

A woman with voluminous, curly, reddish-brown hair and round glasses is smiling while talking on a silver smartphone. She is wearing a white button-down shirt over a black top. In her left hand, she holds a silver tablet. The background is a blurred outdoor setting with warm, golden light, suggesting a sunset or sunrise.

Empowering your people

How executives can jump-start
the flexible workplace

Introduction

The Great Resignation. The Big Quit. Whatever name it goes by, the recent increase in employee turnover is part of a major shift in the way employees see their jobs. These changes are across role and function—from summer interns to the C-suite, from HR to finance and IT.

The best-prepared organizations have optimized processes needed to keep the organization running smoothly, offer benefits and training that employees value, and are ready for the next shift in employee expectations—whatever or whenever that may be. Unprepared organizations, with less resilient operations, face compliance and cybersecurity risks, as well as retention and recruitment challenges.

To gain more insight into the changing nature of work and employee expectations, Oxford Economics and the SAP Concur business unit of SAP conducted a worldwide, cross-industry survey of 851 finance and IT executives and 851 employees in the finance and IT functions at companies with more than 1,000 employees.

The survey revealed several key takeaways:

- **Employees are upping and updating their workplace expectations.** In the wake of the pandemic, most employees reassessed what they value in a workplace—but executives are slow to understand this re-alignment or its broader implications.
- **Flexible work is here to stay.** About half of executives and employees expect to work remotely at least some of the time in the next two years. However, employers are more likely to see flexible work as an inducement for potential employees, rather than a benefit for existing ones.
- **Operations are not optimized for flexible work.** Executives must re-evaluate their companies' processes to keep up with employee expectations and regulations, especially if most anticipate a hybrid work schedule over the coming years.
- **Inadequate training could create compliance risks.** Less than half of executives and employees say their organization provides them with the right training and tools to keep up with changing policies and regulations—a major oversight, as those can change day by day.
- **Companies are not soliciting employee feedback.** Just 42% of employees and executives each agree that their organizations use formal surveys to gauge employee sentiment, and less than half of executives say they use employee feedback to influence updates to travel and expense policies.





Methodology

Sample

Finance and IT executives (n=851)
and employees (n=851)

Executive titles

CFO, CIO, CTO, and VPs of finance
and technology

Employee titles

Finance and IT function, manager
level and below

Sectors covered

A wide range, including significant samples
from manufacturing, financial services, and
professional services

Company sizes represented

All have more than 1,000 employees.



Countries covered

Equally split between the United States, Japan,
Germany, Canada, the UK, China, France,
Brazil, Italy, Mexico, India, Australia, Nordics,
Spain, Benelux, Singapore, and LATAM
(Chile, Argentina, Colombia, Peru)

Dates fielded

October and November 2021



Do executives know what employees want?

With the Great Resignation sweeping the globe,¹ workplace issues are no longer strictly the purview of HR. Finance and IT executives, among others, must be aware of the wants and needs of their employees while creating a seamless work experience. Companies that do not meet evolving worker expectations risk losing talented employees—and may face difficulties recruiting their replacements.

Executives may not realize how many employees are willing to leave their jobs: Just 37% of employees in our survey say they are not looking for a new job. Nearly a third (31%) are not actively looking but would entertain offers; 22% are actively looking; 7% plan to leave in the next two years or more; and 4% plan to leave if their expectations regarding benefits, flexible work, or compensation are not met.

Improving employee retention is a complex balancing act for organizations, and one that usually falls to HR. But finance and IT executives need to be aware of potential issues around ensuring their organizations are in tune with employee wants and needs, while providing seamless and satisfactory work experiences. Most finance and IT executives in our survey claim their organizations know what matters to their employees, but just 45% of employees agree. That could be because executives are not fully aware of the broader implications of the Great Resignation—while a majority (60%) of employees say the pandemic caused them to reassess what they value in the workplace, just 46% of executives agree that employees took stock of their priorities.

Just 37% of employees are not actively looking for a job.



