# State of **Digital Adoption** Report

**Why there is no digital transformation without adoption**

April 2022

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# 1. Introduction

Digital transformation was once a choice that businesses took to gain a competitive edge. Today, the key to success is not just implementing new technologies, but maximizing their value. Business leaders must recognize the need to manage tech investment sustainably and ensure it generates the right outcomes – both for the organization and its employees.

This is because digital transformation is more than just an IT issue. At the end of the day, it's a person that must learn to use the software or platform. All too often, poor digital adoption affects the employee experience, productivity, and your overall company culture.

Furthermore, from a decision maker's perspective, digital adoption challenges increase costs, damage efficiency and place strain on internal resources. True digital transformation success is impossible without everybody fully onboard and doing their part.

Digital adoption will continue to become more important as the world of work evolves. More roles will involve the use of technology, and employees will use a wider range of software. As some roles become increasingly automated, employees will need to upskill and learn new software. Each of these problems compounds at scale.

We commissioned this research to examine the state of digital adoption in enterprise-level organizations. The research examines it from the perspectives of decision-makers and employees and explores the challenges and opportunities ahead. We hope you find it informative.

**Hartmut Hahn and Felix Eichler,
co-founders of Userlane**

# 2. About the survey

**The data that informs this report comes from two in-depth surveys conducted in early 2022.**

The first survey gathered responses from 250 senior decision makers at UK businesses ranging from 250 employees to more than 5,000. These leaders represented a range of industries, including IT, finance, manufacturing and distribution, retail and hospitality. Twenty-four percent of respondents held C-level positions, while 76% held other leadership roles such as team or department leader.

In another survey, we consulted with 1,000 staff members at similar sized organizations in the UK. Eighty-one percent of respondents said they use software every day in their roles, while most of the remainder use it at least once a week. Most of the respondents (67%) were aged between 26 and 45.

# 3. Executive summary

**Business leaders and employees acknowledge that strong digital adoption is the key to a positive employee experience as tech use grows.**

- Almost nine in ten decision makers and employees (88%) agree that digital adoption is key to both productivity and the employee experience.
- Seven in ten (72%) employees report that their use of software at work has increased over the past two years.

**Software challenges frequently harm the employee experience, introducing frustration and costing time.**

- Eighty-four percent of employees experience frustration or difficulty using software at work at least sometimes, and 40% feel frustrated "often" or "all the time."
- More than one in three employees lose at least an hour each week to addressing software issues.
- Forty-four percent of employees simply postpone tasks due to frustration with software.

**Rather than being a shared effort, IT teams are most commonly pressured to ensure strong digital adoption.**

- When encountering a problem using software at work, employees are most likely to ask the IT team for help (55%).
- Over half (53%) of both employees and decision makers believe IT teams are responsible for the success of digital adoption.

**Poor digital adoption creates major business headaches for decision makers.**

- Almost all (96%) of decision makers have experienced challenges with digital adoption which has, in turn, reduced the business value of software investments.
- The most common digital adoption challenges reported are employees failing to make full use of the software (34%), a digital skills gap amongst employees (30%), and the cost and resource implications of traditional software training (26%).

**Most businesses are trying to improve digital adoption, with varying success.**

- The vast majority of decision makers (96%) have adopted strategies to try to improve digital adoption.
- Despite these efforts, only a third (37%) rate their company's digital adoption as "Excellent."
- Decision makers report significant spend on software training – averaging £2,087 per employee per year.

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# 4. App overload: How digital adoption shapes the employee experience

We can all relate to the frustration of struggling to achieve something through software, especially at work. Our research set out to identify the impact that tech issues have on the employee experience.

## Frustrating software experiences at work

**84%**
employees use
software every day

**70%**
say that their usage has
increased over the last two years.

**31%**
of employees say they need better
support on software adoption

**88%**
employees

**93%**
leadership

agree that a frustration-free software experience is
key to happiness and productivity at work.

