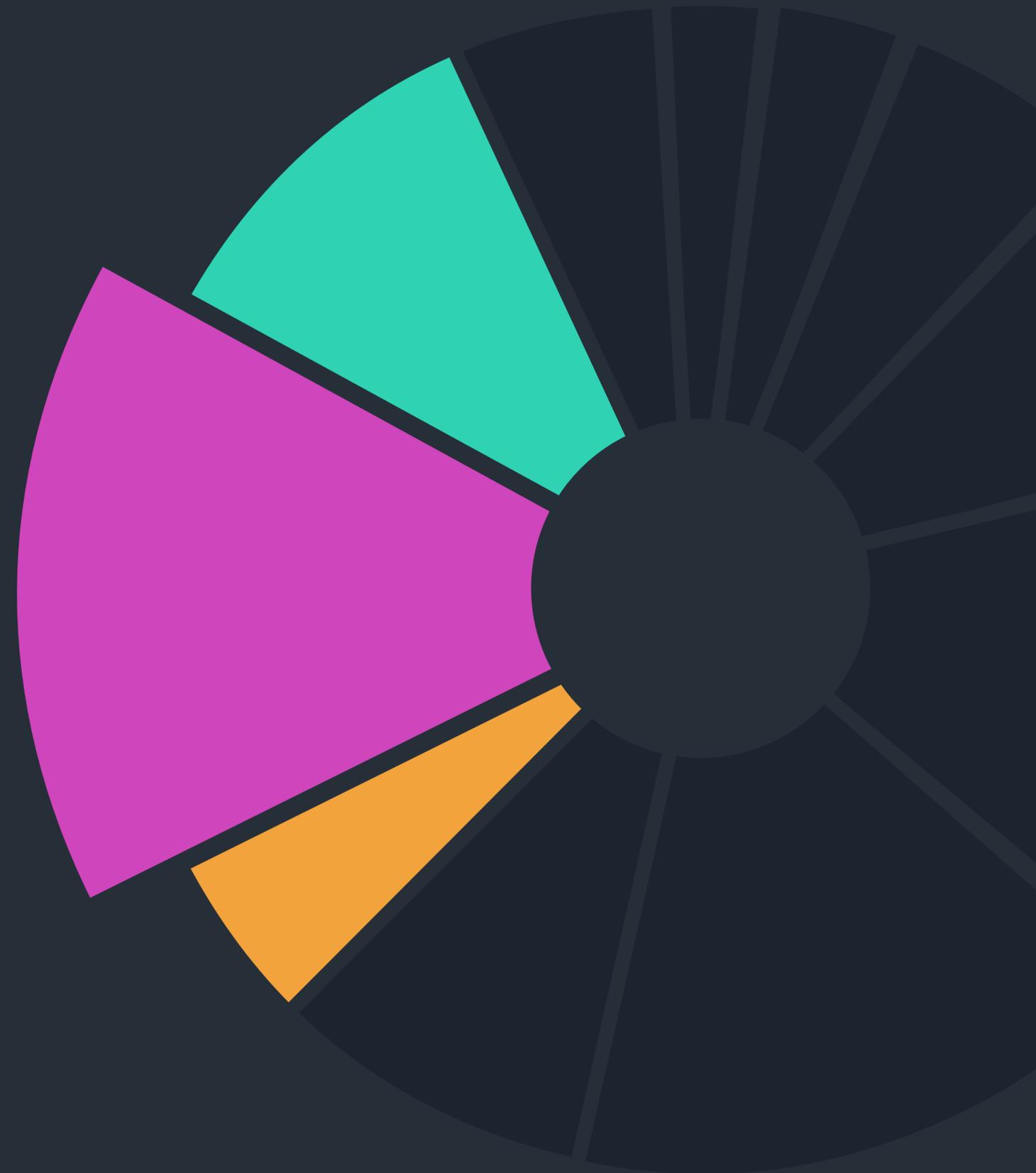




2023 State of the Workplace

Productivity & Engagement Data Trends



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About the ActivTrak Productivity Lab

The Productivity Lab’s purpose is to help organizations leverage people, process and technology data to improve sustainable workplace productivity. We utilize insights from across our customer base to identify trends, strategies and obstacles in today’s ever-changing work environment.

Our findings are expanded through market research and strategic alliances. As a global center for productivity research and expertise, we are committed to helping organizations evolve, embrace and embody the future of work.

About this Report

The ActivTrak Productivity Lab is committed to challenging workplace assumptions and elevating today's workplace realities, and discourse. This year, our State of the Workplace Report provides a deep-dive examination of workplace behaviors spanning two years, 134,260 employees and 911 customers — representing one of the most direct and objective studies of productivity behaviors of its kind.

The study focuses on three key areas of research — productivity, technology and well-being — to reveal not only what took place at work, but how to help organizations better anticipate and plan for the future of work.

With the lingering impact of Covid's Great Resignation, 2022 concluded with a drastically different market tone. As hybrid and virtual work normalized, talent stability remained volatile.

Where we previously saw employees changing companies or leaving the workforce, we began to see employer layoffs and hiring freezes. These shifts led to changes in business strategies and employee sentiments — and our desire to better understand the impact to workplace productivity.

