Lakeside®

Digital Workplace Productivity Report

2022

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Introduction

In the first half of 2022, Lakeside Software embarked on an extensive global survey of 600 executives, IT leaders, and employees on the state of workplace technology and their digital experience. The timing of this survey was important. In the two years since the outbreak of COVID-19, remote and hybrid work has become the norm for knowledge workers around the world, yet business leaders have started to express anxiety about the long-term productivity of distributed workforces.

The results of the survey are instantly revealing. Employees understand that technology is the key to productive, connected workforces. 60% of surveyed employees report that workplace technology plays a large or very large role in supporting their work life. Two years of primarily remote work has also created a new perspective on the digital workplace: An organization connected by technology, but not by a shared physical location.

Employees are satisfied in these digital workplaces. Studies have shown that as many as 91% of U.S. workers want to work either remotely or in a hybrid model.[1] The challenge now is to replicate the benefits of working remotely into a partial return to the office for most knowledge workers.

In this report, Lakeside breaks down the most revealing findings from our survey, especially as it relates to the impact technology has on overall productivity and employee retention. Furthermore, Lakeside will highlight how business and IT leaders can help realize the potential of their digital workplaces, irrespective of location.

[1] "Remote Work Persisting and Trending Permanent," Gallup, Lydia Saad and Ben Wigert, Oct. 13, 2021: https://news.gallup.com/poll/355907/remote-work-persisting-trending-permanent.aspx

SECTION 1:

Facing the Productivity Crisis

Whether employees are working at home, in the office, or elsewhere, the technology they depend on to do their jobs is vital to their success at work. And while the majority of employees (60%) surveyed consider technology to be fundamental to productivity while at work, data shows that workplace technology and infrastructure are not empowering them to realize their maximum potential. On average, **employees report they are performing at only 60% of their total potential productivity** given their current digital tools and infrastructure.

Although a large portion of this productivity gap has to do with general digital friction and unoptimized IT resource allocation, another significant factor has to do with the productivity loss stemming from incident-driven downtime. Employees frequently look to IT to solve this productivity crisis but find that reporting issues can be another major source of frustration. On average, employees report that they are **losing nearly an hour of productive work time (54 minutes) each week** due to IT downtime. For those organizations that are not prioritizing and measuring the impact that technology has on employees, the productivity loss is more than **two hours (128 minutes)**.

While this is a critical issue, digital adoption and empowerment challenges are even more complex. Eliminating digital friction isn't always a simple matter of appropriately provisioning hardware and software employees need for their specific roles — there are also other elements at play:

- **Digital adoption:** Whether employees can use the workplace tools they have been provided and if they choose to use them.

- **Digital empowerment:** Whether employees know they can reach out to IT or workplace leaders to flag technology issues or request additional technology. Also, whether the workplace is willing or able to comply with those requests.

The conundrum of workplace productivity is that it incorporates more than just technology. It also involves organizational culture, the psychology and behavior of individual end users, and effective onboarding and support for employees. Human resources, executive leadership, and functional leaders are all involved in delivering the right kind of support to employees.

In an increasingly digital workplace, IT has become the organizational leader in addressing productivity challenges. Employees see strategically provisioned hardware and apps as key to the issue, reporting that they could be an average **22% more productive with the right technology and support for their roles**.