**88%**
employees frequently face
frustration with software
at work.

**The top three causes of frustration when using software are:**

**44%** The software is time-consuming
or slows down work

**39%** The IT team takes too long to
respond to queries or challenges

**23%** There are too many complex
processes involved

**Most common reactions to software issues:**

**55%** Complain
to colleagues

**17%** Complete
the task manually

**41%** Complain
to the employer

**8%** Consider
quitting

**44%** Postpone tasks

**36%** of employees lose at least one hour of working time to software issues each week.
On a national scale, that's over **11.7 million working hours** lost every week.

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# 5. Understanding the issue

Business leaders and employees agree that frustration-free software is key to a positive employee experience. Unfortunately, many organizations are still falling short. This is having a negative impact on both business productivity and employee experience.

This should be a red flag to business leaders. Complaining to colleagues, waiting for support from IT, and postponing tasks all reduce productivity and worsen the employee experience. This can contribute to employees quitting, compounding the "Great Resignation". While the 8% who have considered leaving over software issues may seem low, the number of employees that should be considering quitting over software issues should be zero.

Contrary to the popular idea of a "digital divide," younger people are more often frustrated with technology than older people. Digital adoption is a challenge that spans every generation, and every employee deserves equal support.

Very few employees are equipped to learn new software and navigate issues self-sufficiently. This creates time-consuming tasks: a challenge for an employee becomes a mountain of support tickets for the IT team and a problem for leadership.

IT teams are often left to address issues, but they often lack the capacity to act as in-house training and tech support. Ultimately, employers must recognize that the technology experiences they provide reflect their culture. Slow, frustrating and inefficient tech directly affects the employee experience, lowers efficiency and harms business outcomes.

> We need to question the foundations of why we are embedding a new technology or software, and whether it adds massive value to the employee experience. Employee experience is about the outcomes that people are delivering from their work and work life – is it about creating a seamless digital experience that enables them to deliver their very best performance and fulfil their potential.

**Ben Whitter, author,
Employee Experience**

# 6. No transformation without adoption: the challenges of poor digital adoption

Additional costs, IT pressure, and employee dissatisfaction reveal an important truth: a successful digital transformation is impossible if employees don't feel confident using the tech.

## What does digital adoption look like today?

Almost all (96%) decision makers have faced challenges from poor digital adoption. Just one third (37%) rate employee adoption of software as "excellent" in their organization.

Major challenges associated with software adoption are increased IT costs (38%), the expense of additional training (32%) and a rise in support queries (31%). Other issues included increased employee dissatisfaction (29%) and reduced productivity (28%).

**The top three types of software in terms of employee support queries received are:**

1. **Customer Relationship Management (34%)**
2. **Human Resources (30%)**
3. **Team collaboration and communication (28%)**

According to leadership, the key obstacles to digital adoption are that employees don't make full use of the software (34%), employees lack basic digital skills (30%), and that training employees is too resource- and time-intensive (26%).

Just one in five (22%) business leaders are happy with the success of their software initiatives every time. A quarter (24%) say that software implementations meet their objectives less than half of the time.

**A quarter of business leaders (24%) say software investments meet their objectives less than half of the time.**

Further, the changing ways of working have worsened the issue. Almost four in five businesses (78%) have seen increased software support queries since shifting to remote and hybrid working. This is a significant employee experience issue.

There should be as few barriers as possible to employees doing their best work, and software should help rather than be an inconvenience. Unfortunately, this isn't happening under the current model. Sixty-two percent of business leaders also say that employee turnover has increased since the start of the pandemic.

Businesses must understand software adoption as a core part of the employee experience. If employees are frustrated or confused by the tools they use every day, they're likely to look for another job. On the other hand, employees equipped with the right support and the best tools will have a positive experience and produce the best business outcomes.

