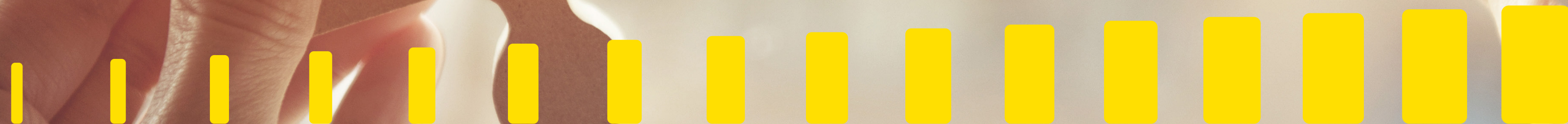
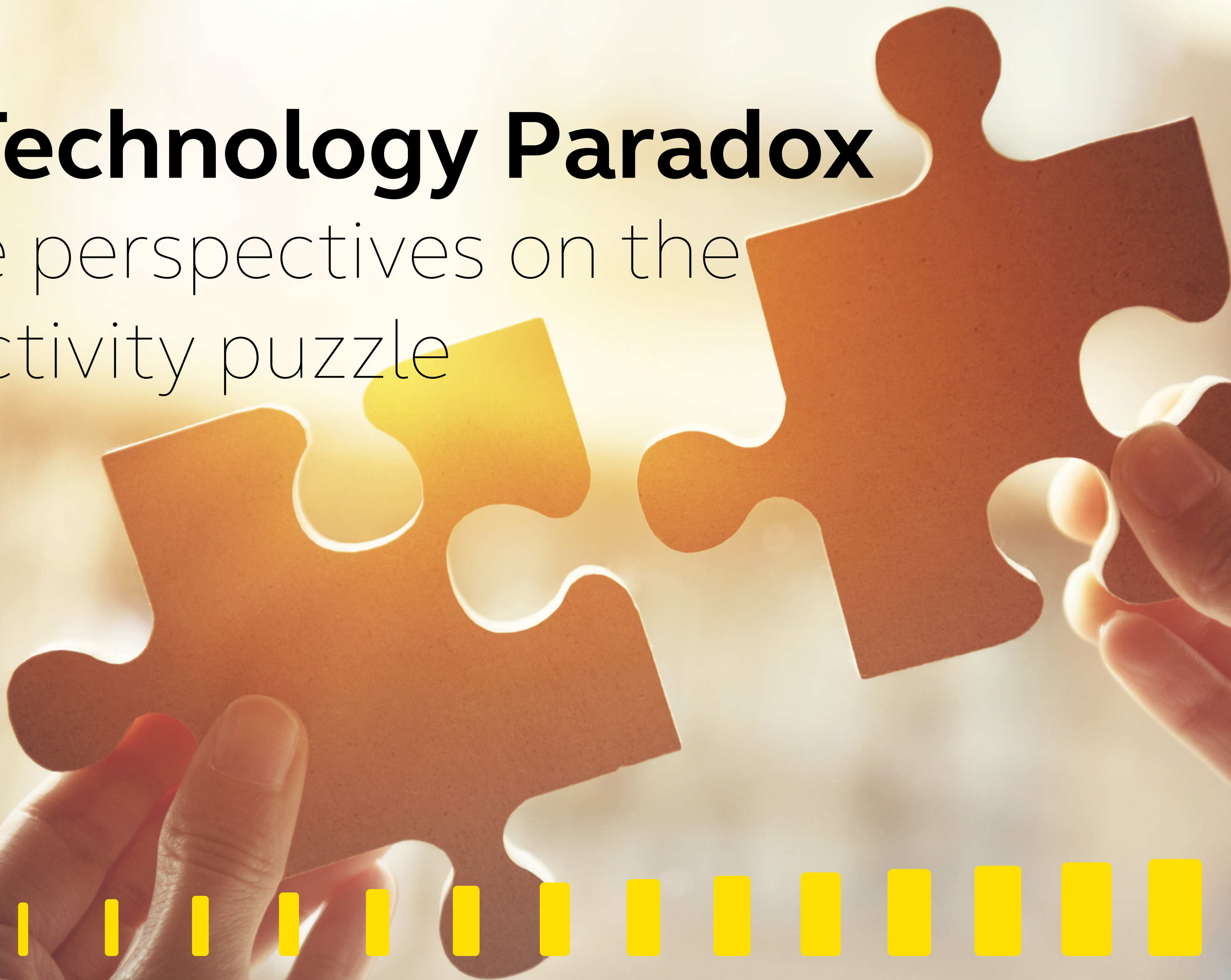


# The Technology Paradox

C-suite perspectives on the productivity puzzle







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# Introduction

We're the best-connected workforce in history. Our ancestors could not possibly imagine the range of tools at our disposal for communicating, collaborating and optimizing productivity in the workplace. From email to VoIP, video conferencing to virtual meeting rooms – not to mention the mobility afforded by smartphone technology – it's never been easier for workers to share information and ideas instantly.

