



STATE OF WORKPLACE TECHNOLOGY

# Part 1: Workplace Tech

## The new battleground for the war on talent, productivity & reputation

Employee experience expectations vs. the hybrid tech reality



## **03 Summary**

### **04** SECTION 1

## **Tech spend up for short term gain**

### **05** SECTION 2

## **Employee experience expectation v tech reality**

### **06** SECTION 3

## **Emerging advantage in the war for talent**

### **07** SECTION 4

## **Impact on productivity & business efficiency**

### **08** SECTION 5

## **Negative effect on mental health & wellbeing**

## **10 Freshworks' Take**

## SUMMARY:

# Workplace tech is the new battleground for the war on talent, productivity & reputation.

The concept of tech frustration is not a new one. We have all been there. Whether hampered by slow speeds, response times from helpdesks, ineffective collaboration or not having the right technology tools to do our jobs, it is not only personally frustrating but it has an impact on productivity and business efficiency.

New global research from Freshworks shows that despite a pandemic-driven tech spend surge, nine in ten (91%) employees are still frustrated by workplace tech. It reveals that businesses globally face a potential workplace crisis due to inadequate technology, damaging employee productivity, mental health and the ability to retain talent.

At a time when almost half (44%) of employees globally are considering changing jobs, easy-to-use technology makes a surprising impact on employee satisfaction. Addressing this expectation gap is now business critical, as seven in ten (71%) business leaders acknowledge that employees will consider looking for a new employer if their current job does not provide access to the tools, technology or information they need to do their jobs well.

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The shift to remote working has amplified employee expectations of workplace technology.



**Prasad Ramakrishnan**  
CIO of Freshworks

“Despite unprecedented investment, businesses are failing to meet new expectations, including ease of use, speed of response and seamless efficacy. The impacts are far-reaching and must be addressed for business success in this new world.”

## SECTION 1:

# Tech spend up for short term gain

During the pandemic, businesses spent the equivalent of US \$15 billion extra a week on technology to enable remote working, according to KPMG. Despite the global shift to hybrid working igniting the biggest surge in technology investment in history, 61% of business leaders still predict their technology will not be 'fit for purpose' and able to meet the demands of the business in 12 months.

Business leaders also identified challenges they faced when trying to get employees to embrace new technology and tools. These include inadequate training provision (66%) and that new software is hard to use and has a high learning curve (68%). On top of this, over two thirds (69%) of leaders feel that employees are not given sufficient time to learn to use new software and that the benefits are often not adequately explained to employees (67%), making it clear that financial investment alone is not sufficient to improve business efficiency and employee experience.

\*Global survey of 6698 employees and 2000 Line of business (LOB) leaders in businesses with 100-500 employees across Europe, USA, Latin America, APAC and MEA conducted by independent research house Censuswide in April 2022.

US business leaders (64%) are least optimistic about their current technology's ability to meet the needs of their business beyond the next 12 months, closely followed by those in Europe (63%).

Business leaders in APAC (59%), LATAM (51%) and MEA (48%) show similar levels of concern regarding the longevity of current technology.

## SECTION 2:

# Employee experience expectation vs tech reality

Despite the rapid changes to the way we work, Freshworks found that workplace technology is simply not keeping pace with employee expectations, as 91% of employees are experiencing frustration due to inadequate workplace technology. This was consistently high across all regions.

Top complaints globally were slow speeds (51%), slow response from IT teams (34%), lack of collaboration between departments (30%), missing important features/capabilities (28%) and lack of automation (25%).

LATAM identified particularly high levels of frustration at slow speeds with **57%** against a global average of **51%** and **49%** of European respondents.

Almost half of respondents in **MEA (45%)** cited extended response times from IT teams compared to a global average of **(34%)** and over a third **(35%)** of US respondents.

Lack of collaboration between departments is particularly acute in **APAC (35%)** compared to just over a quarter **(26%)** of those in LATAM and **30%** globally.

US respondents are most frustrated when missing what they consider to be important features and capabilities with **34%** identifying this as compared to **27% in Europe and only 19% in LATAM.**

APAC leads the way in demanding automation with **34%** of respondents feeling frustrated at a lack of automation compared to only **24%** in both the US and Europe.

## SECTION 3:

# Emerging advantage in the war for talent

A fierce war for talent is raging globally with almost half (44%) of employees currently considering changing jobs. This is particularly evident in APAC where this figure rises to 60% of those employees surveyed, closely followed by over half (56%) in MEA. The US also beats the global average at 47% with Europe and LATAM at 42% and 39% respectively.