> The effective use of software by employees is a vital part of successful transformation. It can help in three ways. In realizing productivity improvements brought about by new software, such as faster sharing of information between staff. In delivering financial efficiencies, by allowing the decommissioning of redundant software. And by creating the space for innovation, as so much new software can present opportunities for new and better ways of working.
>
> **Dr. Antonio Weiss, author,**
> **The Practical Guide to**
> **Digital Transformation**

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## Managing the pressure of a transformation

Businesses often focus on large scale digital transformation projects but overlook basic issues like digital adoption. They often think in terms of IT requirements, not human capacity. At the end of the day, it's a person who will be sitting behind the computer using the software – and failure to consider this is a recipe for disaster.

Employees only use **40% of the features** in software applications.

Low software adoption creates long-term issues and raises the total cost of ownership (TCO). For instance, an increased rate of errors from employees failing to use software correctly will reduce quality and productivity. This raises costs and takes time – and that's not accounting for the 17% of employees who say they avoid digital processes altogether due to frustration.

One of biggest issues is low feature adoption. **Previous Userlane research** has found that all users – including advanced users – only use 40% of the features in the software applications they use for work.

## What is tech turnover?

**"Tech turnover"** is when organizations replace a piece of software with an alternative product because it isn't provided the expected value. This can be costly, time-consuming and disruptive. Business leaders typically blame faults with the product itself, but the reality is that poor employee adoption is often responsible.

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# 8. The trouble with training

When employees have the knowledge they need, they can take on software with confidence – but today's training approaches rarely deliver sufficient support.

## Training today

Facing widespread digital adoption issues, most businesses have settled on a few "solutions." The most common strategies are communicating the benefits of the software (36%), increasing IT support desk capacity (34%), classroom-based training (33%), and written training guides (30%).

Unfortunately, many business leaders have not found these strategies effective. Just 25% say that classroom-based training has been effective, 23% feel that communication does the job, and just 22% say IT support desk capacity resolved their adoption issues.

### Training costs by organization size

| Number of employees | Average training cost per person per year |
|---|---|
| 250 - 999 | £1,437.78 |
| 1,000-4,999 | £2,520.67 |
| 5,000+ | £3,626.49 |

Fifty-three percent of employees believe that IT team is the main stakeholder responsible for successful digital adoption. This is far more than the percentage who feel that employees themselves (26%) or HR teams (18%) are responsible.

Business leaders feel similarly, with 53% suggesting that the IT team lead on digital adoption, compared with 37% who said employees and 26% who said HR teams. This muddled view often means that it is unclear who is guiding a transformation effort.

Hybrid and remote work also make support and training more challenging. For instance, "classroom-style" training, which already has issues, is even less effective over video call. Meanwhile, raising the support pressure on the IT department makes it harder for them to focus on value-adding tasks.

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## What do employees want?
The benefits and drawbacks of popular training solutions

| One-to-one | Digital Adoption Platform | Classroom |
|---|---|---|
| + personal | + customizable with analytics | + familiar |
| + contextual | + contextual and real-time | - not cost effective |
| - not scalable | + scalable and ongoing | - short-term |

The most popular type of software training among employees is one-on-one training with a manager or colleague (47%). This approach covers the real-world use of software for their specific needs. However, it is extremely difficult to scale beyond a very small team. It also depends on the teacher's familiarity with the software.

The next most popular option is interactive, practical guides embedded in the software. These were the most popular option among 38% of employees. This solution is one of the better fits for the modern use case. Because a Digital Adoption Platform (DAP) can be tailored to suit the user's specific needs, it can provide many of the benefits of one-on-one support at scale. Organizations can also easily transform existing training materials into self-serve, interactive guides directly within the software.

The third most popular option is classroom-based training with an expert instructor, which 37% of employees prefer. This is the traditional model favored by businesses, but it clearly isn't the most popular. Classroom training can be useful for teaching large groups, but it has shortcomings.

Both one-on-one and classroom training face the issue of knowledge retention. Employees typically leave the training feeling confident, but their familiarity with the software immediately begins to deteriorate. They remain familiar with the parts they use every day and forget the rest. Even with retraining, employees frequently lack the knowledge they need to work effectively.