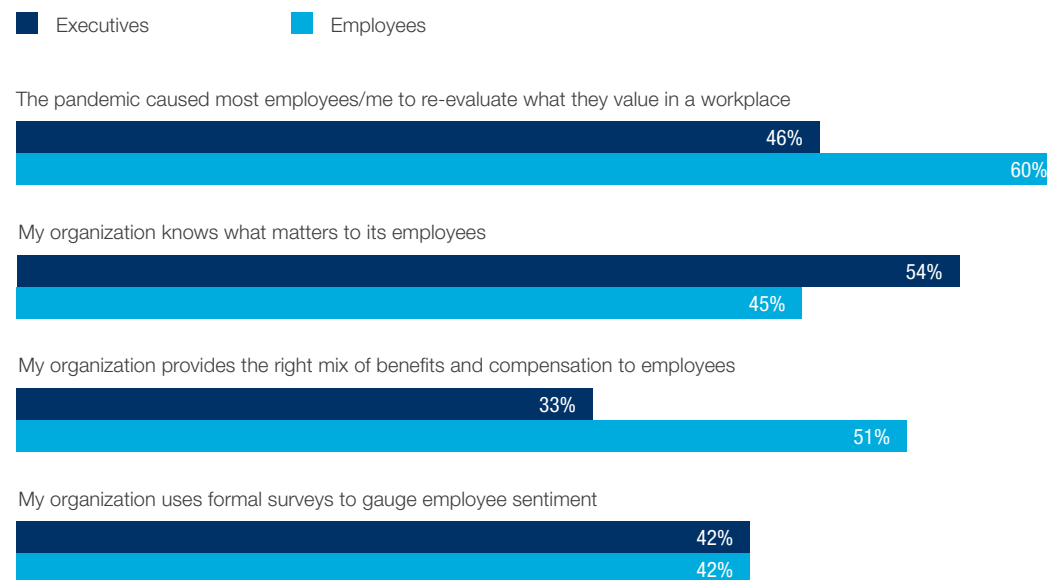
While executives and employees are aligned on most workplace priorities, some perception gaps remain. For example, employees and executives agree that the most important factor in creating a positive employee experience is competitive pay—but, while more than three-quarters of executives say they offer competitive compensation, only two-thirds of employees say they receive it. This trend exists for other perks as well, such as health insurance and a healthy work-life balance.

While gaps in employee and executive understanding are nothing new, they present bigger risks to retention, productivity, and other workplace issues. However, survey results suggest that few executives are going directly to the source to better understand their employees. Just 42% of finance and IT executives say they use formal surveys to gauge employee sentiment. And less than half (46%) say they use employee feedback when updating their T&E policies. That could explain, in part, why only 26% of executives say they are effective at managing T&E policy compliance. For finance and IT executives, who are crucial players in keeping an organization running efficiently and securely, that should set off alarm bells. They must account for employee sentiment and ensure seamless experiences, no matter where their employees are located.

Fig. 1: As employees rethink what matters to them, executives are slow to respond to the shift

Q: To what extent do you agree with the following statements about employee wants and needs?

