

The background of the entire page is a composite image. It shows the silhouettes of a woman on the left and a man on the right, both in profile and facing each other. They are superimposed over a city skyline, likely San Francisco, viewed from across a body of water. The image has a light blue, semi-transparent overlay.

# The Future of Digital Workplaces

Bridging the critical 2021 digital experience  
divide between CEOs, IT leaders, and employees

A large blue geometric shape, resembling a stylized triangle or a corner of a page, is positioned in the top-left corner of the document.

# Table of Contents

## **Improving DEX Is More Important Than Ever Before | 4**

- The key to creating better digital workplaces | 4
- Cost of poor digital experiences adds up | 5
- Better digital experiences lead to positive outcomes | 6

## **Poor DEX Is Still a Big Problem | 7**

- DEX divides exist within organizations | 7
- Innovation requires improvements to be made | 9

## **A Critical Solution for a Critical Moment | 10**

- Remote and hybrid work are here to stay | 10
- Zeroing in on issues impacting DEX | 11
- Improving digital workplaces with DEM | 12

**12.1%** revenue increase and **18.1%** cost reduction possible with significantly improved digital experience (CEOs)

**\$4 trillion** in revenue potentially unlocked for Global Fortune 500 with improved digital employee experience

**14%** gain in employee productivity projected by C-level respondents given the right digital employee experience

**90%** of C-suite say digital experience is a priority post-pandemic. Employees aren't seeing it — just 7% said no improvement was needed

**12%** less employee downtime from tech interruptions across industries with the best digital employee experience

**78%** of healthcare workers rate DEX quality average to very low, with highest number of IT issues (4.0) per week of all industries

More than half of C-suite and **6 of 10** employees say their companies' DEX quality is just average or worse. Yet 60% of IT rates DEX as good or superior, showing digital divide

**67%** of IT leaders say DEX is a critical priority, but nearly half of C-suite say it's not measured

**92%** of employees believe technology-related issues they've experienced can be avoided or prevented

**66%** of employees say time to resolve tech issues has a negative impact on their ability to get their jobs done, meet customer needs, and meet deliverable deadlines

CEOs and CHROs predict about **43%** of employees will work remote or hybrid post-pandemic

Most top remote work challenges — reduced collaboration/teamwork (**45%**), data/privacy (**44%**), and Internet connectivity (**32%**) — can be solved by DEX solutions

# Improving DEX Is More Important Than Ever Before

## The key to creating better digital workplaces

Technology has always played a significant role in work productivity. But at a time when most employees, especially those who work remotely, depend on a laptop and steady internet connection to get their jobs done, it's even more vital.

*Digital employee experience (DEX) is the quality of employees' interactions with the workplace technology needed to be engaged and productive.*

The future of digital workplaces hinges on one important factor: digital employee experience (DEX). The smoother the digital experience, the more productive employees can be. Conversely, the harder it is to access and use workplace technology, the less workers can do.

More than a year spent supporting remote workers since the outbreak of Covid-19 has given companies a crash course in the urgency of digital employee experience.

**72%**

of C-level said DEX was a medium priority or lower before the pandemic



**90%**

of C-level agree DEX is now a medium to very high priority



CEOs and CHROs now realize how much of a priority digital employee experience is in the modern work world. That's because understanding the technology needs of employees and how it affects them is imperative for creating sustainable growth in productivity as well as controlling costs. Ignoring digital experiences, however, can lead to poor business performance, failed goals, and other losses.

***"It would make our job easier to understand what our employees want when it comes to digital experience in order to perform better and drive better outputs."***

*VP/Director of digital workplace services, US retail company, \$15-\$20 billion revenue*

## Cost of poor digital experiences adds up

When employees encounter digital disruptions and friction, frustration isn't the only fallout.

C-level respondents report that if they were able to significantly improve digital employee experience at their companies, they could reduce costs by more than 18.1%.

**What is even more striking is that in industries where the highest percentage of employees rated the quality of their digital experiences as average to low, a strong connection exists between IT problems and overall productivity.**



About 78% of healthcare workers, for instance, rate their DEX quality as average to very low<sup>1</sup> and report the highest number of IT issues (4.0) per week out of all the surveyed industries\$ — 20% more than what employees experience in professional services, which is one of the industries with the lowest number of weekly incidents (3.2).