## Learners forget an average of 90% of what they have learned within the first seven days.

More modern approaches, such as DAPs, provide real-time, on-demand education. A DAP also collects data on how employees use the software. This makes it easier for decision makers to spot and address common issues.

### The future of training

As businesses scale their use of software, companies are increasingly exploring alternative training methods. Today, 30% of businesses use a DAP for training, a figure which is set to grow rapidly.

Successful software adoption means empowering users to address knowledge gaps and overcome issues themselves. To do this, organizations must leverage technologies such as DAPs which deliver intuitive, contextually relevant self-serve support.

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# A look at how Userlane's Digital Adoption Platform delivers in-app support to users
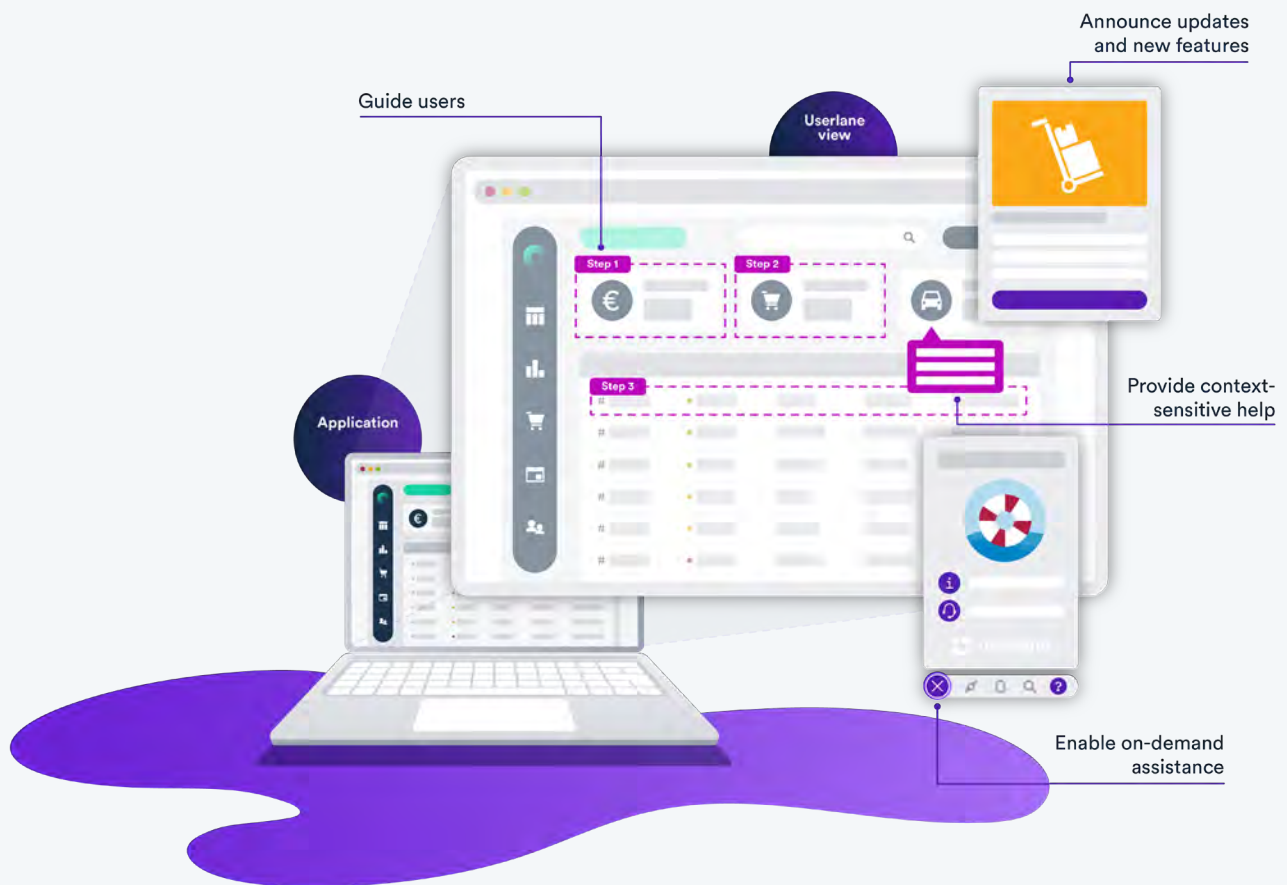