We found that the *stabilization of work habits indicates stronger signs of a more permanent adaptation to hybrid work*. We saw that *weekend work persists by a similar portion of the workforce as the previous year* but for longer durations of time. And finally, we *uncovered the magnitude of technology proliferation in the virtual office*.

Unless noted, all findings represent year over year comparisons between 2021 and 2022.

Areas of Study

Productivity

Digital work habits stabilize

As the seismic shifts of the past few years continue to settle, the long buzzed about new normal may finally be, simply, normal. This reality is reflected in the consistency of employee digital behavior. **While business needs and technology usage continue to evolve, the anatomy of the work day remains consistent.**

Engagement

Employee well-being remains at risk

In a digital-first world, where 89% of employees reported feeling burned out in 2022, and 70% would consider leaving their current company for one that offered better resources¹, **combatting employee disengagement and burnout continues to be a business imperative.**

Technology

Risk of digital overload increases

Organizations must provide connected, responsive and intelligent technologies to fully capitalize on new ways of working. These technologies must also provide consistent experiences for employees as they navigate diverse tools and ways of working. With software investments expected to grow by 11% in 2023², **digital assets and tech stacks must recalibrate to support new ways of working.**

Productivity

The Productivity Lab studied:

- What does an average day of digital work look like?
- Does behavior change across the year or within a business week?

Key Findings:

Digital work habits stabilize

1. Employees spent roughly the same amount of time behind the screen (7hrs 24mins/day)
2. Productivity trended higher (+4mins/day) in the first six months of the year compared to the second half of the year

PRODUCTIVITY: FINDING 1

Employees spent roughly the same amount of time behind the screen (7hrs 24mins/day)

Employees completed work in less time (-2mins) with minor shifts in the overall composition of time across *focus*, *collaboration* and *multi-tasking* behaviors

Industry Spotlight

Of the 20 industries represented in this study, 50% saw an increase in average productive time per employee per day, most notably energy companies with +13mins.

Definitions: [Workday Span](#) [Total Work Time](#) [Productive Time](#)

Digital Work Habits by Year

Metric	2021	2022	Change
Workday Span	10h 9m	10h 7m	▼ -2m
Total Work Time	7h 30m	7h 24m	▼ -6 m
Productive Time	7h	6h 59m	▼ -1m
Focus Time	4h 48m	4h 42m	▼ -6m
Collaboration Time	30m	36m	▲ +6m
Multi-tasking Time	1h 36m	1h 42m	▲ +6m
Productivity Efficiency	93%	94%	▲ +1%



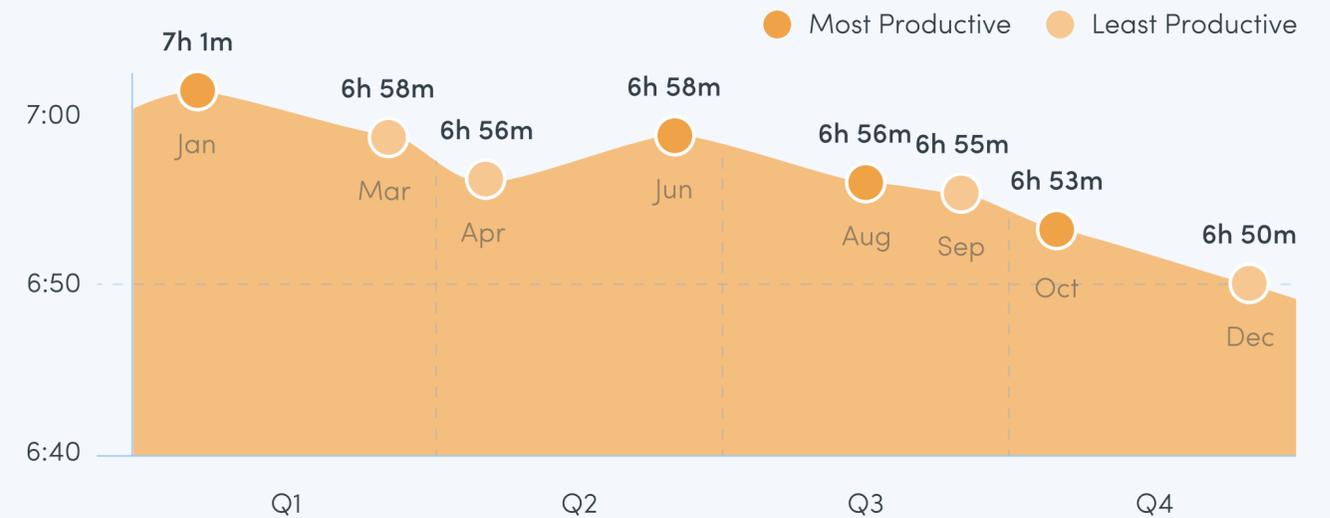
PRODUCTIVITY: FINDING 2

Productivity trended higher (+4mins/day) in the first six months of the year compared to the second half of the year

- Employees were more productive (+4mins) and focused (+5mins) in the first six months of the year compared to the last six months
- Q1 saw the greatest productivity (7hrs 1min) and focus (4hrs 47mins), while Q4 had the least productivity (6hrs 50mins) and Q3 had the least focus (4hrs 36mins)
- Tuesday was the most productive day (6hrs 59mins) compared to Friday which was the least (6hrs 44mins). Focus time was greatest on Mondays (4hrs 42mins) and lowest on Fridays (4hrs 34mins)