And while lost productivity time can certainly add up, every service ticket employees are forced to file consequently drives up costs in supporting business units as well. Take for example IT service costs, where more than half (61%) of IT leaders say their organizations' internal cost per IT ticket ranges between \$15.01 and \$30.<sup>2</sup>

Then there are the disruptions that impact more than just individuals. According to surveyed employees, poor digital employee experience has caused other far-reaching problems, including reduced teamwork (about 45%), difficulty completing some job aspects (about 39%), inability to meet the needs of customers (30%), and missed deadlines/slower time to market for deliverables (about 20%).<sup>3</sup>

### Quick Math: IT Ticket Cost

Repeated issues and poor digital employee experience can quickly drive up costs for IT. Here's an example scenario:



**\$22.50** per IT ticket X **3 tickets** filed by an employee per week  
**= \$67.50**



x **48 work weeks** per year (excluding four weeks for vacation)  
**= \$3,240** annual cost of resolving reported IT issues for just one employee

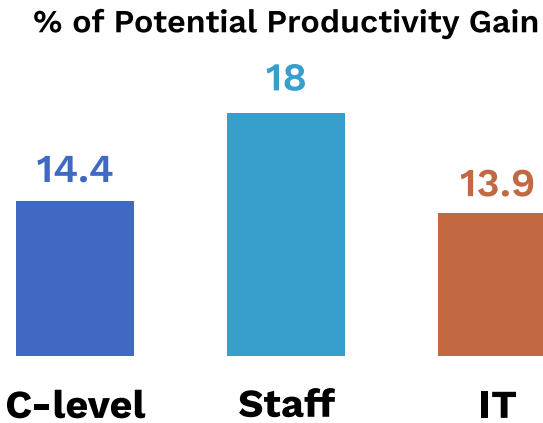
<sup>1</sup> Employee survey: Q10. How would you rate the quality of your company's digital experience for employees?

<sup>2</sup> IT survey: Q23. What is your internal cost per IT ticket?

<sup>3</sup> Employee survey: Q14. Which of the following problems are you encountering because of the quality of your digital experience within your organization?

## Better digital experiences lead to positive outcomes

While bad digital employee experiences bring down productivity, the opposite is also true. Great digital employee experiences — with less digital friction, fewer disruptions, and minimal downtime — are linked to better productivity gains and greater business outcomes.



In fact, all three organizational groups agree there's a significant productivity gain potential with the right digital experience. Employees are the most optimistic, believing they would be 18% more productive compared to C-level's and IT's more modest predictions (14.4% and 13.9%, respectively).<sup>4 5 6</sup>

The implications of this increase in productivity — along with increased employee engagement, retention, improved customer satisfaction, faster time-to-market — have a potentially massive impact on financial performance. **C-level respondents believe their revenue would increase by 12.1% if digital experience significantly improved within their companies.**

For a company with \$5 billion in revenue, costs of \$4 billion, and profits of \$1 billion, that would unlock \$600 million in additional revenue and \$725 million in cost savings. All things being equal, their current profit margin of \$1 billion would more than double. Even if just 10% of those astonishing potential gains were realized via a combination of technology and proactive IT processes to improve digital experience, that still equals an addition of \$133 million to bottom line profits.

Also telling are the direct benefits to employees working in industries rated the highest in quality of digital employee experience. Insurance specifically had one of the lowest averages for tech issues per week according to employees, tied with retail at just 2.9 weekly incidents.<sup>7</sup>

<sup>4</sup> Staff survey: Q25. If the IT department were able to fix issues before they happen and ensure that your primary working device/system is always responsive and secure, how much do you believe your productivity would increase?

<sup>5</sup> C-level survey: Q12. If your company offered a better digital employee experience, by how much do you believe your employees' productivity would increase?

<sup>6</sup> IT survey: Q18. If your company's digital experience for employees were better, by how much do you believe employees' productivity could increase?

<sup>7</sup> Employee survey: Q16. On average, how many technology issues that result in work interruptions do you experience per week?



Applied to the Fortune Global 500 (\$33.3 trillion in revenue and \$2.1 trillion in profits in 2020), if these firms were able to increase revenue by 12.1% and decrease costs by 18.1%, that would generate about \$4 trillion in additional revenue, \$5.65 trillion in cost savings, or an additional \$10 trillion on the bottom line. Even discounting those astonishing numbers by 90% and removing companies that already have a superior digital employee experience, the gain remains massive.



***“By managing end-user experience, we can drive efficiency within our system to ensure employee engagement and productivity.”***

*Director of desktop/end-user computing, Canada manufacturer, \$500 million-\$1 billion revenue*

That suggests an investment in digital employee experience resulting in 17% fewer IT issues per week than the average across all industries (3.5 weekly incidents) and a higher potential productivity gain.