But is technology fully delivering on its promises of enhanced productivity – or is it in fact creating new challenges that we're reluctant to acknowledge? Thanks to technology, the traditional office has evolved and is now a febrile, fast-moving and noisy environment. Not only have employees to contend with a constant stream of emails and instant messages that often distract their to-do-list; the trend towards open-plan offices means knowledge workers now have to contend with a seemingly never-ending number of distractions and interruptions.

From the bleeps and whistles of mobile phones to the noise of a colleague conducting a phone call or video conference at the next desk, there is no shortage of irritating interruptions that break our concentration and thus lower our productivity.

The move to open plan offices was supposed to enhance collaboration and productivity. There's clearly a strong argument for moving workers out from cubicles to spaces where they can meet and

share ideas. But workers are beginning to question why they need to be in the office at all, arguing that technology enables them to work more productively from home or any other location they choose, away from the distractions of the office and saving time commuting.

Optimizing efficiency and output is one of the most important priorities for businesses, so you'd expect that improving employee productivity would be top of the strategic agenda for C-level leadership. Yet if this isn't the case, who is in fact responsible for workforce productivity?

At Jabra, we believe that businesses thrive when their leadership engage themselves in the attempt to enable better productivity by ensuring that the right level of workplace culture and technology is in place for the office workers. That's why we've conducted in-depth research to get to the root of the office productivity problem – by asking C-level management and knowledge workers what they see as the biggest challenges when it comes to enabling better productivity in the modern workplace.



# Foreword



We love technology, but we're not blind to the potential problems it can create. When a company becomes too fixated on its products rather than its users, it can often lose sight of the very reason why it went into business – to design and build solutions for customers' business challenges. It can only do this effectively by listening to the businesses it serves.

Stagnating productivity is one of the biggest problems facing businesses; it's an issue for practically every industry and in most regions of the world. This is an extremely complex challenge with no one cause, and no single solution either. In the technology industry, it's become a firmly held belief that more tech is the answer to every problem, productivity included. But has anyone taken the trouble to ask workers themselves?

At Jabra, our success is built on staying relevant to our customers and helping them to overcome the real-world challenges they face, whether it's improving customer service or boosting employee productivity. That means we have to keep an open ear, listening to both business leaders and also those who actually use the technology at work; a group we call 'knowledge workers'.

That's why, for our latest report, we conducted in-depth research among almost 700 C-level

executives in five territories and compared the outcomes with our previously conducted knowledge worker research. We wanted to gain an understanding of the issues behind the productivity puzzle – not least, the impact that the proliferation of technology is having on workers' ability to get the job done efficiently.

As you will see, noise and distractions are two of the key factors affecting productivity, especially from technologies that are supposed to aid communication, concentration and collaboration. This global journey towards a more productive future must begin by defining and understanding the specific obstacles standing in our way – obstacles that are sometimes different across territories. This report and the recommendations within it are our contribution to the debate of how we can build better, more productive workplaces for everyone.