Quarterly Trends

Productivity

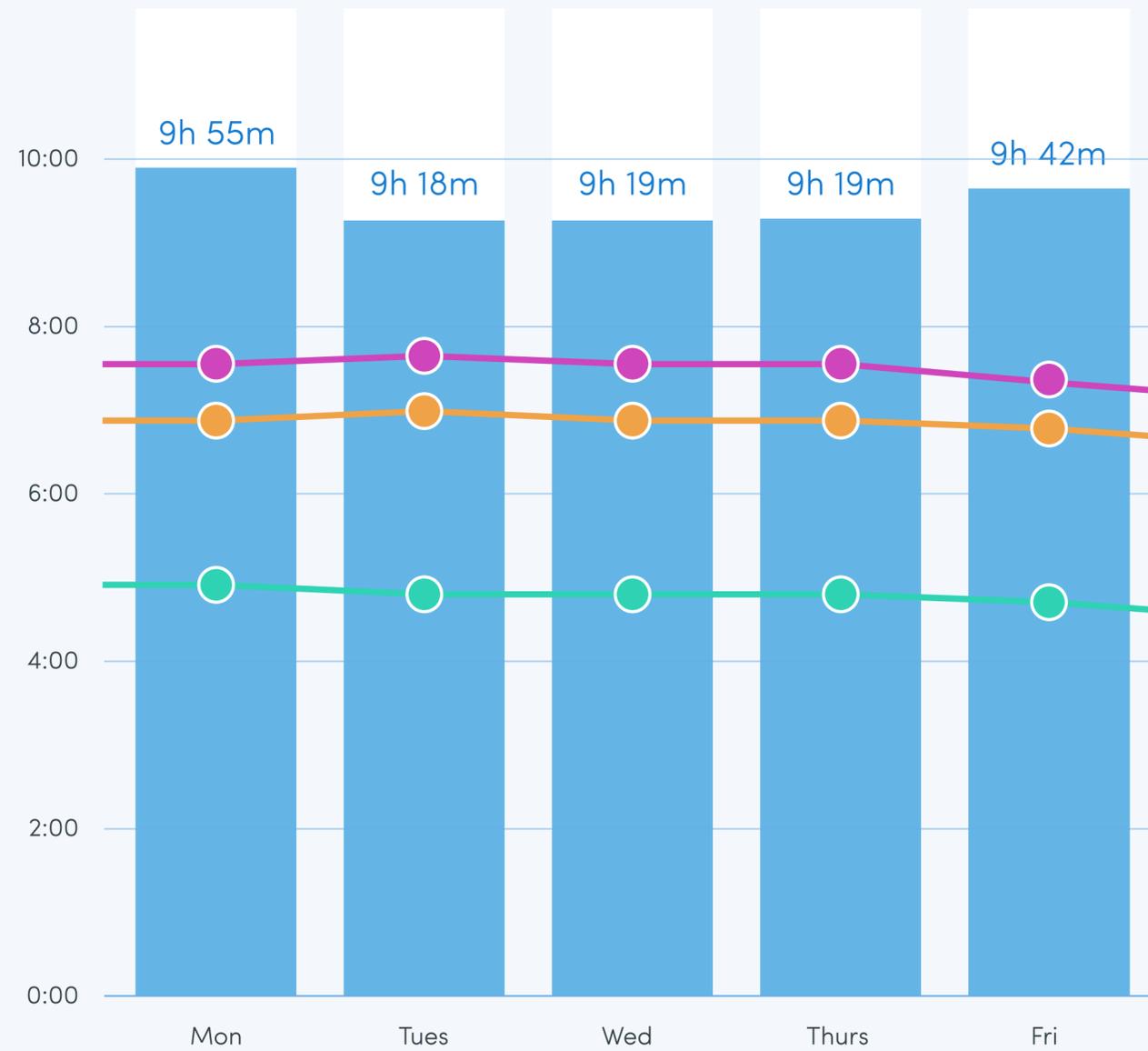


Focus



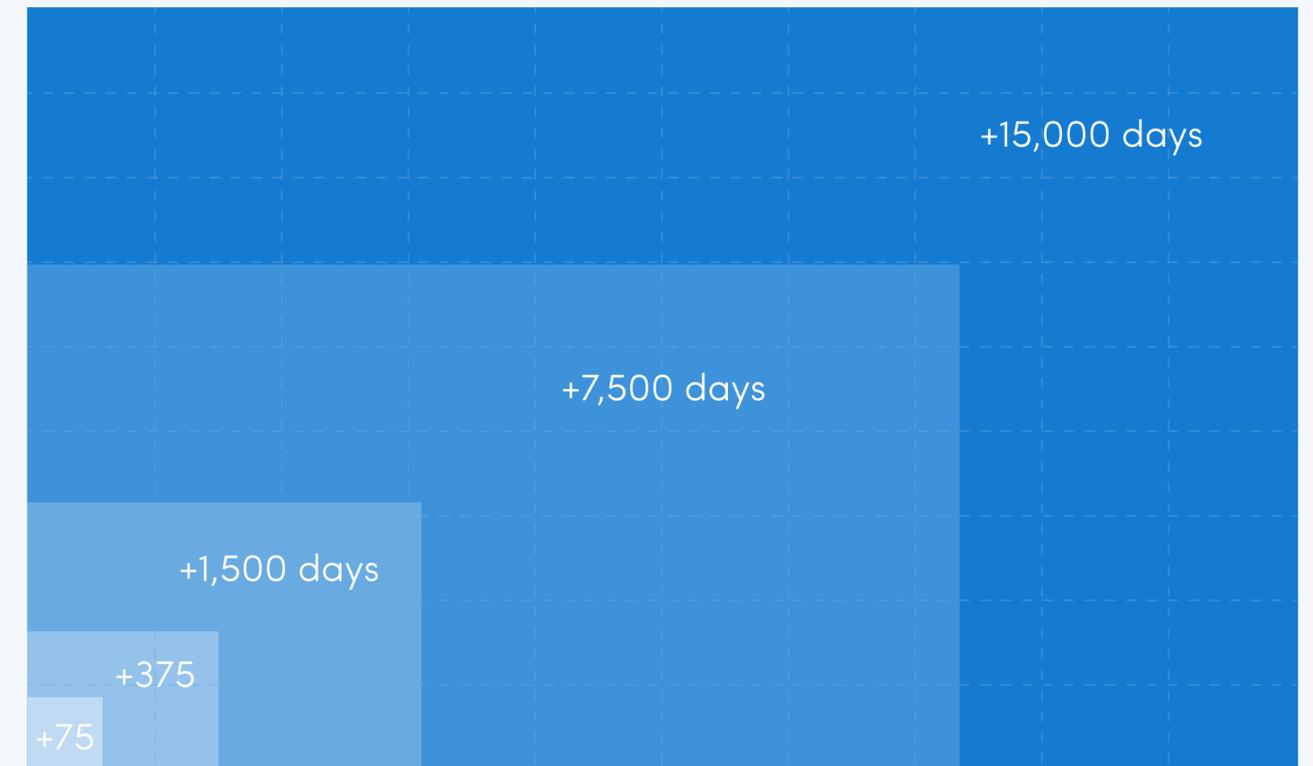
Productivity by Weekday

Workday Span Total Hours Productive Hours Focused Hours



Increase in Productivity Potential

Based on +5 additional minutes of focused productive time per day over a 5-day work week (averaging 7.4hrs/day)



Company Size

- 50 employees
- 250 employees
- 1,000 employees
- 5,000 employees
- 10,000 employees

Lab Guidance

- As the average work day spans 10+ hours, establish core working hours to support synchronous collaboration and preserve time for employee choice
- Clearly communicate expectations and best practices around balancing flexibility with accountability
- Explore what conditions exist in the first six months of the year that can be replicated to better support focus in the last half of the year

Resources

According to [Gallup](#), *“Only 21% of employees are engaged at work, costing the global economy an estimated 8 trillion USD.”*

According to [McKinsey](#), *“Employers should be aware that when a candidate is deciding between job offers with similar compensation, the opportunity to work flexibly can become the deciding factor – with 21% reporting it is as motivation for finding a new job.”*

Engagement

The Productivity Lab studied:

- How pervasive are disengagement and burnout-related attrition risks?
- Have weekend working habits shifted?

Key Findings:

Employee well-being is a key success factor

1. Nearly one-third of employees (28%) are at risk of attrition due to disengagement or burnout
2. While the number of employees working on weekends remained small (5%), the length of time they spent working weekends increased (+18mins)