Altogether, **the top industries employees rated with the highest quality digital employee experiences — including pharmaceutical/life sciences, insurance, professional services, and financial services — also waste 12% less productive time than the other surveyed industries.**

## Section 2

# Poor DEX is Still a Big Problem

## DEX divides exist within organizations

Although respondents agree that digital employee experience is now a pressing priority for organizations, that hasn't exactly translated into urgent action in most cases.

In reality, almost half (about 48%) of C-level respondents say their companies don't measure the quality of digital employee experience, and nearly 43% of IT respondents admit their departments don't currently track digital experience.<sup>8 9</sup>

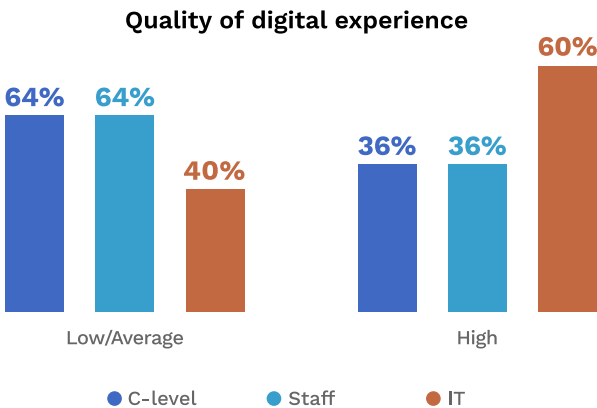
<sup>8</sup> C-level survey: Q8. Does your organization measure the quality of digital employee experiences?

<sup>9</sup> IT survey: Q24. Does your organization currently measure digital employee experience?

A noticeable gap also exists between IT’s assessment of current digital employee experience quality and the rest of the organization’s view.

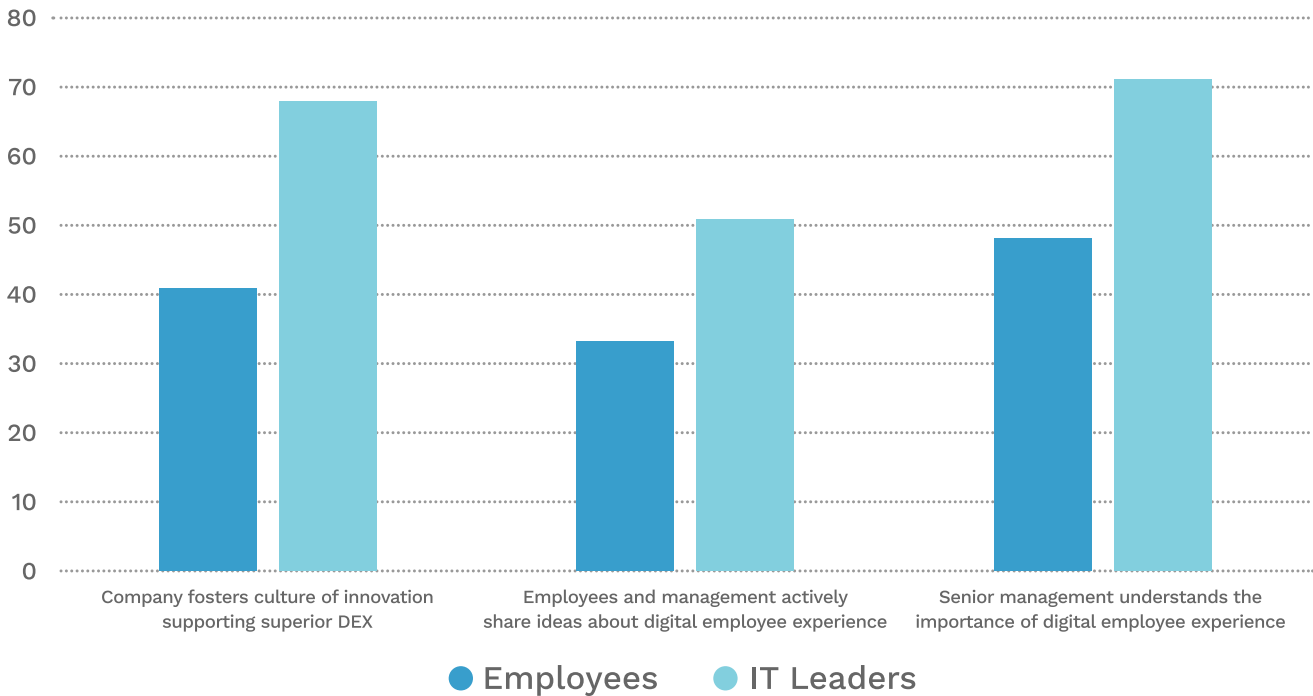


Unfortunately, these divides make things difficult for organizations. Not only does misalignment among stakeholders make it impossible to establish a unified digital employee experience baseline to work from, but it also causes blind spots across complex digital environments that lead to more frequent work disruptions and lost productivity.