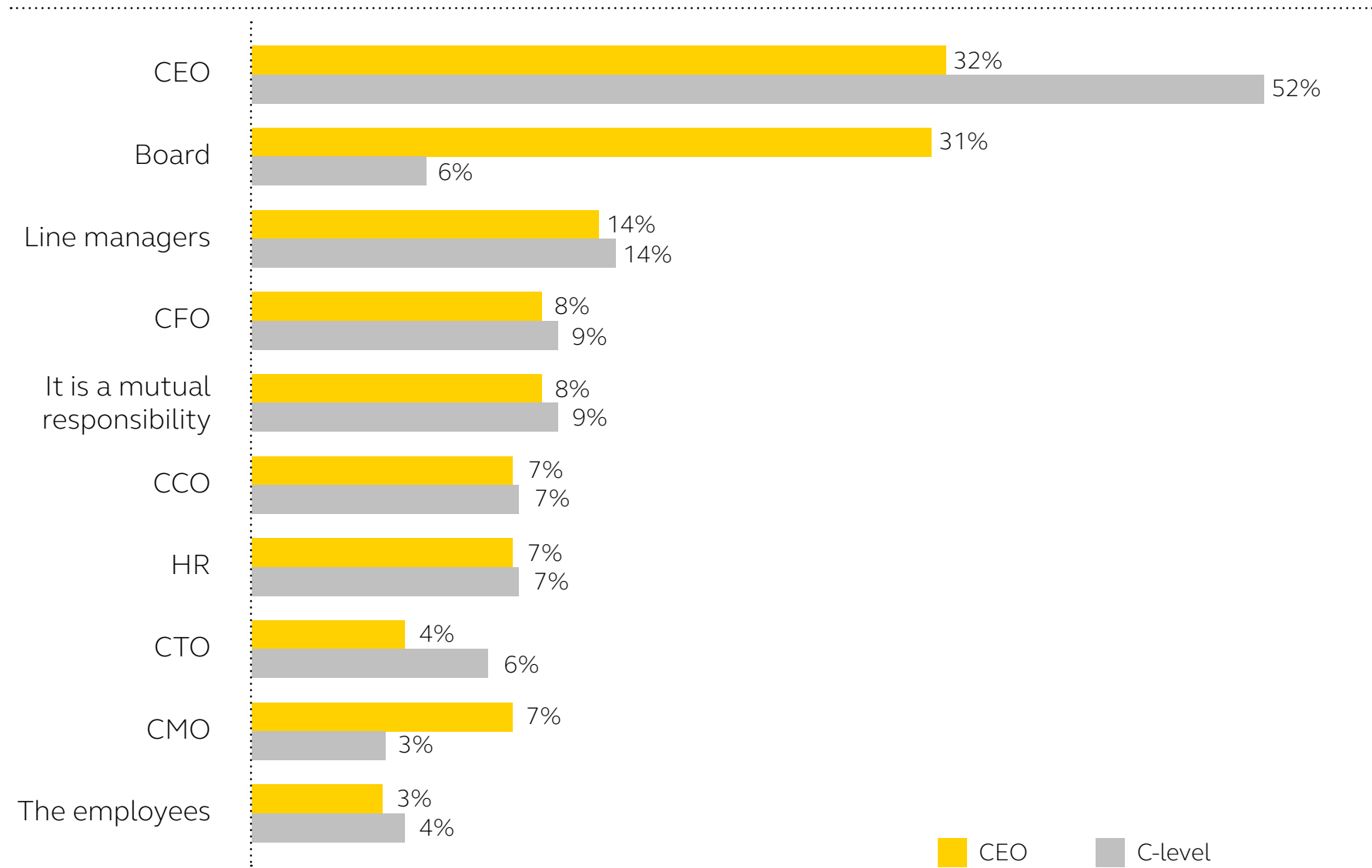
**Holger Reisinger**

Senior Vice President, Jabra



# Nobody wants to own productivity

Who is responsible for knowledge workers' productivity in your organization?



Today's world is increasingly a society of knowledge workers. Post-industrial economies gear themselves around services rather than manufacturing or mineral extraction. Even the great powerhouse of manufacturing and raw materials, the United States, saw the proportion of its workforce engaged in the services industry touch 80 per cent in 2017.

As our economies are changing, so does our workforce – and the way that we measure productivity. In the days when most workers made something tangible, it was easy to see how productive they were and to measure it. With knowledge workers it's more difficult, because what they create is often abstract, like new knowledge or strategic decisions. The way we create value is changing too: in the old days of heavy industry, a wise foreman or shift leader would listen to employees who said that their current tools were preventing them from doing their job or fulfilling their targets. Today, however, few people question whether the tools that knowledge workers use could actually be detrimental to their productivity, nor whether the human factor in adoption of new tools has been considered.

This is surely an issue that we need to be investigating. Since the Great Recession, productivity growth has stagnated in all the major advanced economies<sup>1</sup> - this in spite of the huge amounts of money that businesses have been investing in new technologies to connect the workforce. Perhaps it is this 'technology trap' that businesses are falling into that is ultimately having an impact on productivity and the bottom line.