ENGAGEMENT: FINDING 1

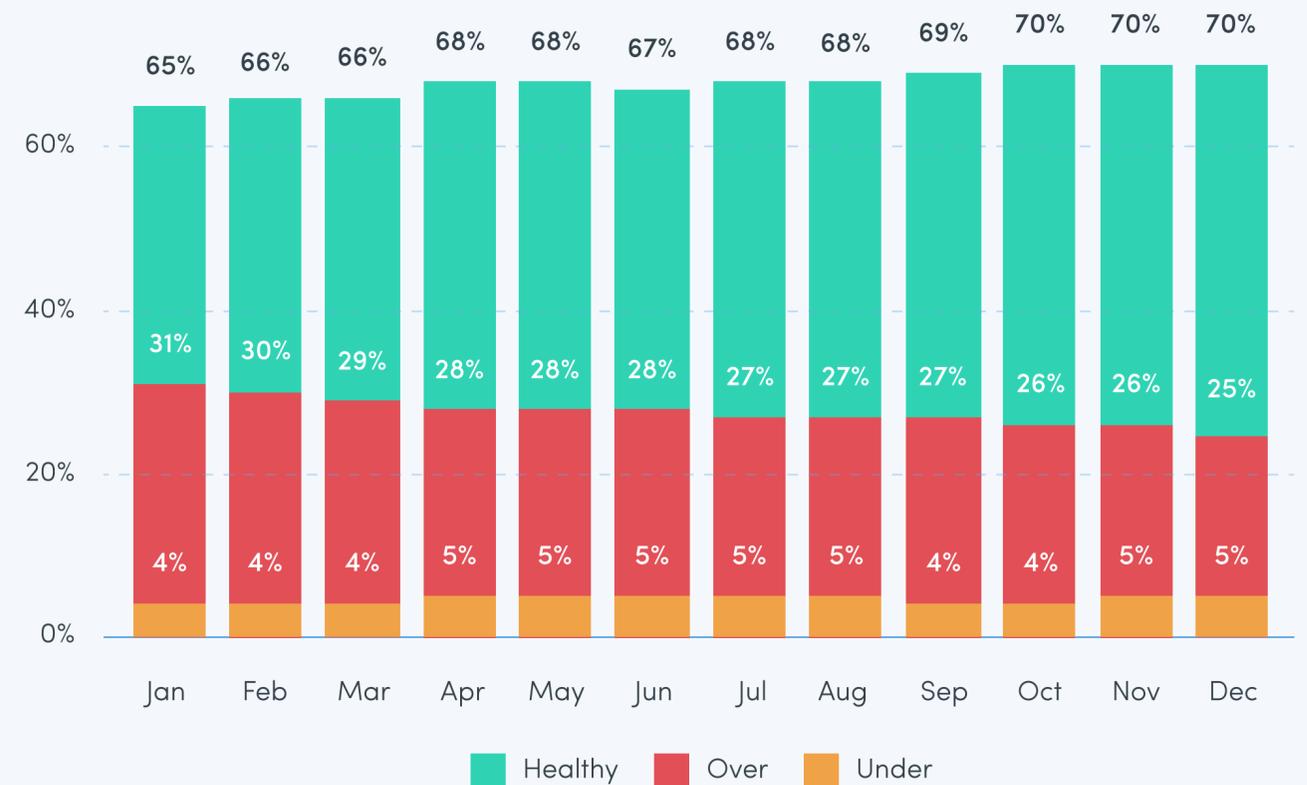
Nearly 1/3 of employees (28%) are at risk of attrition due to disengagement or burnout

Understanding time spent in productive work activities that support team goals and expectations is critical for assessing workload balance and well-being. An employee who spends less time than expected in an activity may indicate disengagement, whereas an excess of time spent may indicate digital exhaustion and burnout.

- While the number of overutilized employees dropped (-8%) and underutilization remained flat, 28% of employees are still at risk of burnout, disengagement and attrition
- 12% of employees spent the majority of their year (75%) in an overutilized state
- From February to December, there was a slight uptick (+6%) in healthy utilization

Employee Utilization Trends

Metric	2021	2022	Change
Healthy	70%	72%	▲ +3%
Overutilized	26%	24%	▼ -8%
Underutilized	4%	4%	0%



Lab Guidance

- As employee workloads inevitably ebb and flow with business activity, proactively manage these peaks and valleys to safeguard individual well-being and build a productive, supportive culture
- Coordinate a holistic approach to workload management across all levels of the organization
- **Leaders:** Must own the drivers that contribute to employee disengagement or burnout and identify and invest in measures to improve them
- **Managers:** Must have data to better inform how they solve challenges unique to their organization and coach employees to remove them
- **Employees:** Should self-advocate and share what drivers cause them to disengage from their work and business goals

Resources

According to [ADP](#), *“7 in 10 workers contemplated a major career move in 2022.”*

According to [PwC](#), *“69% of senior leaders credit much of their success during the pandemic to culture.”*

According to [Deloitte Insights](#), *“68% of employees and 81% of the C-suite say that improving their well-being is more important than advancing their career.”*

ENGAGEMENT: FINDING 2

While the number of employees working on weekends remained small (5%), the length of time they spent working weekends increased (+18mins)

Industry Spotlight

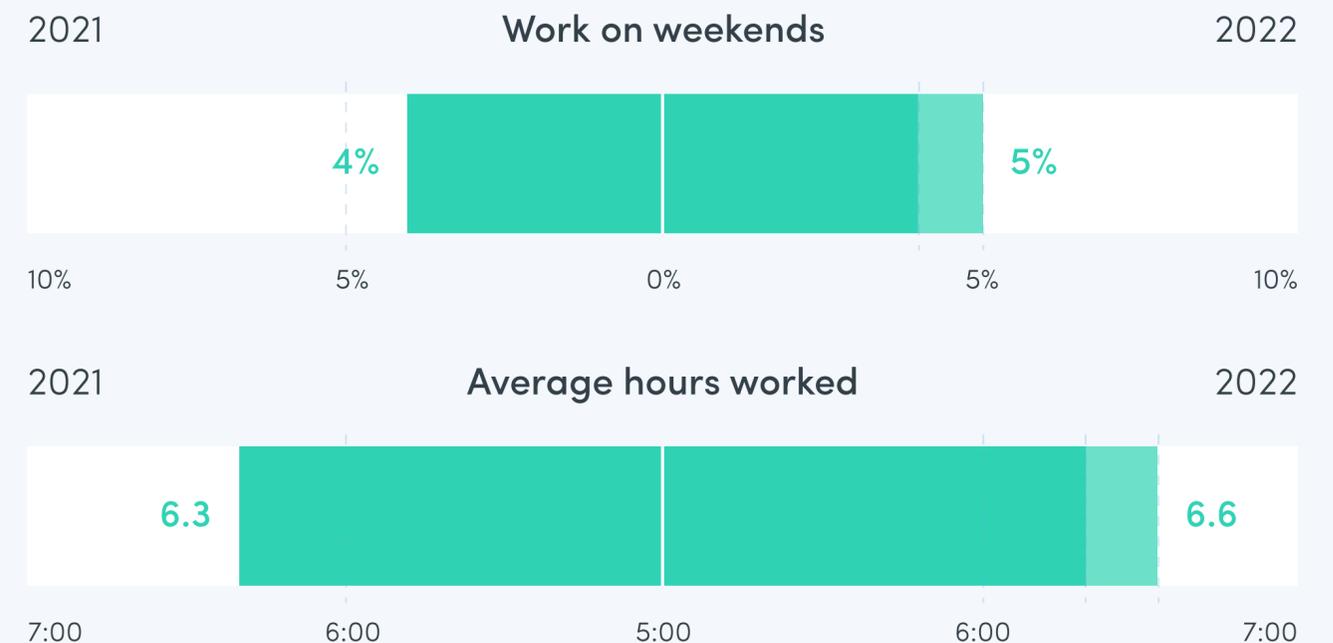
The average total weekend hours for computer hardware companies increased 31% (to 11.5hrs) compared to media industry companies who increased 53% (to 10.7hrs). These industries recorded +4hrs more weekend work than any other industry.