Three examples of the perception gap or blind spot on digital employee experience can be seen in the chart below, where on several dimensions of experience, the IT responses are much rosier than those of the end users served by IT.

Perception Gap or IT Blind Spot





Another case in point on misalignment: **Employees report the highest discrepancies between management priority given to digital experiences and what it should be in healthcare (39%) and energy/utilities (50%) — the two industries that also have the highest percentage of employees with average to very low digital employee experience quality.**<sup>10</sup> Not only does this point to a major disconnect between employees and senior management, but it indicates the consequence of not measuring digital employee experience and investing in necessary improvements.

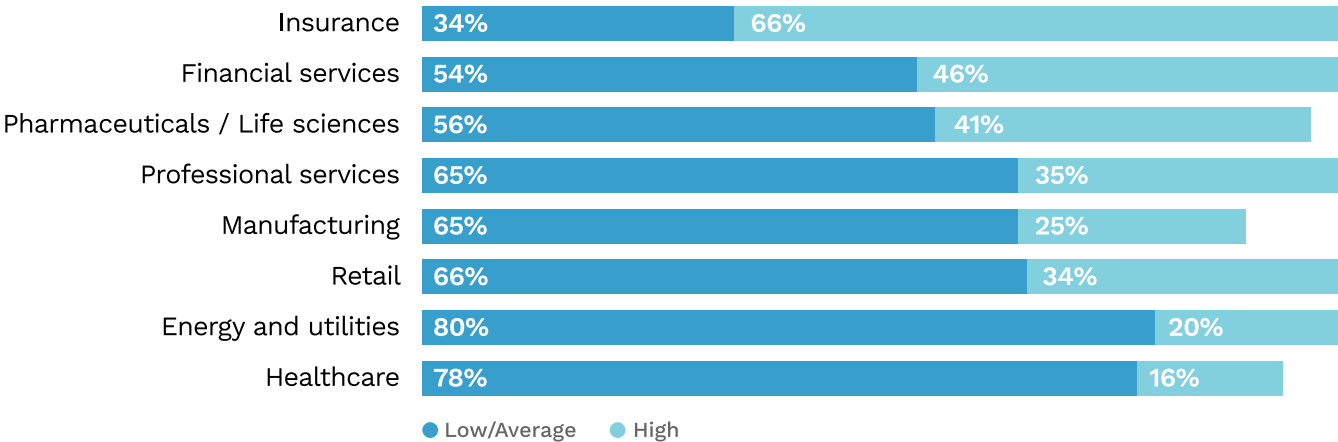
*“Digital experience management would play a huge role in eliminating the communication gaps between employees and management.”*

*VP of IT operations/infrastructure, Nordic manufacturer, \$400-\$500 million revenue*

Taking a closer look at healthcare where only 33% of CEOs say DEX is measured, employees report the most productivity time wasted (58.7 minutes) per week.

Meanwhile, some of the industries that are more likely to measure digital employee experience — such as financial

Quality of employee digital experience (staff) by industry



services (69%) and professional services (57%) — have comparatively higher DEX quality ratings from employees, fewer IT issues per week, and waste less productivity time each week.

### Innovation requires improvements to be made

While not all surveyed stakeholders agree on the quality or priority of digital employee experience within their companies, they’re at least united on one front: There’s plenty of room for improvement.

<sup>10</sup> Employee survey: Q12. What level of priority do you believe your company’s management team currently gives to improving digital employee experience? How much of a priority should it be?

C-level (about 88%), IT leadership (90%), and employees (90%) say their organizations need to make at least some improvement in digital employee experience for greater innovation, with close to a third of each respondent group specifying that large or very large improvements are necessary.<sup>11 12 13</sup>

Healthcare workers (45%) in particular say large digital experience improvements are needed, as do employees in professional services (41%) and energy/utilities (40%).

But in order to make necessary changes and investments that will improve digital employee experience, organizations must first pinpoint the problems impacting their employees.