Our productivity problem is a paradox, and we should beware anyone who claims there is a single answer to such a complex problem. Surely, though, it makes sense to actually ask the parties involved what they think affects productivity. That's exactly what we did in 2018, polling C-level executives in six major advanced economies – Denmark, France, Germany, Sweden, United Kingdom, and the United States – and comparing their thoughts with those of the knowledge worker workforce.<sup>2</sup>

What are businesses doing about these clearly-identified issues that are harming their overall productivity? Our research found that while almost three quarters (71 per cent) of businesses say that measuring knowledge workers' productivity

CEOs are by far deemed the most responsible for knowledge workers' productivity, even by themselves and especially by C-level executives

23%

C-level executives were most likely to believe that measuring knowledge worker productivity via project man hours and sales numbers is the best way

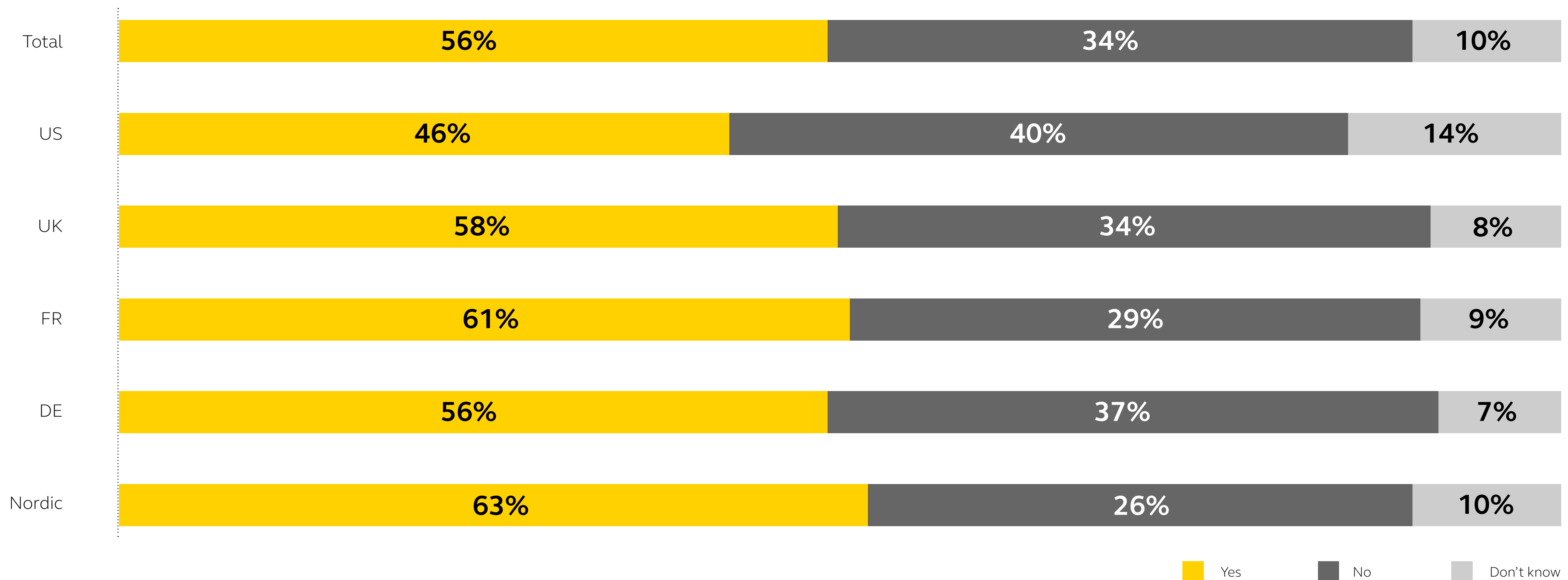


**Most C-levels believe that it is difficult to measure knowledge workers' productivity**

is important, no-one is stepping up and taking ownership of the issue. A third of CEOs (31 per cent) place responsibility for productivity on the board; meanwhile, over half (52 per cent) of people reporting to the CEO believe that the CEO is responsible.

This buck-passing does nothing for workers' or businesses' productivity. If they are truly serious about solving the productivity puzzle, organizations need to decide who's responsible. Whoever it turns out to be, one of the first tasks is to start listening to knowledge workers and understanding their concerns, to then identify how the right mix of workplace culture and technology can help their workforce achieve better productivity.