Single time-zone data set.

Hours Worked on Weekends

Metric	2021	2022	Change
Work on weekends (>2hrs)	4%	5%	▲ +25%
Average hours worked (Saturday and Sunday)	6.3	6.6	▲ +5% (18mins)

Single time-zone data set.



Lab Guidance

- Establish a baseline for your team and organization to measure against
- Recognize that the optimal structure of a typical work week varies for individuals, teams and organizations
- Gather context around weekend work habits to know whether the work is due to preference or necessity
 - Employees may prefer to work the occasional weekend to allow for greater flexibility during the week, or there may be a cultural expectation that fuels an unsustainable “always on” mentality
 - Employees may require coaching and support to encourage efficiency, prioritization and workload balance

Resources

According to [Microsoft's Work Trend Index](#), *“53% of employees are more likely to prioritize health and well-being over work than before the pandemic.”*

According to [15Five](#), *“When asked if they could change one thing about today's work environment, the No. 1 response for employees (21.9%) and HR pros (20.8%) was to have personal downtime respected.”*

Technology

The Productivity Lab studied:

- Are organizations simplifying their tech stack to better respond to employees' needs?

Key Findings:

Risk of digital overload increases

1. Employees interacted with 20% more tools, sites and apps

TECHNOLOGY

Employees interacted with 20% more tools, sites and apps

Time spent in various types of tools shifted year over year in a number of categories, suggesting a change in priorities, workstyles, investments or processes:

- Design tools: +18%
- Admin/IT tools: +13%
- Developer tools: +9%
- System Processes tools: +5%

Digital Usage Trends

Metric	2021	2022	Change
# of tools used	461	551	▲ +20%



Lab Guidance

- Plan intentional actions to mitigate the risk of digital asset proliferation and misalignment
- Ask critical questions:
 - Which applications, subscriptions and licenses are used by which teams and how often?
 - Do we have overlapping tools that teams or individuals may have purchased?
 - To what extent do overlapping tools create inefficient, shadow processes and workflows across our organization?
 - Which systems, applications or tools can we consolidate to extract value for reinvestment in other strategic initiatives?
 - As we consolidate, have we accounted for training requirements to ensure employees are proficient in the remaining platforms?

Resources

According to [BetterCloud](#), *“The net growth of SaaS apps used was up 18% from last year, with organizations now using 130 apps on average. In addition, 65% of all SaaS apps are unsanctioned, where users are adopting them without IT’s knowledge or approval.”*

According to [Qualtrics](#), *“Employees are 230% more engaged and 85% more likely to stay beyond three years in their jobs if they feel they have the technology that supports them at work.”*

A Look Ahead in 2023

In 2022 organizations dealt with challenging economic, labor dynamics, but also gained new lessons and insights that improved the digital work experience. This year we're eager to see how leaders, managers and employees come together to advance supportive, high-performance workplace strategies — fueled not only by the input of leaders, but also the feedback and voice of the employee. In parallel with our areas of study, predictions for the near-term future of work include:

Productivity

Focus and collaboration will emerge as key productivity metrics that help companies survive and thrive in the new year. These new metrics will replace total hours worked, pure outcomes measured and physical “presence” in offices — and redefine how organizations manage outcome-based performance goals.

Engagement

The 9 to 5, Monday-Friday work week will be the exception, not the norm. Employee preferences will drive labor market trends resulting in increased flexibility beyond location. Organizations will adopt more creative ways to employ talent — compensating for just-in-time skill sets when needed, and moving away from them when not.

Technology

Organizations will need to maintain an obsessive focus on outcome-driven technology investments and minimize overlaps to ensure productivity and extract value. A new crop of companies will create AI tools that complement and extend the abilities of human workers — something we've already started to see with tools like Jasper AI and Chat GPT.

Methodology

This report is based on quantitative data collected via [ActivTrak's workforce analytics platform](#). It reflects actual user behavior recorded between January 1, 2021 and December 10, 2022 through a uniquely coded intelligent agent network. To better understand a range of employee experiences, this report leverages two data sets. Each finding will be labeled to indicate the set that was used.