### Section 3

## A Critical Solution for a Critical Moment

### Remote and hybrid work are here to stay

It's no surprise that almost half of employees are still working from home at least part of the week as the Covid-19 pandemic continues. But months spent in a "temporary" situation might be causing a permanent shift in work behavior. Because even when the crisis finally subsides, remote and hybrid work will still be a significant part of business.

*"Developing a flexible workforce will enable us to manage our employees effectively -- and this is only possible because of digital experience management."*

*Director of desktop/end-user computing, US professional services firm, \$250-\$300 million revenue*

**CEOs and CHROs predict about 43% of employees will work remotely in some form after the pandemic — just a 14% drop from current levels.<sup>14</sup> More than half (about 52%) of employees also expect they'll work from home either full-time or part of the week.<sup>15</sup>**

IT leaders, however, don't expect remote/hybrid work to be a major part of what comes next for organizations.

<sup>11</sup> C-level survey: Q9. How would you rate the quality of your company's digital experience for employees? And how much improvement do you believe your company's IT department needs to make to provide employees with the digital experience they will need to do their jobs in the future?

<sup>12</sup> IT survey: Q17. How much improvement do you believe your company's IT department needs to make in employee digital experience to realize true innovation in the nature of work?

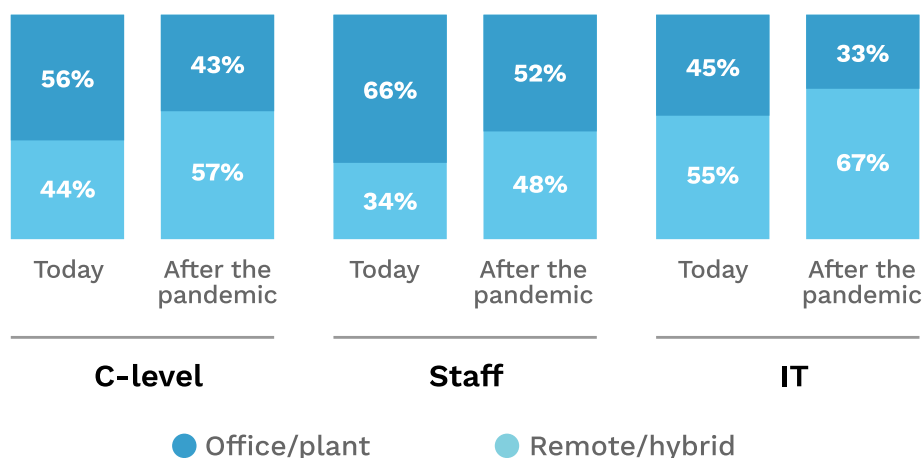
<sup>13</sup> Staff survey: Q10a. How much improvement do you believe your company's IT department needs to make to provide you with the digital experience you will need to do your job successfully in the future?

<sup>14</sup> C-level survey: Q6. What percentages of your employees work in offices/plants, remotely, or a hybrid of the two? What percentages do you expect after the pandemic subsides?

<sup>15</sup> Employee survey: Q6. Which of these would you identify as your primary place of work today and which do you expect to be your primary place of work after the pandemic subsides?

They estimate only a third (almost 33%) of employees will continue to work remotely after the pandemic, creating a concerning gap between IT and the rest of organizations that could lead to ill-equipped digital workplaces and poor digital employee experience.<sup>16</sup>

### Employee work location by respondent

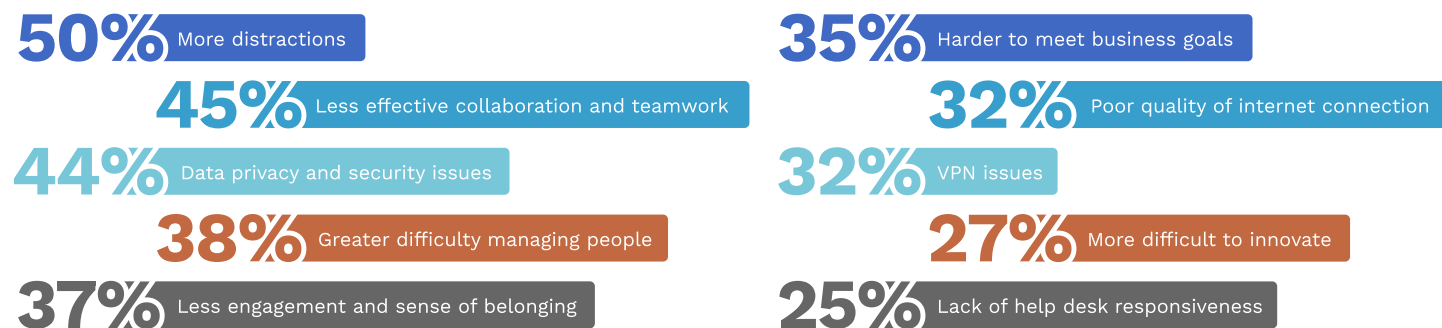


### Zeroing on the Issues Impacting DEX

Although working from home has proven to be beneficial for employees in some respects — including a slight boost to productivity, it also has its issues.<sup>17</sup>