Is it difficult to measure knowledge workers' productivity?





# The productivity paradox

## C-level executives

60%

believe knowledge workers have a higher productivity when working at the office

67%

believe that a pro-active meeting policy is necessary in order to positively impact knowledge workers' productivity

63%

believe that flexible work hours is key to impact productivity

Even the best-intentioned initiatives can have unexpected consequences. The move to open-plan offices and investment in new communications technologies should have had only positive results, with workers free to move about the workplace, conversing easily with colleagues, sharing ideas, and communicating better with customers through a range of platforms.

C-level management is a big fan of open office environments, with almost two thirds (61 per cent) saying that they benefit knowledge workers' productivity. Perhaps unsurprisingly, the same proportion (60 per cent) think that these employees will work better in the office than at home. If we match this with the research done amongst knowledge workers (Knowledge Worker Survey, Jabra, 2018) who say that the open office is the least productive place to work in, the paradox becomes clear.

Given that our research found that 50 per cent of workers are not even allowed to work from home, this raises the question of how so many C-level executives can be so confident about the comparative benefits of working in the office against working from home.

Open offices are by far the most common environment for knowledge workers, with 37 per cent of respondents saying they work in open-plan environments. Meanwhile, the proportion of employees who work in cubicles has plummeted, falling from 20 per cent in 2012 to just 10 per cent today.

That's good news for the C-level champions of the open office, but what do workers think? Whatever they feel about the benefits of open offices, knowledge workers are clear about what they consider the biggest factors affecting their productivity: noise levels in the office, cited by 45 per cent, and interruptions from colleagues (35 per cent).

53%

CEOs believe that knowledge worker productivity comes from changing the mindset of the C-level management

This group on the other hand, believes that knowledge worker productivity comes from change management programs.

54%



## The Technology Paradox: C-suite perspectives on the productivity puzzle

This is not an argument for returning to the days of closing knowledge workers in their own cubicles. Open office space is an invaluable resource, one that's far better suited to communication and collaboration than phone calls, email or video conferencing. When a knowledge worker needs to concentrate on a task, however, they need freedom from any distraction. Working from home seems the perfect solution, where knowledge workers can get on with the job without distracting noise or colleagues pestering them. But not only are half of workers not allowed to work from home; of the remainder, most barely take the opportunity to do so. Almost three in five people (59 per cent) work from home for one day a week or not at all.

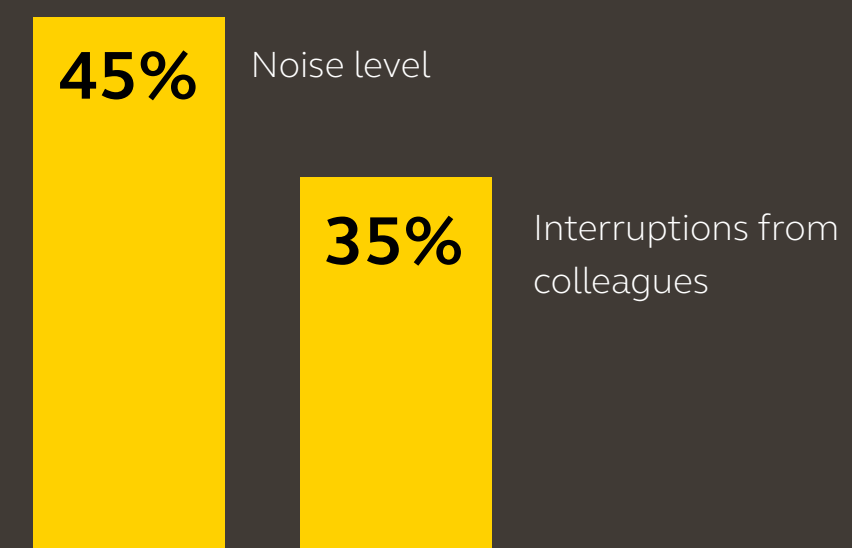
The reasons why so few take the opportunity to work from home are uncertain, but one could speculate that if leadership is not supportive, this has a huge impact. What is clear, however, is that knowledge workers face significant distractions in the office and this is hurting their productivity.

In the past, the great captains of industry took pride in keeping in touch with workers on the production floor, because it gave them invaluable insight about how their business was operating and helped them to identify potential problems or any discontent within the workforce. In today's knowledge economy, the office takes the place of the factory floor – but how many CEOs take the time to walk around and ask employees what would help them to work better?