Data Sets

Primary Data Sample (A)

# customers	# users	# hours analyzed
911	134,260	173,983,200

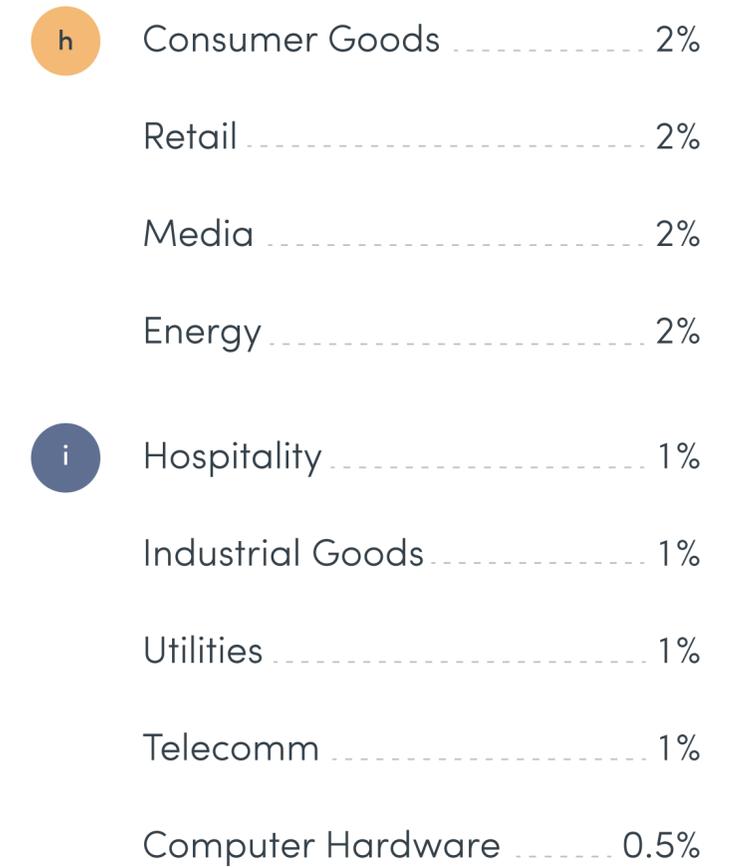
