IT Turns its Attention to Employee Productivity and its Preference Toward SaaS

The 451 Take

Many companies associate IT more closely with digital transformation than any other business function. According to recent 451 Research data, the top IT-led priority for digital transformation projects (60% of survey respondents) is to improve employee collaboration and productivity tools (see figure below). When respondents to the 2019 survey were asked that question, the same answer topped the list, but with only 47% of respondents.

Priorities and Obstacles

![Priority Chart]

<table>
<thead>
<tr>
<th>IT's Core Priorities</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve employee collaboration and productivity tools</td>
<td>60%</td>
</tr>
<tr>
<td>Multiple cloud platforms to support flexible delivery of business applications</td>
<td>48%</td>
</tr>
<tr>
<td>Intelligent automation to reduce/remove need for labor and manual processes</td>
<td>45%</td>
</tr>
</tbody>
</table>

![Obstacle Chart]

<table>
<thead>
<tr>
<th>Top Tooling Obstacles for Team Success</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information is siloed in different applications making it difficult to search, access and use</td>
<td>25%</td>
</tr>
<tr>
<td>Applications don't integrate with one another</td>
<td>24%</td>
</tr>
<tr>
<td>No one application can do everything we need, too many applications are necessary</td>
<td>24%</td>
</tr>
<tr>
<td>There isn't enough automation; the same basic tasks have to be repeated</td>
<td>20%</td>
</tr>
<tr>
<td>It's difficult to collaborate effectively across applications</td>
<td>19%</td>
</tr>
</tbody>
</table>

Q: In your opinion, what are the main IT-led priorities in digital transformation? Please select all that apply. Base: All respondents (n=164)

Q: Thinking about all the different applications and tools your team uses, which of the following are the biggest obstacles to your teams' success? Please select all that apply. Base: Workforce respondents (n=788)

While the data shows that employee productivity has long been a priority for IT, the shift to remote work during the pandemic has revealed new tooling productivity challenges. When asked about the tools they use as part of their day-to-day work, only 55% of survey respondents\(^1\) said they are routinely very productive. And in responding to that same question, only 51% said the tools they use allow them to be as productive when working remotely as they are at their desks.

The fact that a little less than half of employees are not routinely productive, or aren’t as productive when working remotely, suggests that enterprises need to address some core tooling challenges. Survey respondents cited information silos, application integrations and managing a growing application estate as their top tooling obstacles to team success.\(^2\)

---


451 Research is a leading information technology research and advisory company focused on technology innovation and market disruption. Founded in 2000, 451 Research is a part of S&P Global Market Intelligence. Copyright © 2021 S&P Global Market Intelligence. The content of this artifact is for educational purposes only. S&P Global Market Intelligence does not endorse any companies, technologies, products, services, or solutions. Permission to reprint or distribute any content from this artifact requires the prior written approval of S&P Global Market Intelligence.
As IT seeks to break down these silos, support app integration and help employees manage their growing application catalog, it's also important that they understand which tools to prioritize. According to the aforementioned Work Execution Goals & Challenges research, the tools that contribute most to personal productivity are all-in-one suites for documents, slides and spreadsheets; content management tools; communication/collaboration tools; database applications; and business systems of record, all of which have a deep connection to content.

Solving the productivity tooling challenge is linked to how IT is approaching tooling investments. 451 survey data found that 40% of businesses plan to increase their spending on public cloud services and SaaS in 2021 as a response to COVID-19. That same research shows that 61% of businesses either somewhat (42%) or completely (19%) agree that their organization is actively migrating on-premises software applications to SaaS. While SaaS offers an opex payment model, it also provides other benefits such as deployment speed, integrations, information access, and easier updates and continuity with a remote workforce.

IT's prioritization of productivity in digital transformation is critical given the work friction that new remote and hybrid work models have introduced. To support productivity, IT must first remove the information silos, integration challenges and app management problems that prevent teams from succeeding. Content management tools should be a top priority given their impact on personal productivity, and, according to the data, IT will likely pursue all of this with a SaaS-first strategy.

**Business Impact**

**IT will work closely with other business functions and departments.** While IT generally works closely with other business functions to align budgets and deployment priorities, it will likely begin working with departmental leaders to identify their core productivity challenges. This will inform IT’s contextual approach to improving productivity in each business area.

**IT's tooling investments will become a larger part of the employee experience conversation.** As IT increases its focus on employee productivity, it is indirectly impacting the employee experience – a core priority for HR. Non-HR respondents to the Employee Lifecycle survey mentioned earlier cited work culture (tools, systems, practices and arrangements) second only to personal recognition (compensation, benefits, etc.) as the most impactful element when it comes to making employees feel more engaged and productive with their work. As such, IT’s tooling investments will need to take into account their potential impact on employee engagement as well.

**SaaS deployment becomes the default.** Some 73% of respondents to 451’s Digital Pulse, Budgets & Outlook survey either somewhat (46%) or completely (27%) agree that SaaS is now the default or preferred deployment model for new applications. The perceived value of this model could increase exponentially as remote and distributed workforces become permanent, making SaaS even more of a clear choice.

**Looking Ahead**

Productivity will remain a core priority for IT, and as remote and hybrid work models become permanent, the connection between work environment and tech stack will blur. Because of this, employees’ digital tools will have a great impact on their work experience, and IT will work closely with other business functions and departments to support and optimize the work environment. The application estate will continue to grow, catalyzed by the ease of deployment offered by SaaS licenses, meaning that employees will likely continue to be challenged with having too many applications. Because of this, IT will need to find ways to help employees manage their larger application estates via platform approaches and workflow automation options.

As IT works with the various function areas to design tooling strategies for the individual lines of business (LOB), IT spending will spread across both IT and LOB. More than half (57%) of survey respondents said they believe that over the next two to three years, the majority of IT spending will remain with IT. However, 19% believe there will be an equal split in that spending between IT and LOB, while the remaining 24% believe the majority or all of IT spending will be with LOB. As IT becomes a trusted partner with LOB in its quest to improve productivity, more spending will likely move to LOB.

---

3. 451 Research’s Voice of the Enterprise: Digital Pulse, Budgets & Outlook 2021
4. 451 Research’s Voice of the Enterprise: Workforce Productivity & Collaboration, Employee Lifecycle & HR 2021
5. 451 Research’s Voice of the Enterprise: Digital Pulse, Budgets & Outlook 2021

OpenText Core SaaS applications are purpose-built to solve the toughest Information Management challenges. Extend solutions to the cloud and achieve digital transformation goals faster with powerful, out-of-the-box solutions to solve content-centric use cases for Business and IT. Learn more at opentext.com/saas.