In such a fluid labour market, easy-to-use technology can make a surprising impact on employee satisfaction. While pay and benefits top the reasons to move jobs, lack of flexible working opportunities and innovative tech are in the top five. Seven in ten (71%) business leaders acknowledge that employees will consider looking for a new employer if their current job does not provide access to the tools, technology or information they need to do their jobs well.

The impact on retention is further reinforced by the fact that 44% of employees admitted that increased investment in automation by their company could actually dissuade them from finding a new job.

**82%** of business leaders in the US acknowledge that employees will consider looking for a new employer if their current job does not provide access to the tools, technology or information they need to do their jobs well.

While this is still critical in Europe only **69%** of business leaders acknowledge this as a factor, compared to **79% in MEA, 78% in APAC** and **75% in LATAM**.

The retention power of automation is particularly evident in APAC where **62%** claim that increased investment in automation could dissuade employees from finding a new role.

Europeans are the least likely to be put off their job search by increased automation although **42%** still agree, as do **56% of employees in MEA, 50% in LATAM** and **48% in the US**.

## SECTION 4:

# Impact on productivity & business efficiency

The employee experience isn't the only thing harmed by insufficient workplace technology, it's also harming the wider business. Freshworks' survey reveals that legacy tech is restraining business productivity, as frustrated employees grapple with daily IT challenges. Nearly three in five (57%) employees who feel this frustration say it makes them less productive.

Over two in five (44%) employees surveyed say the time spent dealing with technology issues has increased since the beginning of the pandemic.

LATAM and APAC respondents felt most hindered by inadequate workplace technology with **63%** and **61%** respectively claiming a negative impact on productivity.

This increases to almost two thirds (**60%**) of respondents in **APAC** and **53%** in MEA who all claim they have spent more time dealing with tech issues in the last two years.

Close to half of respondents in the **US (48%)**, **LATAM (46%)** and **Europe (42%)** reported the same technology issue time drain.

**60%** of US respondents agreed as compared to **55%** in Europe and **52%** in MEA.



## SECTION 5:

# Negative effect on mental health & wellbeing

The study showed that employee stress levels are soaring due to inadequate workplace technology; nearly half (49%) of employees surveyed report that inadequate workplace technology causes them to feel stressed and 48% claim it has negatively impacted their mental health.

'Only' **48%** of European respondents report stress caused by inadequate workplace tech, compared to **55%** in both **APAC** and **LATAM**, **54% in the US** and **52% in MEA**.

Alarmingly and against a global average of **48%**, **58%** of respondents in APAC, **54% in the US** and **52% in LATAM** claim that this increase in tech stress has negatively impacted their mental health.

Nearly half of respondents in **MEA and Europe (47% and 46% respectively)** have also unfortunately experienced this.