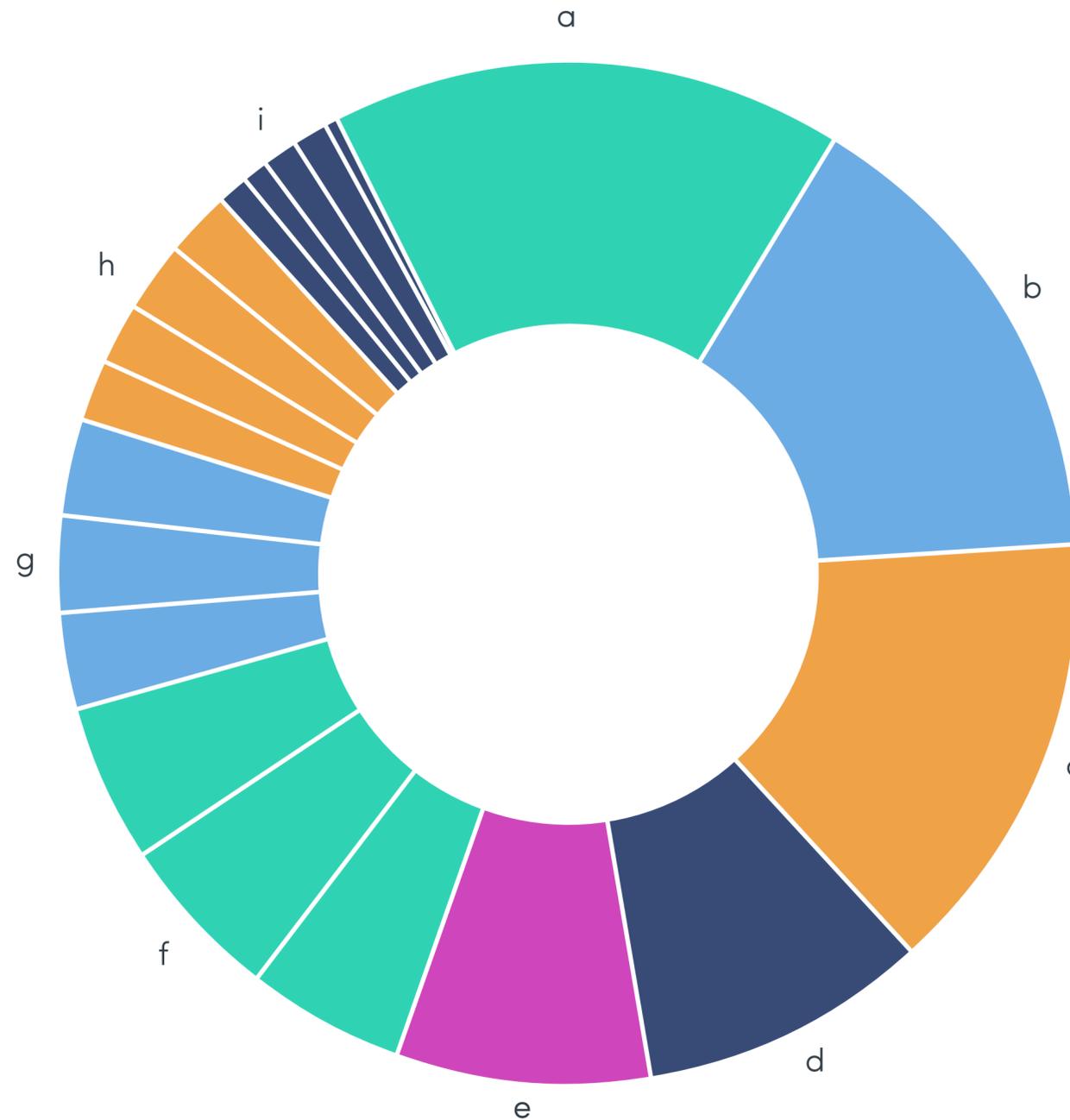
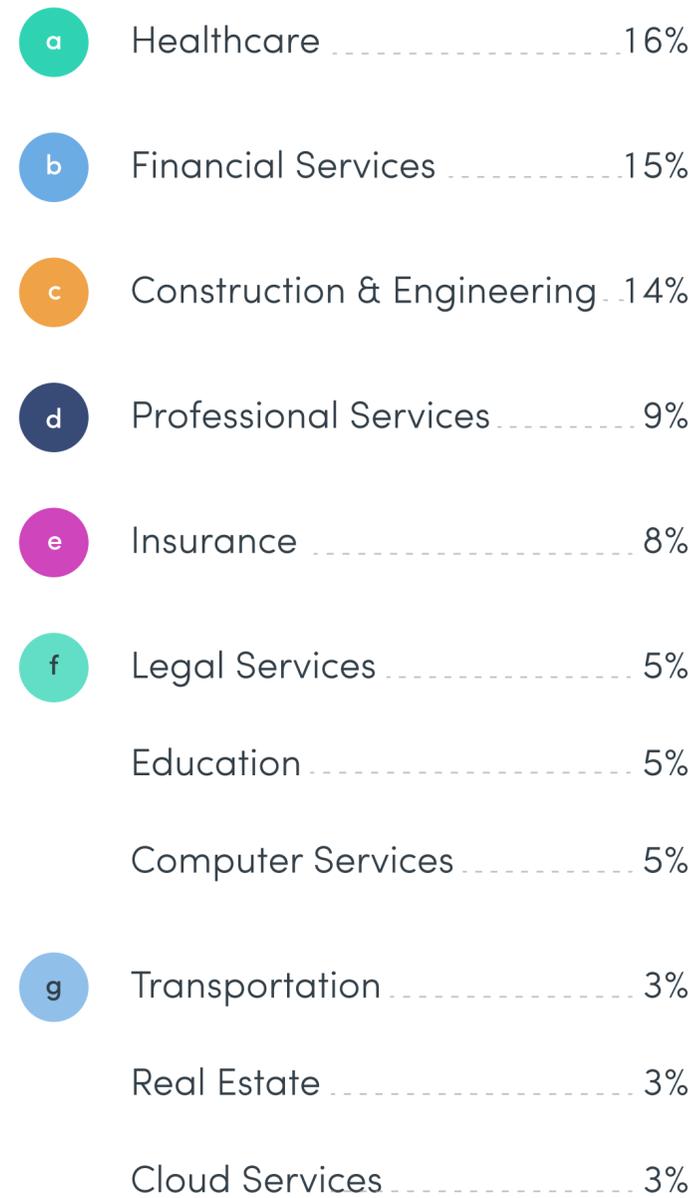
Single Time Zone Data Sample (B)

