purplebricks and Rightmove for example, has spurred conventional estate agencies to digitise their offering. Again, European employees show they are focused on positive opportunities, rather than more negative outcomes.

This confidence might come, in part, from the fact that workers trust their bosses to lead them through times of change. Two-thirds of employees (66%) believe their business leader can effectively navigate the challenges of 2017. Only 8% state they have no faith in their managers. European employees are ready to tackle the challenges of 2017 and trust that their bosses are similarly prepared.

Later, we will examine what business leaders must do to thrive in our new world of change. First let's look in more detail at how employees' working styles are likely to be affected in 2017.



## 4 | CHANGING WORKSTYLES IN THE EUROPEAN WORKFORCE

Employees' optimism about 2017 is matched with a healthy dose of realism. They understand that business transformation is a natural counterpart of success in times of change. They also know this can mean altering their own working practices. The vast majority (91%) have accepted that the way they work is going to change in 2017. Their predictions for what these workstyle changes might be in practice are very insightful.

We asked employees how they expect to modify the way they work as a result of the changing environment. The top three were: more productive use of technology, greater collaboration with colleagues (also via tech) and working more flexible hours than ever before.

Business uncertainty often prompts organisations to find new ways of doing more with less. One effective method is for employees to work smarter. This involves using technology to produce more value for customers without an equivalent increase in effort. 42% of employees selected more use of technology as the main change they foresaw in 2017. They think flexibility will help them meet the requirements of customers. This in turn means managers must provide their staff with appropriate mobile technology.



**Effective workplace collaboration is also a priority in 2017 as innovation becomes ever more vital for business success. Helping employees across a business to share ideas and develop them together is of great value in times of change. Collaboration increases employee productivity, fosters a cohesive culture and generates an innovative spirit.**

Naturally, employees don't think 2017 is going to be an easy ride. 45% of employees expect their workloads to increase. While extra work might be predictable, over one-third (35%) identified expansion in their job as an anticipated change for 2017. Economic uncertainty and digital disruption often takes businesses into new verticals and sectors. Our research suggests, similarly, employees expect it to add diversity to their roles.

This research reinforces the image of a dynamic, flexible European workforce that is ready for change. But workstyles are often a product of particular business environments. Employees understand that changes in working habits are usually dictated by their managers. As such, they expect bosses to embrace new technology and encourage flexible, mobile working. Such changes are necessary to ensure organisational success.

These priorities reveal that employees also know the importance of smarter working processes in achieving success this year. Streamlining collaboration, flexible working and productive technology lets employees focus on providing maximum value to customers and clients. A progressive attitude towards this process suggests a business is more likely to embrace the changes required to meet long-term goals.

This insight into employee priorities should help guide businesses as they plan for success in 2017. Employees are ready for change. But our research shows they think managers have clear responsibilities for fostering a successful workplace.

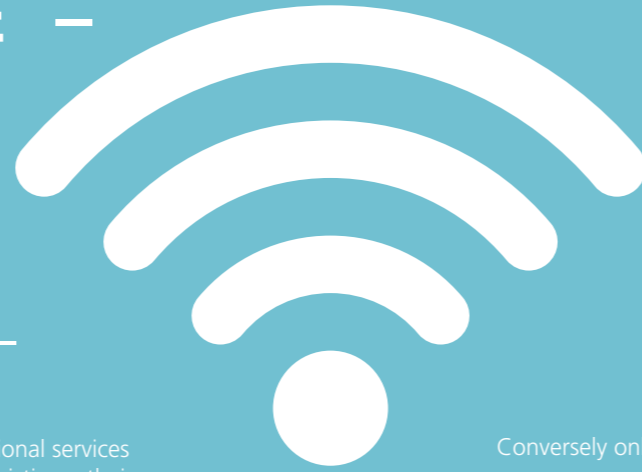
# WORLD OF CHANGE – SECTOR ANALYSIS

A sector analysis of respondents reveals interesting vertical insights. The financial services sector is keenly anticipating the impact of increased automation. 62% of financial workers highlighted this as a core benefit compared to less than half (47%) of utilities professionals.

Manufacturing and professional services employees were most optimistic on their chances of business success in

## 2017

64% & 65% respectively felt their company is well prepared for the coming changes. However, public sector (41%) and healthcare workers (42%) had markedly less optimism around their chance of business success.



Conversely only

## 27%

of healthcare professionals think these changes will result in greater tech investment.

On technology investment, the manufacturing sector stood out noticeably.

## 38%

identified digital investment to be a core benefit of the changing landscape.

Retailers are particularly optimistic (38%) about the chance of increased sales in 2017. This was not a priority for the public sector (22%). Rather they identified improvements to company culture and staff development (27%) as core benefits of the changing landscape.

Overall, it's clear that financial and professional services alongside manufacturing and retail businesses are most optimistic about the coming year. Healthcare and education workers as well as public sector employees are more cautious in their expectations.