"Strongly agree" and "Agree" responses



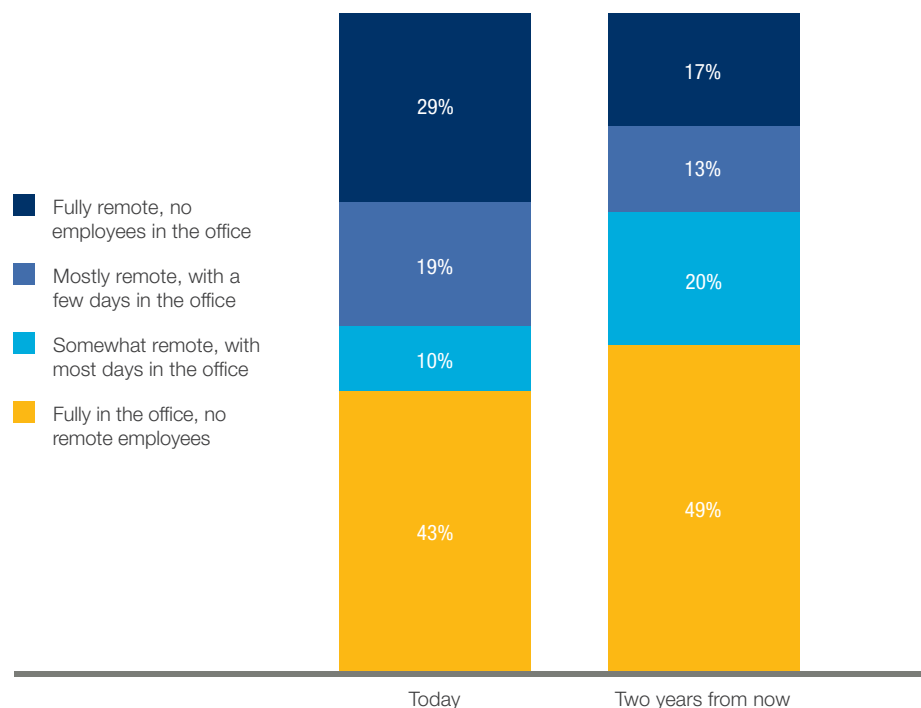


The future of flexible work

Most organizations expect to have some form of flexible work in the next two years—even if it may not be the optimal way of working for some. Among companies with remote work policies, 17% expect to be fully remote in two years, and 58% expect to be in the office just one or two days per week.

Fig. 2: At least half of companies will have some form of remote work in two years

Q: Select the option that best describes your remote work policies today and in two years



As most companies with more than 1,000 employees retain some form of flexible work going forward, they must be prepared. However, even though around two-thirds of executives and employees each agree that employees perform better if they can choose when and where to work, few companies are managing or enabling flexible work effectively.

That could be because many are waiting to see if the shift to flexible work is here to stay. For now, a third of executives agree that flexible work is temporary in their industries and that employees will return to the office soon. However, 44% of finance and IT executives remain neutral on this question, suggesting they may be taking a “wait and see” approach. That could be a mistake. The pandemic’s effects continue to delay plans to return to the office, but less than half of executives say that their processes to provide guidance around pandemic restrictions are completely optimized for flexible work.

The executives in our survey may also be more concerned about negative fallout from the Great Resignation than the potential benefits of flexible work for their existing employees. When asked about the top benefits that flexible work brings to their organizations, 58% of executives say it makes them more attractive to prospective employees. Benefits to existing employees, such as increased satisfaction and productivity, are significantly less likely to be cited.

There is little use in attracting prospective employees with flexible work policies if the resulting experiences are not up to par. Only 43% of executives and 38% of employees agree that their company's policies and technologies effectively enable these arrangements. And among employees with some form of flexible work today, 42% say that when they are working remotely, they expect a seamless technology experience but don't always get it.