The question for IT then becomes how to determine the ideal mix of technology and infrastructure to deliver that productivity. Without detailed, real-time visibility of endpoints — both in terms of how users interact with their workplace technology and the problems they experience every day — IT is stuck in a reactive mode, dependent on tickets from end users for insight into issues that have already occurred.
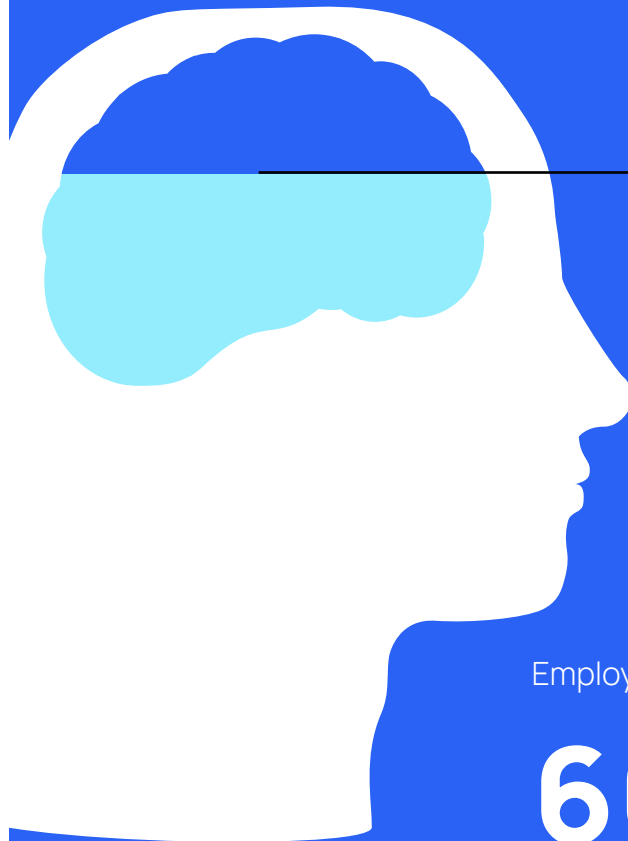
Employees are working at

60%

capacity because of tools and infrastructure

On average, employees are losing

54 minutes

of work time to IT issues every week

SECTION 2:

The DEX Perception Gap

So why this is occurring? While workers understand that digital employee experience (DEX) — the quality of users' interactions with workplace technology — is integral to workplace performance, executives do not yet understand the scale of the problem. **Just 20% of surveyed executive leaders see the need for major improvement in digital employee experience.** Yet 52% of employees believe that DEX is not only important but should be a top priority for management.

There are several reasons for this misalignment, but the main driving force is that many organizations aren't using digital experience as a measure of IT effectiveness. Of executives and IT leaders surveyed, **57% report that their organizations are in the beginning stages of measuring and optimizing DEX while 35% admit their organizations aren't measuring DEX at all.**

The result is a basic misunderstanding of employee technology needs and wants, and, in some circumstances, the belief that employees are better digitally equipped than they actually are. **IT leaders and executives are almost twice as likely than employees to feel that workers have the exact right amount of workplace technology** to perform their jobs effectively. This could be because IT and executive leaders are

accustomed to a higher level of digital experience, and are either more engaged with their devices or service desks than a typical employee. Another reason might be insufficient visibility into the end-user environment to spot provisioning problems.

But without comprehensive endpoint data and user sentiment analysis, how would IT teams ever know? If IT is only focused on service desk metrics and service-level agreement (SLA) key performance indicators (KPIs), such as mean time to resolution (MTTR), teams might overlook critical factors that are also impacting digital employee experience. Lower MTTR or reduced ticket volume, for example, could mean that you are providing a better environment for the end user, but it also might be that end users are so unengaged that they no longer file tickets. According to Lakeside's research, **only 60% of issues are reported to IT, which means that, in many cases, users would rather suffer in silence than engage with IT.**

20%
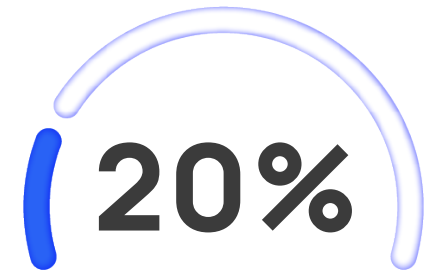
of executive leaders see the need for major improvement in DEX.

52%
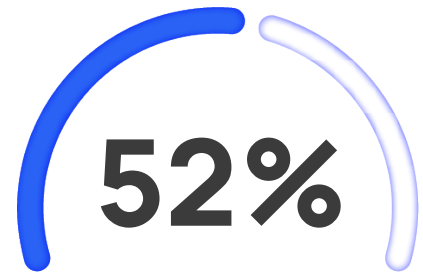
of employees believe that DEX should be a top priority for management.

> Work and the office used to be synonymous. But work isn't a place anymore. It is wherever people perform at their best. And that can be at home, in the office, on the road, and anywhere in between. Companies need to recognize this, and instead of focusing on physical office locations, create work-from-anywhere experiences powered by digital workspace solutions that give employees the space and tools they need to succeed, wherever they happen to be.

Traci Palmer
Vice President of People and Organization Capability

citrix

SECTION 3:

Counting the Cost of Inaction

Poor digital employee experience has broader implications than just employee dissatisfaction and lower productivity. It's also affecting organizations' ability to retain and recruit talent as the Great Resignation and shifting work trends continue to push employee turnover across industries.