While several top remote work challenges stem from hectic surroundings at home or isolation from colleagues, a fair number of technical difficulties exist that might easily be solved with the right IT tools and solutions.<sup>18</sup>

### Top 10 challenges when working remotely



Unfortunately, these issues have translated into poor business performance. According to C-level respondents,<sup>19</sup> remote work during the pandemic has actually had a negatively impact on:

- Collaboration
- Employee engagement
- Customer service and satisfaction
- Product and service innovation
- Time to market

<sup>16</sup> IT survey: Q8. What percentages of your employees work in offices/plants, remotely, or a hybrid of the two? What percentage do you expect to do so after the pandemic subsides?

<sup>17</sup> Staff survey: Q7. How productive do you think you are working remotely vs. working in the office/plant?

<sup>18</sup> Employee survey: Q8. What are your biggest challenges working remotely?

<sup>19</sup> C-level survey: Q7. What impact does remote work/working from home have on your business?

## Improving digital workplaces with DEM

Although remote work during the pandemic has revealed many concerning blind spots across digital environments — as well as clear weaknesses in digital employee experience, according to more than half (about 60%) of IT respondents — there is a silver lining.<sup>20</sup>



***“Digital experience management would play a huge role in eliminating the communication gaps between employees and management.”***

*VP of IT operations/infrastructure, Nordic manufacturer, \$400-\$500 million revenue*

**Most of the challenges surrounding digital employee experience can be traced to IT issues. And nearly 92% of employees believe these problems can be avoided or prevented — perhaps by using a digital experience management solution.<sup>21</sup>**

Using digital experience management, organizations can expand their view across digital workplaces and gain greater insight into digital employee experience through endpoint data monitoring — regardless of whether employees are working at a remote

location or in the office. DEM also gives IT the means to plan, deploy, and monitor strategies and solutions that deliver more productive digital experiences.

IT already has in mind several digital experience management tools that could be considerably or very useful for improving DEX<sup>22</sup>, including:

- Better monitoring (about 52%)
- Better automation (52%)
- Persona and user group segmenting (50%)
- Device security (about 50%)

All these tools could prove useful for what employees say are some of their most frequent technical issues and biggest productivity impacts: hardware/devices (50%), video conferencing (about 41%), VPN and/or office connectivity (about 37%), and the quality of Wi-Fi service at a remote location (35%).<sup>23</sup> DEM capabilities can also help organizations manage cybersecurity, data privacy, and ethics concerns, which about 44% of C-level and half (50%) of IT see as the biggest challenge to ensuring a quality digital employee experience.<sup>24 25</sup>

20 IT survey: Q9. Do you agree or disagree with the following statements about the impact of the pandemic on digital employee experiences?

21 Employee survey: Q24. To what extent do you believe that the technology issues you have experienced were avoidable or could have been prevented?

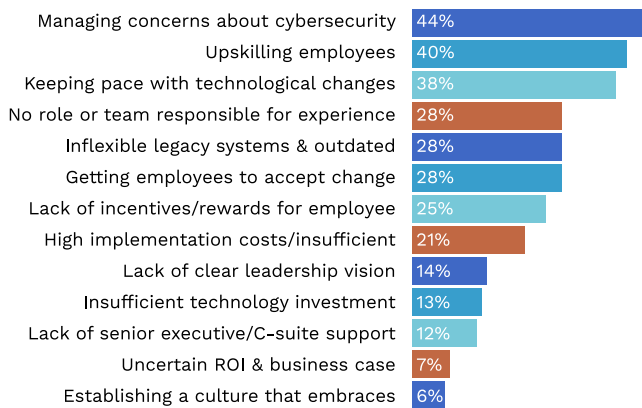
22 IT survey: Q27. How would you rate the usefulness of the following tools in supporting an effective digital employee experience?