### Knowledge workers

- 50%** not allowed to work from home
- 59%** of home workers do it no more than one day a week
- 37%** work in an open plan office
- 24%** have single / private offices
- 10%** work in cubicles

### Biggest factors affecting productivity





# Technology drives distraction

C-level executives

62%

believe that multiple communication platforms positively impact productivity

38%

believe one communication platform positively impacts knowledge workers' productivity

Investment in artificial intelligence (54 per cent) is more important than increasing workforce (46 per cent) in order to impact knowledge worker productivity.

As debates continue about technology being addictive, some parents for example limit their children's amount of screen time. Unfortunately, these behavioral changes are less considered in the corporate world, where technology is often seen as a panacea.

Now, more than ever, we have to contend with huge amounts of auditory information. But we struggle to hold onto this information. When we asked C-level respondents which factors they believe positively affect knowledge workers' productivity, seven in ten (62 per cent) agreed that encouraging use of multiple communications platforms would be beneficial.

The 2018 Knowledge Worker Survey unveiled that a third of employees acknowledge that too many emails is affecting their productivity, but other technologies are beginning to cause problems too. The research found that one in ten (11 per cent) cited interruptions from digital devices, while the number saying that they are distracted by multiple messages coming through to their softphones and audio devices has risen from six to eight per cent since 2015. Meanwhile, the proportion of knowledge workers complaining about too much noise in the office – whether this is because of colleagues talking on the phone or other distractions – whilst not having the right technology to shut out these noises and fully concentrate, has not decreased in the past years.

Taken together, these statistics show what many parents know to be true – there is such a thing as too much technology. By contrast, only a minority of C-level executives say that limiting the use of communications platforms will benefit knowledge workers' productivity. Could they, in fact, be the ones who are right?

There's only one way of knowing, and that is to engage with employees to ask them about their attitudes towards corporate-mandated communications technologies. But how often are users actually consulted about the technology they feel would make a difference in their job?

Remember, technology evolves much faster than humans. Humans are still, in many ways, simple creatures. Our sensory capacity is actually very limited, and the information overload of modern life can easily become too much for our cognitive capabilities. This is not a call for businesses to go backwards and to refuse to adopt new communication technologies. Rather, we urge decision-makers to think carefully about what technologies they implement, how they mandate their use throughout the organisation, and how they build a culture where people are free to work in ways that enable them to be as productive as possible. This takes collaboration, flexibility and a commitment to listening to knowledge workers themselves.



# Executive Summary

### Nobody wants to own productivity

**71%** of business say that measuring productivity is important, though no-one is taking ownership

**31%** of CEOs place responsibility on **the board**

**52%** of people reporting to the CEO believe the **CEO** is responsible

**56%** of C-levels believe it is difficult to measure productivity

**9%** do not measure productivity at all

CEOs BOARD

### The productivity paradox

**60%** of C-levels say office working achieves higher productivity

**32%** of knowledge workers say that single / private offices are best for productivity

**50%** of workers are not allowed to work from home

#### Biggest factors affecting productivity

Interruptions **35%**

Noise level **45%**

Office building icon, Home with slash icon, Bar chart showing Interruptions and Noise level.

### Technology drives distraction

**62%** of C-level executives believe that multiple communication platforms are good for productivity

**38%** believe a single platform improves productivity

C-level prefer AI investment over increasing workforce to improve productivity **54%**

**46%**

**56%** of knowledge workers say interruptions harm their productivity

Communication icons (ear, phone, laptop, @, thumbs up, envelope), Bar chart showing AI investment preference, Silhouette of a person.



# US

Most C-level executives in the US (75 per cent) believe it's important to measure productivity, but our survey reveals that 60 per cent say measuring productivity is difficult or they don't have a clear picture of how it's measured.


What's more, US C-suite are split over how best to measure productivity, with around a quarter of businesses rating sales numbers (27 per cent), project man hours (25 per cent), percentage growth (25 per cent), and revenue (23 per cent) among their criteria for success.

With digital disruption transforming workplaces around the globe, this is a question that needs urgent attention. Half (49 per cent) of CEOs and C-level executives worldwide believe that digital will have the most impact on knowledge workers' productivity.

Without a clear and universal metric for productivity, it's difficult to see how businesses in the US or elsewhere will be able to assess the impact of efforts and investments in new technologies or processes.