While many employees struggle to reach their full productivity potential each week due to tech issues, some are giving up completely. About **36% of employees admit that they've considered leaving their employer because of poor digital experience — and 14% actually have**. With job roles suddenly becoming vacant, productivity also drops drastically across organizations in the weeks or months it takes to hire and train replacement workers.

But that's not the only cost of high turnover. The average cost per new hire is about $4,700, according to the Society for Human Resource Management.[2] If 500 employees left a large enterprise due to poor digital employee experience, for example, it could create **more than $2.3 million in additional costs just to replace them.**

That's assuming, of course, organizations can attract new employees without substantial improvements to digital employee experience first. About **61% of employees say DEX is important or very important when working with a future employer,** according to Lakeside research. And for the 91% of U.S. workers that prefer fully remote or hybrid work, the ability to create productive digital workplaces and seamless experiences is key to hiring new talent.

[2] "The Real Costs of Recruitment," Katie Navarra, Society for Human Resource Management (SHRM), April 11, 2022: https://www.shrm.org/resourcesandtools/hr-topics/talent-acquisition/pages/the-real-costs-of-recruitment.aspx

36% of employees admit that they've considered leaving their employer because of poor digital experience —

and **14%** actually have.

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While modern technology is capable of ensuring employees can be as productive at home as in the office, this digital experience needs to be closely monitored, and the root cause of any issues identified and rectified quickly to ensure these workers are not at a disadvantage, potentially leading to lost productivity and, ultimately, a loss of key talent.

Francis O'Haire
Group Technology Director

DataSolutions
Service Powering Success

SECTION 4:

The Opportunity for Optimizing DEX

While there are certainly costs to ignoring digital employee experience — including productive time lost, growing divides between leadership and employees, and worker retention and recruitment issues — there are also positive outcomes for organizations that choose to invest in and improve DEX.

The top five benefits C-level executives and IT leadership say they expect from improved DEX are:

1. Higher employee engagement
2. Greater employee productivity
3. Improved businesses agility
4. Lower costs
5. Stronger revenue growth

Meanwhile, **employees estimate they could be an average of 22% more productive with right digital infrastructure and toolsets.** Employees also agree that some of the biggest benefits they've seen from investments in digital infrastructure and tools include:

1. Greater employee productivity
2. Higher employee engagement
3. Reduced risk
4. Lower costs
5. Stronger revenue growth

All of which can translate into higher profitability for organizations.

Workplaces that prioritize quality digital employee experiences can also limit the costs of and time lost to technical issues. Employees of organizations with high DEX maturity lose only a half hour (30 minutes) of productive time per week on average compared to those employed by organizations with low levels of DEX maturity that face more than four times (128 minutes) as much productivity loss. For a business with 10,000 employees, for example, **that could be the difference between roughly 5,000 hours in lost productivity per week versus more than 21,000 hours.**

Organizations with **high levels of digital employee experience maturity** encounter

30 mins of downtime a week

Organizations with **low levels of digital employee experience maturity** see

4x as much downtime (128 min)

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We need to create new experiences in the digital workplace. Replicating the office environment in the digital world is not going to work. If there is an inadequate digital employee experience then people will quit. The Great Resignation will be a greater issue for companies that are not willing to take action. The question is how fast can companies change and create a new employee experience.

Zoltan Vass
Co-Founder and Co-Chair of Global Tech Advocates Future of Work

GLOBAL
TECH
ADVOCATES

SECTION 5:

Moving Toward a More Productive Digital Workplace

Optimizing a digital workplace and designing a digital experience that supports a productive workforce, regardless of physical location, is a major challenge for IT. To achieve this objective, IT leaders need to focus on four key areas:

Understanding the user experience, both objectively and subjectively: Invest in solutions that can collect data and provide deep insight into the performance of IT infrastructure — including hardware, networks, servers, applications, third-party integrations, and Wi-Fi signal strength — that empowers end users as well as impacts their ability to be productive when downtime or other technical issues occur. A second and equally important requirement is the ability to contextually poll and survey end users to better understand end-user sentiment. Taken together, objective and subjective data can be aggregated into a single "health score" to summarize at-a-glance the overall state of end users' digital experience and related productivity.