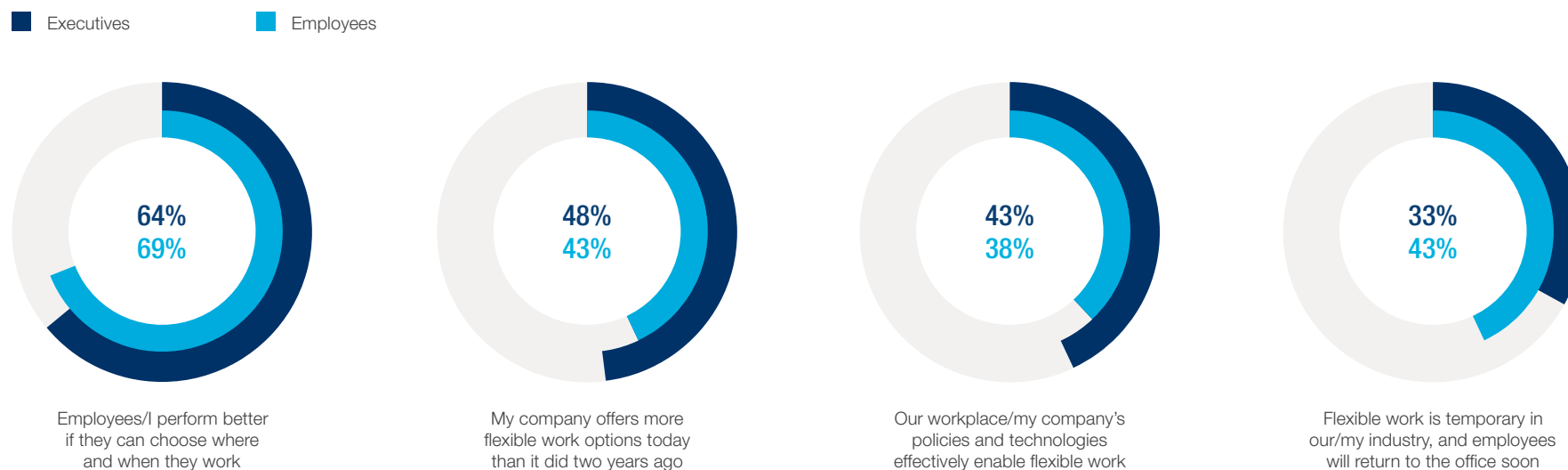
With most executives not effectively managing or enabling flexible work arrangements, they must look at their policies and processes with a critical eye and focus on optimizing them for a future in which flexible work is a given so they can improve retention and recruitment.

Only 38% of employees agree that their company's policies and technologies effectively enable flexible work.

Fig. 3: Executives and employees have a dim view of their flexible work experiences

Q: To what extent do you agree with the following statements about flexible work?

"Strongly agree" and "Agree" responses





Optimization challenges

More than half of the executives in our survey say they do not effectively manage flexible work arrangements. But it is not just that experience is difficult to manage: effectiveness is low for a wide range of travel and expense (T&E) and related processes, from collecting, processing, and paying vendor invoices (only 34% of executives say they are effective at this) to managing cash flow (29%).

Cybersecurity and T&E policy compliance issues should be major areas of focus for finance and IT executives—yet these are areas where they report some of the lowest levels of effectiveness (13% and 26%, respectively). In fact, cybersecurity and T&E policy compliance are cited as the top risks to incorporating flexible work at their organizations. The past two years have scrambled existing remote work

policies, which is likely why 35% of executives say managing cybersecurity has gotten very or extremely challenging since the pandemic. However, less than four in 10 executives agree that any T&E or related processes have gotten more challenging since the pandemic, suggesting that low effectiveness is not rooted in pandemic-era difficulties, but deeper operational issues within the organization.

Fig. 4: Effectiveness is low across the board

Q: How effective is your organization at managing the following?