23 Employee survey: Q18. When you have a technology issue, in which of the following areas does it most often happen? Which of these issues have the biggest impact on your productivity?

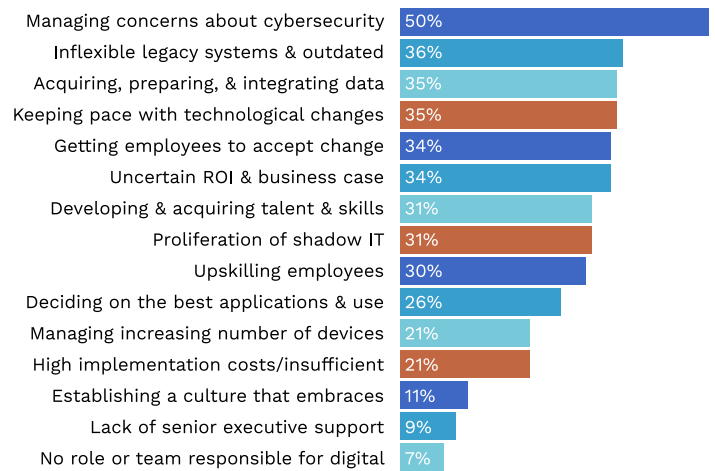
24 C-level survey: Q15. Which are the top challenges in ensuring your business provides a superior digital employee experience?