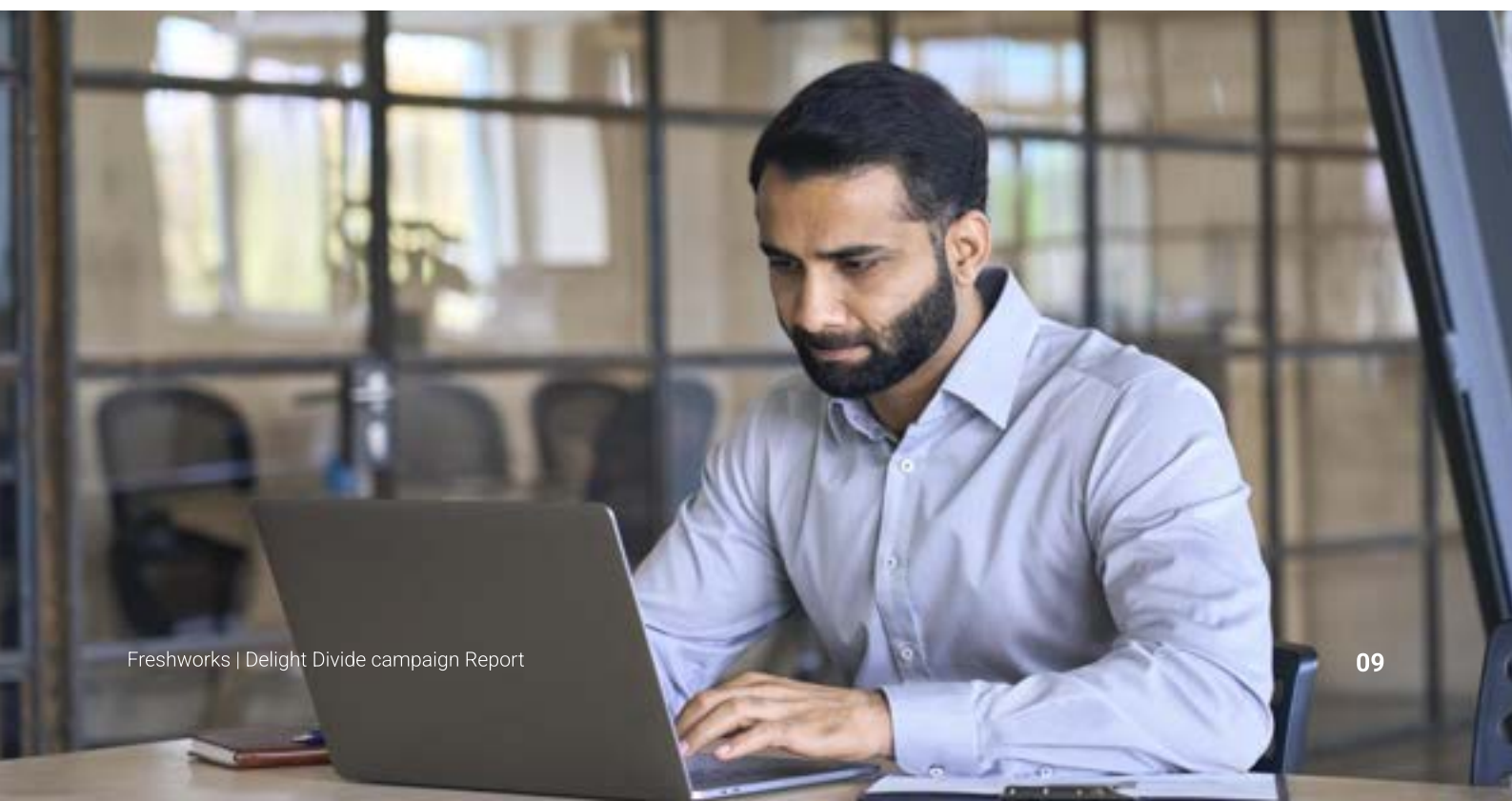


Business leaders also agree, with 38% reporting that their failure to deliver adequate workplace technology to their stakeholders causes them to feel stressed. And in an extreme indicator, almost half of business leaders (48%) say stress from hybrid working makes them want to leave the tech industry.

More business leaders feel stressed in **APAC (47%)** and the **US (44%)** by their failure to deliver adequate workplace technology to their stakeholders, higher than the global average of **38%**.