"Completely effective" and "Very effective" responses

Positive employee experience



Duty of care



Maintaining financial visibility and data to inform decision-making



Collecting, processing, and paying vendor/supplier invoices



Managing cash flow



Processing, approving, and reimbursing T&E reports



T&E policy compliance



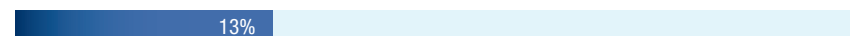
Cost control



Flexible work arrangements



Cybersecurity



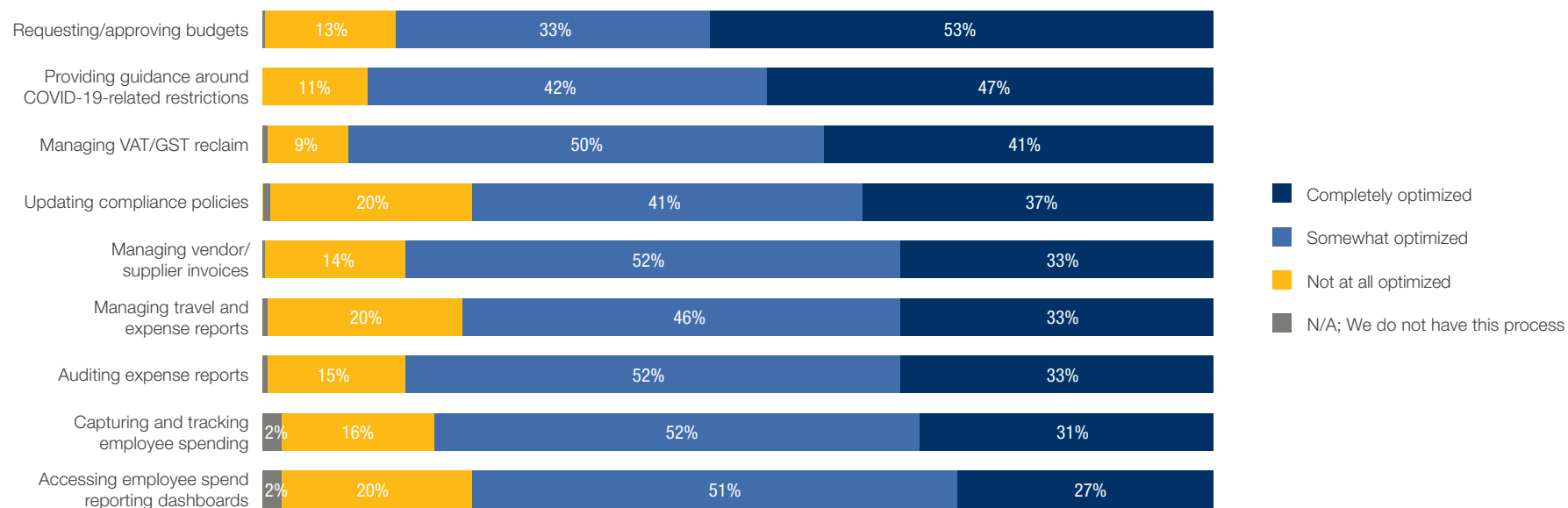
Adding to executives' headaches is a lack of training. Less than half say their organization provides employees with the right training and tools to keep up with changing policies and regulations. Employees (36%) are even less likely to assess their companies positively in this area. This training gap is not just around policy compliance—while half of executives say their organizations offer career development and training programs, just 31% of employees agree. Employees are either unaware of existing training programs or these programs are inadequate to their needs.

While compliance and cybersecurity are extremely important to finance and IT executives, they also need to pay attention to more granular T&E processes, such as booking travel, ensuring financial visibility, and processing vendor invoices, all of which are crucial for keeping an organization running. However, companies have optimized few of these processes for flexible work. This presents difficulties for current employees struggling to do their jobs effectively from remote locations, not to mention grave disappointment for future employees enticed by the company's flexible work policies.

Only 36% of employees say their organization provides them with the right training and tools to keep up with changing policies and regulations

Fig. 5: Few processes are completely optimized for flexible work

Q: To what extent are the following processes optimized for flexible work?



Most executives say that requesting and approving budgets is completely optimized for flexible work (53%), but employees are far less likely to agree (41%). In fact, employees are less likely than executives to say that *any* process is completely optimized for flexible work. Compliance challenges again should be on executives' radar, as only 32% of employees say that keeping up with changing compliance policies and regulations has been completely optimized at their companies. The issues extend beyond compliance—31% of employees say that booking travel is completely optimized for flexible work.

When it comes to technology used to optimize these tasks, cloud is by far the most common, with very few companies (less than a fifth on average)

using advanced solutions like intelligent automation. However, more sophisticated technologies could potentially improve overall effectiveness, increase productivity, and improve the flexible work experience.

While correlation does not imply causation, effectiveness is lowest for processes that are less likely to be completely optimized. For example, only 31% of executives say that capturing and tracking employee spending is completely optimized, and only 25% see themselves as effective at cost control in general. When it comes to collecting, processing, and paying vendor invoices, 33% of executives say the overall process is completely optimized, and 34% consider themselves to be effective at the task.