**38% of employees list learning through interactive, practical guides** embedded in the software as their preferred way to learn software.

Businesses must also agree that digital adoption is everyone's responsibility. Placing responsibility on any one stakeholder – especially employees – limits the strategy's effectiveness. Instead, HR and IT must work together on the technology agenda with the support and buy in of employees and team leaders.

# 10. Summary: Designing a successful digital adoption strategy

Organizations must understand that, successful digital transformation is about more than just choosing the right solution and managing its integration. Success depends on adoption, a human issue rather than a technological one.

Those that account for the role that employees play in adoption and provide them with the training and resources they need will reap the rewards. They will experience better engagement, improved employee experience, and – ultimately – higher efficiency, greater ROI, and superior customer service.

## Five digital adoption strategy tips

**1** **Don't overlook the importance of workplace tech experiences.** An employee's interactions with technology have a significant impact on their overall employee experience, regardless of their role, age or other factors.

**2** **Assess how poor digital adoption could be contributing to higher TCO on software.** Most businesses are paying for features employees don't know how to use and losing money on regular retraining.

**3** **Leverage a range of training solutions.** Everyone learns differently, and there's no single solution for effective training. Reinforce traditional training with a digital adoption platform to provide personalized, ongoing support – a blended approach is best for the employee experience.

**4** **Know who is responsible for digital adoption.** For adoption to succeed, organizations need leadership, cooperation and buy-in. Adoption can't be the sole responsibility of one team or department; it must be a company-wide strategy integrated into the culture.

**5** **Consider digital adoption to be as important as digital transformation.** There is no transformation without adoption. Strong digital adoption also helps future-proof a business against skills shortages and workforce uncertainty.
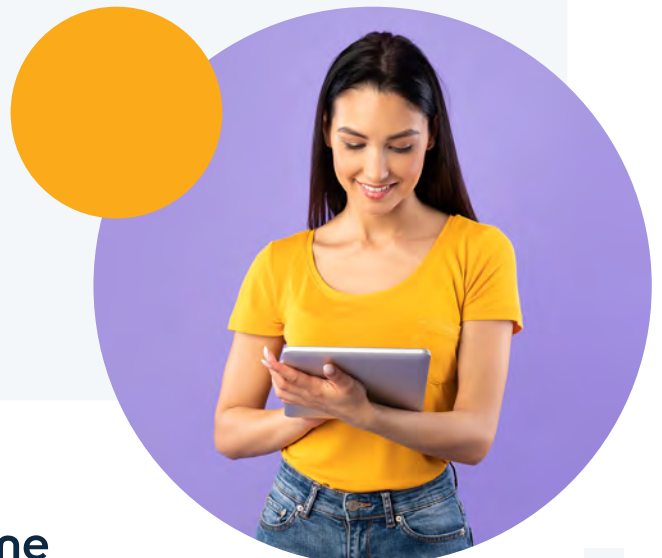
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# 11. About Userlane

Userlane is a German-based technology company working with well-known enterprises such as Allianz, Beiersdorf, SAP, and Linde. Its award-winning software is used by millions of users across the globe. Founded in 2015, Userlane has quickly become a leading Digital Adoption Platform, delighting employees and customers with its intuitive and effective solutions.

To learn more about Userlane, and to discover how a Digital Adoption Platform can help revolutionize the employee experience in your organization, visit  userlane.com

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