# 75%

Three-quarters of US C-level executives find it important to measure productivity, but they don't have a clear picture how to measure it.



Are we chasing the productivity pipe dream?



As robots make their way into the workplace, transforming operations and delivering undreamt-of efficiencies, C-level executives are examining how they can leverage technology to enhance their knowledge workers' productivity.

The push for digital transformation and arming workers with the right technology is rooted in a strong belief by nearly half (49 per cent) of CEOs and C-level executives that digital will have the most impact on knowledge worker productivity. Additionally, a third (32 per cent) of the C-suite believe increased empowerment will improve productivity – more than the proportion who say the same about enhancing employees' work-life balance.

Executives around the world are turning to technology to create a new breed of “hybrid worker”, using a range of systems and software to try and make employees more productive than ever before. In the US, the C-suite are most likely putting their faith in data and analytics, which are identified by a quarter (24 per cent) as the biggest driver of productivity among knowledge workers in the next three to five years.

What's more, executives are investing to make this a reality – in particular, systems that enable knowledge workers to connect and collaborate. More than a third (34 per cent) of US C-suite indicated plans to invest in this area over the next three to five years – more than the number who see purchasing new IT systems or investing in hardware as the best way to improve productivity.

Today's US workplaces might look similar in a decade, but the world of the knowledge worker will likely be very different indeed, with technology playing a more important role in their jobs than ever before. This change will require businesses to invest in skills and training to ensure that employees make the most of the productivity dividend that such systems promise.

34%

A third of C-level executives in the US will invest in systems to improve knowledge worker communications and collaboration

Do we increase productivity by transforming workers into digital hybrids?





# UK

Productivity may be an issue for every advanced economy, but for the UK it is practically a national obsession. Although UK productivity saw a significant uptick in the second half of 2017, it has long lagged behind most of the rest of Europe.

The reasons behind the UK's productivity problems are an enigma, and the only thing that anyone agrees with is that there are multiple, complex causes. Is it because Britain uses less than a quarter of the proportion of robots compared to Germany?<sup>3</sup> Should the country move towards cutting employee hours and implementing a four-day week like New Zealand? Or is it changing the mindset of current employees and making them more 'results-oriented', as our research suggests?

This problem is not unique to the UK: the fact is, no-one is claiming responsibility for measuring productivity, with over half of C-level executives saying it's the CEO's job, and a third of CEOs saying it's the board's responsibility. What is unique is the importance UK companies give to the issue: the country's C-suite were the most likely in our research to value measuring productivity.

The only issue is, a significant portion of UK C-level executives think it's extremely difficult to measure

productivity (58 per cent), and an additional smaller portion don't even know how (8 per cent). Worryingly, that's a challenge that few UK businesses seem willing to take on, with only one in five companies not currently measuring productivity planning to do so in the future.

With an economy strongly and increasingly balanced towards services, the UK is incredibly reliant on knowledge workers. With many uncertainties ahead, it's difficult to see an easy way out of Britain's perennial productivity problems.

# 77%

UK C-level executives were the most likely to ascribe value to measuring productivity

The UK's productivity paradox has worsened. And we're no closer to fixing it.





# Germany

Germany is one of the most productive nations in the world, and the second in the G7<sup>4</sup>.

Therefore you would imagine that measuring knowledge workers' productivity would be a priority for German business leaders; however, our research found that only 66 per cent of the German C-suite believe this to be important. This is significantly below the average of 71 per cent, and lower than for any country outside of the Nordic nations.

In fact, 30 per cent of C-suite respondents in Germany said it wasn't important – the highest in the survey.

Across the world, the most common way of measuring productivity is by project man hours (26 per cent) or sales numbers (25 per cent). In Germany, however, the joint-top productivity KPIs are project man hours (28 per cent), revenue (25 per cent) and registration of time on projects/chargeability (23 per cent). Sales numbers only rank in fifth place, used by just a little over one in five of respondents.

Not only is the German C-suite comparatively unconcerned with measuring knowledge workers' productivity; three quarters who don't already measure it have no plans to do so in the future.

Although it might seem counter-intuitive, Germany's traditionally strong productivity performance should make us pause to consider whether it's better to fixate on measurement rather than get on with actually implementing measures to improve knowledge workers' productivity.