Providing the right equipment to the right person at the right time: Gaining a deep, granular understanding of users' needs, behaviors, and work styles to provide the right technology and tools can be a challenge. In the absence of this understanding, though, most organizations default to "one size fits all" provisioning. Surprisingly, the main issue in this approach isn't under-provisioning — it's over-provisioning. Our research found that about 40% of employees and 44% of executives believe employees were either somewhat or significantly over-provisioned. At the same time, 22% of employees feel like they are somewhat or significantly under-provisioned. The obvious win here is to optimize provisioning to match the needs of individual users, resulting in more satisfied and more highly performant users at less cost.

Creating high performing, resilient IT environments:
While the challenges of moving to fully remote work during the pandemic were daunting, IT teams rallied to ensure their users could be successful even as many stood up their first home office, learned to dial into the VPN, or setup a router. Now, a new challenge is emerging — returning to office, which is raising all-new questions about expectations, implementation, and integrating remote and hybrid workers into a shared experience. The reality is that, just like the move to remote, a lot of new best practices are emerging, and IT leaders need to be agile and responsive to the changing needs of the business and employees. That requires a complete picture of the overall health and performance of the full IT estate, delivered in near real time, in a single pane of glass. IT leaders need to know what's available, what's working, and by exception, what isn't in order to better evaluate which strategies are improving employee productivity and engagement.

Flipping the script from "reducing employee downtime" to "ensuring employee uptime": Traditional service desk practices are based on "management by exception" — something goes wrong, the service desk receives a ticket, and then the team of technicians works to resolve it. But what happens to the 40% of issues that go unreported? What if the goal of the service desk wasn't to reduce downtime against reported issues, but instead to focus on ensuring uptime by proactively resolving issues before they ever need to be reported? To do this, IT leaders need tools and automations that allow for mass healing, self-healing, and even self-service guidance for end users. With the right toolset, the service desk can transition from only measuring reactive, service-level agreement KPIs, such as mean time to resolution , to a more balanced scorecard that also includes proactive, experience-level agreement (XLA) KPIs, including a "health score" or even the overall productivity impact.

40% of employees and **44% of executives** believe employees are either somewhat or significantly **OVER-PROVISIONED —**

22% of employees feel like they are somewhat or significantly **UNDER-PROVISIONED.**

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In the past, to me, proactive support was asking someone if something was wrong without really understanding what the problems were. With Lakeside's Digital Experience Cloud, we have data that helps us understand the full experience that the end user is having before they have to reach out to us. This makes a significant difference in the relationship between the IT function and the end user. We are proactively improving their experience.

The Digital Experience Cloud delivers much more accurate data than a lot of other toolsets out there and having data almost in real time is key. It enables us to make much better decisions in a much timelier manner.

It's hard to believe that a year ago, some of the decisions we were making, we didn't have the data to back it up. We're now in a world where the data is driving better strategic and tactical decisions throughout the organization.

Greg Dolphin
Global IT Support Manager

LexisNexis

Conclusion

There's no question that we are at the beginning of a new era in work — especially for technology-driven enterprise organizations. The choices that business leaders make today will have a direct impact on their ability to build a productive digital workplace, attract the best talent, and remain flexible and responsive enough to thrive in the future of work.

In Lakeside's next report, we will take an even closer look at the various IT attributes that characterize DEX leadership, where firms are in their transformation journeys, and how this translates into tangible business and employee outcomes.

Methodology

Lakeside Software's Digital Workplace Productivity Report 2022 is based on commissioned research from ESI ThoughtLab, a specialized technology thought leadership research firm. Results from the global survey, conducted in February and March 2022, feature responses from 200 C-level executives, 200 IT leaders, and 200 employees in manufacturing, financial services, professional services, healthcare, technology, pharmaceuticals/life sciences, and insurance. Respondents also represent organizations ranging in size, revenue, and DEX maturity.

About Lakeside Software

Lakeside Software is a leader in cloud-based digital experience management. Lakeside's Digital Experience Cloud, powered by SysTrack, gathers and analyzes data on everything that may impact end-user experience and business productivity, and provides the unmatched visibility IT teams need to design and support rapidly changing digital workplaces. Customers use Lakeside's technology to perform end-user experience management, digital workplace planning, IT asset optimization, remote work management, and proactive service desk operations. For more information, visit www.lakesidesoftware.com.