# THE DANGER OF DISRUPTION WITHOUT STRATEGY

This is an exciting time for businesses. Technology will be the catalyst for the changed landscape of the coming year. Employees are clearly ready to embrace disruption, and feel confident it will have a positive impact. Businesses that take advantage of this confluence can reap the benefits of increased productivity, creativity and performance. Innovation is crucial in today's global economy and depends on clear communication and close collaboration.

But without a strategic focus on their information management processes, many businesses will struggle. Companies need to prioritise reviewing their long term digital strategy. These businesses will be best-placed to harness disruption and new ways of working for growth. We expect to see companies increasingly benefiting from tech-driven efficiencies this year. Fostering digital confidence in the workplace is essential for driving this process.

# PHYSICAL AND DIGITAL WORK IN A PERIOD OF CHANGE

To successfully navigate this period of change, businesses must deploy the right digital tools and technologies. These should support employees' new working behaviour. The lines between the physical and digital office are blurring. As such, the importance of effective comms and collaboration tools becomes clear as remote employees need to share and access information.

Better collaboration entails shared documents, online meetings and video conferencing. An effective platform for these processes can mean the difference between success and failure. Ever more organisations are developing their digital transformation initiatives. The effective and secure capture, sharing and management of information is paramount to this process.

# THE TECH-ENABLED EMPLOYEE

Technology has a key role to play in ensuring workers aren't overloaded with tasks. Often it can excel at non-strategic, procedural tasks that are removed from core business goals. Freeing employees up from paper-based workflows allows for greater levels of productivity and creativity in the workforce. Removing document intensive work encourages employees to focus on business critical activity that provides real value to clients. To do this, businesses must go back to basics. Analysis of fundamental workflows is essential and should result in simplified, automated and digitised systems. These improvements will make processes less labour intensive and easier to track. They will also support a more mobile and flexible workforce. The benefits of optimised collaboration and workflows are compelling. Together they fuel innovation, grant competitive advantage and lead to improved employee engagement.

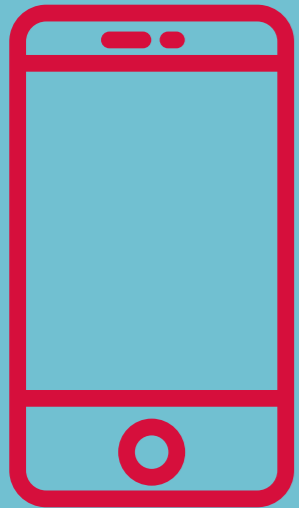
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# 5 | EMPLOYERS: RISING TO THE CHALLENGE OF CHANGE



Europe's employees are enthused for the challenges and opportunities ahead. But what about their employers?

Economic and political uncertainty will undoubtedly have huge implications for business leaders. Time spent navigating complex new regulations and policy changes can slow down business decision-making. Our research suggests that employees are well aware of this and want employers to react accordingly.

## The results suggest employers should prioritise three factors for success in 2017:

- 1 | Investment in effective workplace technology as part of a long-term digital plan
- 2 | Promoting productivity through flexible, mobile and collaborative working
- 3 | Effectively communicating these changes to the workforce

The positive trends identified by the European workforce all depend on core technological competencies for success. Automation, digital disruption and competitive innovation are all tech-enabled processes. Over 60% of workers believe technology is essential for managing the impact of the changing landscape in 2017. As such, automation should be a priority area of investment for business leaders. Employees identify this as a key benefit to their business. They know it can speed up their administrative efforts, cut costs and help them expand into new areas. No wonder 33% of workers specifically selected quicker adoption of new technologies as a key element of improving business efficiency.

42% of European workers expect to use this technology to perform their roles better and be more productive. 64% believe newer technologies and tools will increase connectivity between workers as more communication takes place digitally. Employees know how crucial this technology is, and will be,

in helping them be more productive at work. Employers should thus promote collaborative working practices while simultaneously intelligently investing in the necessary tools to bring them about.

It is incumbent on business leaders to outline a clear vision for their company's digital future. They need to prioritise technology solutions that help employees in their efforts to work smarter, be more productive and serve their customers better. But crucially, they must effectively communicate these changes to the workforce.

Many employees have put their trust in their managers for the year to come. But such trust must be continually earned. 30% of the workforce specifically highlighted that they would like business plans to be better communicated within their organisation.

Our research depicts a European employee that is loyal by nature. 93% expect to stay in their current job in 2017. However, the changing landscape means workers

increasingly look for stability in their roles. If they were to change jobs today their top priorities would be job security (37%) at a company with strong financial backing (30%). This shows the need for business leaders to reassure employees of their long-term plan and effectively communicate the changes it requires.

Businesses need to rise to the economic, policy-driven and digital challenges that 2016 produced. They can't risk being consumed by short-term doubts and distractions. This requires focus and commitment to the benefits of a long-term digital strategy. This will prove essential for success in what promises to be another turbulent year. These businesses should be encouraged by the support, optimism and pragmatism of their employees and aim to make success out of uncertainty.



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