25 IT survey: Q15. Which are the top challenges you face in ensuring IT provides a superior digital employee experience?

### Challenges cited by C-level



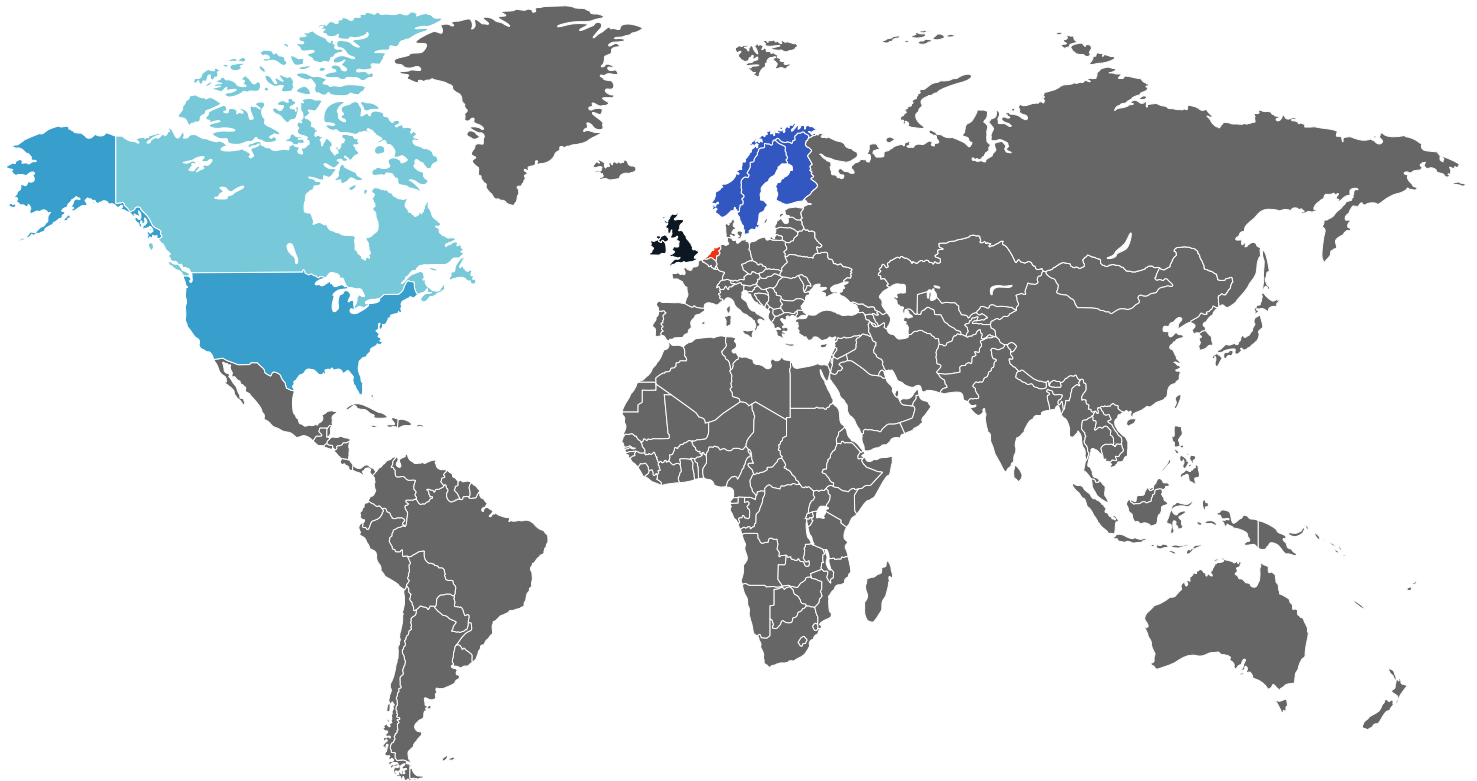
### Challenges cited by IT staff



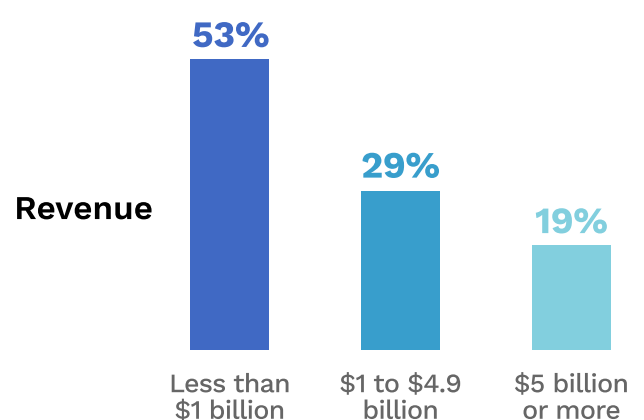
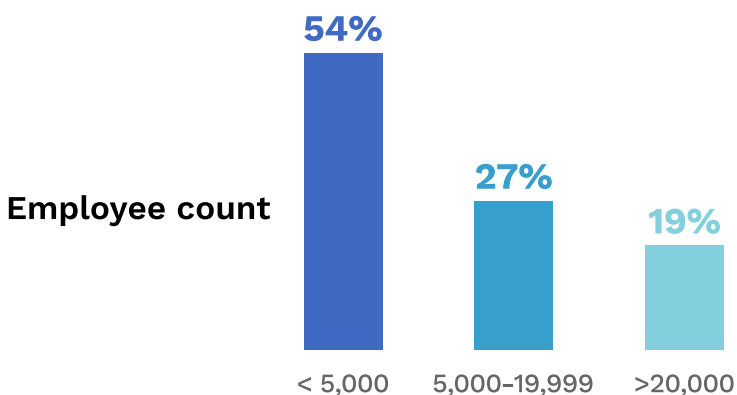
And that's just the tip of the iceberg. With a better understanding of the issues employees face, organizations have the direction and tools to successfully launch any number of data-driven strategies that eliminate productivity roadblocks and slowly close the digital workplace divides that exist across industries.

# Methodology

This Lakeside Software report is based on commissioned research from ESI ThoughtLab, a specialized technology thought leadership research firm, 200 C-level executives, 200 end users, and 200 IT leaders were surveyed in March and April 2021 in manufacturing, financial services, professional services, healthcare, pharmaceuticals/life sciences, and insurance.



C-level	Employees	Computer Service Leaders/IT
United States (40%)	United States (37.5%)	United States (42.5%)
Canada (20%)	Canada (22.5%)	Canada (17.5%)
United Kingdom/Ireland (17.5%)	United Kingdom/Ireland (15%)	United Kingdom/Ireland (17.5%)
Nordics (12.5%)	Nordics (15%)	Nordics (15%)
Netherlands (10%)	Netherlands (10%)	Netherlands (7.5%)







# Lakeside®



## Contact Us

✉ [salesinfo@lakesidesoftware.com](mailto:salesinfo@lakesidesoftware.com)

🏠 [www.lakesidesoftware.com](http://www.lakesidesoftware.com)

📞 +1 800 969 7717 (Americas)  
+44 (0) 1753 912 331 (EMEA)

## About Lakeside Software

Lakeside software is a leader in digital experience management. We develop software that provides the visibility IT teams need to design and support productive digital workplaces.

Learn more at [www.lakesidesoftware.com](http://www.lakesidesoftware.com)

## About ESI ThoughtLab

ESI ThoughtLab is an innovative thought leadership and economic research firm providing fresh ideas and evidence-based analysis to help business and government leaders cope with transformative change.

Learn more at [www.esithoughtlab.com](http://www.esithoughtlab.com)