# customers	# users
731	52,622

Customer Data Privacy

ActivTrak may collect, develop, create, extract, compile, synthesize, analyze and commercialize statistics, benchmarks, measures and other information based on Aggregated Data (collectively, "Blind Data"). Blind Data will be owned solely by ActivTrak and may be used for any lawful business purpose without a duty of accounting to Customer. "Aggregated Data" means Customer Data that is: (i) anonymized and not identifiable to any person or entity; (ii) combined with the data of other companies or additional data sources; and (iii) presented in a way which does not reveal Customer's identity.

Demographics



*Companies with 1-250 employees = 82%.
Companies with 251+ employees = 18%.*

Glossary

Collaboration

Productive time that occurs through two-way communication using digital collaboration tools like meeting software, chat and messaging. Collaboration Time, by definition, is not focused, even though it is critical in every company

Focus

Working time in which an employee is engaged and working on a single task without multitasking (interruptions or attention shifts) and collaboration activities

Healthy

When an employee is within +/- % threshold of their productive hours/day goal

Multi-tasking

Activity performed within productive applications; consists of general administrative business tasks while an attention shift event is happening

Overutilization

When an employee is more than % threshold over their productive hours/day goal

Productive Time

Time spent engaging with productive apps and sites. Breakdown includes business-related focused, collaboration, and multi-tasking activities

Total Time

Average amount of time reported by end user's computer (screen time)

Underutilization

When an employee is less than % threshold under their productive hours/day goal

Utilization

When an employee is within +/- % the threshold of their productive hours/day goal

Weekend Work

Two or more hours on at least one weekend day

Workday Span

Time between first and last activity reported by end user's computer

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