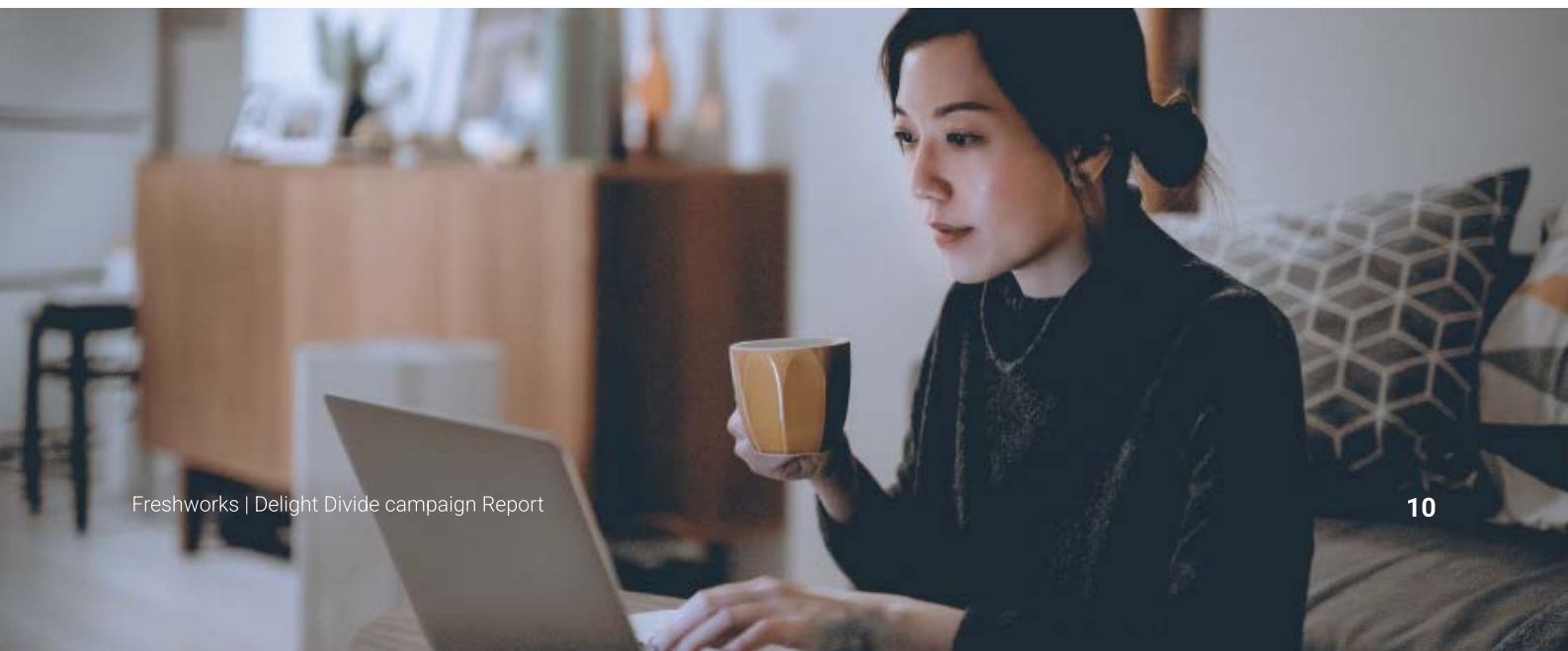
**LATAM** business leaders suffer least at under a third (**31%**), while **40% of MEA and 38% of European** respondents feel stress due to this.

Furthermore **59% of leaders in APAC** say the stress from hybrid working makes them want to leave the tech industry. This is significantly higher than in the **US and Europe (both 47%)** and **LATAM (51%)** and **MEA (42%)**.



# FRESHWORKS' TAKE

- 1** Keeping employees satisfied in their work is an eternal challenge; doubly so when remote working has ignited IT frustrations. But the benefits of employee satisfaction, including improvements to productivity and loyalty, make the efforts to drive it worthwhile.
- 2** With the war for talent showing no signs of slowing down, business leaders are expected to deliver consumer-grade experiences, especially when it comes to technology. But it's not enough to have any old technology, you need to have the right technology. It has to be fit for purpose.
- 3** There is now an opportunity for businesses to delight their employees with technology. To do this, organisations must ensure that all employees, including those working remotely, have modern tools and technologies required to do their jobs seamlessly and without friction.
- 4** The technology must make the lives of their employees easier, through automation, collaboration, speed, analytics and insights. Without this, businesses risk putting their employees' - and their own - mental wellbeing at risk, not to mention business productivity and reputation.
- 5** The new age workforce has very little tolerance for archaic tools. At a time when employees are considering moving jobs without hesitation, there's never been a more critical moment for companies to take another look at their technology set-up, or risk losing the war for talent and tangible competitive advantage and business success.



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Workplace technology is simply not keeping pace with rising employee technology expectations.



**Stacey Epstein**

Chief Marketing Officer at Freshworks

“Our report reveals that sticking with bloated legacy platforms is materially hurting productivity and the employee experience. This technological inertia couldn’t come at a worse time, as organisations all over the world are battling to keep a handle on both talent shortages and economic uncertainty.”

**METHODOLOGY:**

Censuswide, on behalf of Freshworks, surveyed 6698 employees and 2000 Line of Business (LOB) leaders aged 18+ in businesses with 100-500 employees across Europe, USA, Latin America, APAC and MEA. Statistics were collected in April 2022.

# About Freshworks

Freshworks Inc. (NASDAQ: FRSB) makes business software people love to use. Purpose-built for IT, customer support, sales and marketing teams, our products empower the people who power business.

Freshworks is fast to onboard, priced affordably, built to delight, yet powerful enough to deliver critical business outcomes. Headquartered in San Mateo, California, Freshworks operates around the world to serve more than 58,000 customers including Bridgestone, Chargebee, DeliveryHero, ITV, Klarna, Multichoice, OfficeMax, TaylorMade and Vice Media. For the freshest company news visit [www.freshworks.com](http://www.freshworks.com) and follow us on Facebook, LinkedIn and Twitter.



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