53% of executives say that requesting and approving budgets is completely optimized for flexible work, but just 41% of employees agree.



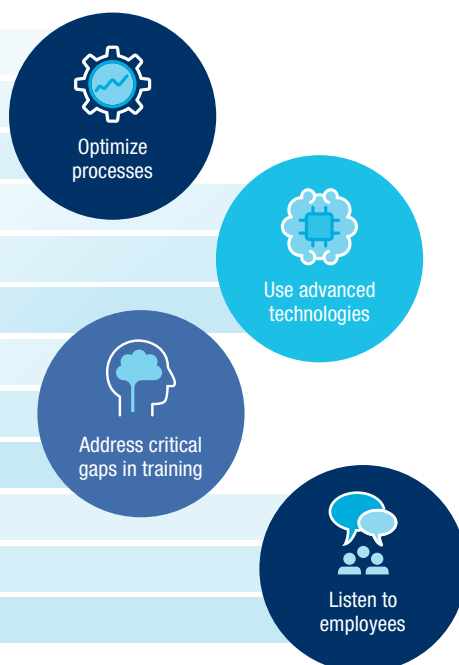
Recommendations

To empower your employees to succeed in the flexible workplace—and increase overall effectiveness—finance and IT executives have a lot to address. The wide gaps between employee and executive perceptions regarding what matters to employees, as well as the benefits they receive, are just the beginning. Executives also need to prepare their organizations for a future in which flexible work is a permanent fixture.

However, these executives may not understand the full implications of what it means to be optimized for flexible work. They seem more focused on attracting prospective employees with remote work policies than ensuring a seamless remote experience for their

existing employees. Compliance and cybersecurity challenges are immediate threats to effective flexible work, but a wider range of T&E and related processes must also be optimized if employees are to do their jobs successfully regardless of location.

To ensure your organization can make it through this tumultuous Great Resignation with a satisfied, effective workforce, we recommend executives take the following steps:



- **Optimize processes.** Few executives—and even fewer employees—say their T&E processes are completely optimized for flexible work. That may be the part of the reason process effectiveness is low across the board. In a world of permanent flexible work, these processes must work as well remotely as they do in the office.
- **Use advanced technologies to improve experiences.** Executives tend to stick to the foundational technology of cloud computing to optimize their processes for flexible work, with very few turning to advanced technologies like AI/ML or advanced analytics. However, these technologies are worth exploring for their potential to simplify processes and increase productivity, while improving the employee experience.
- **Address critical gaps in training.** Only 36% of employees say their organizations provide them with the necessary training to keep up with changing regulations—a major oversight as compliance requirements continue to shift. This training should match the seamless, technology-enabled experiences that employees have come to expect.
- **Listen to employees.** Every company operates differently, and employees come with unique expectations. Regular surveys of employees are one way to keep up to date with their wants and needs, yet few organizations in our study conduct them.



About Oxford Economics

Oxford Economics is a leader in global forecasting and quantitative analysis. Our worldwide client base comprises more than 1,500 international corporations, financial institutions, government organizations, and universities. Headquartered in Oxford, with offices around the world, we employ 400 staff, including 250 economists and analysts. Our best-in-class global economic and industry models and analytical tools give us an unmatched ability to forecast external market trends and assess their economic, social and business impact.



THE BEST RUN



About SAP Concur

SAP® Concur® is the world's leading brand for integrated travel, expense, and invoice management solutions, driven by a relentless pursuit to simplify and automate these everyday processes. The highly-rated SAP Concur mobile app guides employees through business trips, charges are directly populated into expense reports, and invoice approvals are automated. By integrating near real-time data and using AI to analyze transactions, businesses can see what they're spending, ensure compliance, and avoid possible blind spots in the budget. SAP Concur solutions help eliminate yesterday's tedious tasks, make today's work easier, and support businesses to run at their best. Learn more at concur.co.in or the SAP Concur blog (concur.co.in/newsroom).

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