# 75%

Measuring productivity is a low priority for the German C-suite compared to other nations, and 75% say they have no plans to measure it in the future

A third of German C-suite don't think it's important to measure productivity





# France

France is famed for the protection it affords to its workers, with many other nations envious of its law-enshrined 35-hour working week. And it's not just workers who think that work-life balance is important – our research found that almost two thirds of C-level executives (63 per cent) think that flexible working is key to maximising employee productivity.

Yet almost half (46 per cent) of knowledge workers in France are unable to work from home. Even if this is the second lowest of any country surveyed, it shows that there is still resistance to the idea of employees being absent from the office.

But would increasing homeworking lead to productivity gains for French businesses? Around the world, 60 per cent believe that knowledge workers are more productive when working in the office.


Perhaps the answer to the productivity puzzle lies elsewhere. For example, French employees are around 30 per cent more productive than their British counterparts,<sup>5</sup> and our research found that knowledge workers in France are over three times more likely to work in a single or private office. In fact, France had the highest proportion of private office users at 38 per cent, compared to just 11 per cent in the UK.

This tallies with our survey of knowledge workers themselves, who overwhelmingly chose the single/private office as the space where they feel most productive.

There is no silver bullet for the productivity crisis, and even if private offices were the answer, then it would be incredibly expensive to provide an office for every knowledge worker. Yet the research findings make compelling reading and point to a way of working that satisfies both knowledge workers and their managers.

# 38%

France has the highest proportion of private / single offices for knowledge workers



Are private offices the solution to increased productivity in France?



# Nordics

CEOs and C-level executives in the Nordic countries are significantly less concerned with measuring their knowledge workers' productivity, with only 56 per cent saying that this is important – the lowest in the survey. What's more, only 46 per cent plan to do so in the future.

In part, this may be because of the perceived difficulty of measuring productivity, with Nordic respondents most likely to say that this is hard to do (63 per cent). Another factor may be that Nordic businesses are much more likely to adapt existing technologies and processes to improve productivity, rather than merely measuring output. Almost half (47 per cent) believe that this will improve knowledge workers' productivity in the next three to five years; the next highest country was the US at 33 per cent.

With Nordic businesses more focused on taking practical steps to improve productivity, it's interesting to note that C-level executives believe that improving knowledge workers' ability to connect and collaborate is the single most important step towards this goal. This was cited by 48 per cent of respondents – again, by far the highest of any country in the survey.

With almost half (45 per cent) of Nordic employees working in either open-plan or small offices, one factor that is likely to affect productivity is office

noise and distractions from colleagues. Worldwide, reducing noise is not seen as a major priority, with only 16 per cent citing this as important for improving productivity. Yet our survey of knowledge workers themselves found that 45 per cent said that office noise levels affected their productivity, while for 55 per cent colleagues' conversations have a negative effect on performance.

As the C-suite in Nordic countries look to take practical steps towards the productivity puzzle – in particular, on systems to enable employees to connect and collaborate better – one answer to these businesses' problems is likely to be investment in technologies that enable workers to filter out office noise and distractions.

# 47%

Half of Nordic C-level executives say adapting existing technologies and processes was key to improving productivity – by far the highest in the research

# Nordics focused on solving, not measuring the productivity puzzle





# References

## About the research method

Online interviews (CAWI) in US, UK, France, Germany, Nordic (Denmark and Sweden). A total of 688 interviews was conducted with CEO's or C-level executives (US: 150, UK: 150, France: 150, Nordic: 87, Germany: 151). Questionnaire length was 10 minutes.

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## Join the “New Ways Of Working” Initiative

Jabra's 'New Ways of Working' initiative is a joint initiative that involves everybody who is struggling with changes in how we work, how we organize work and how we motivate employees and colleagues to be part of the journey. It advocates a reflection on how to best design work for improving the four Cs; concentration, conversation, communication and collaboration, and in turn becoming more innovative, productive, and successful.

Follow our blog and join us in the discussion at [www.blog.jabra.com](http://www.blog.jabra.com)

## How Jabra Meets These Challenges

A lot of issues with today's working environment are about two common factors: sound and technology, as this research also shows. Jabra works specifically with audio and unified communications solutions that improve the modern work space and enable individuals to hear more, do more and be more. The modern challenges are reflected in the products that we take to market.

If you are interested in learning more, please go to: [www.jabra.com/business/](http://www.jabra.com/business/)

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