

## ESG BRIEF

# Executives Turn up the Pressure for Extensive Employee Insights

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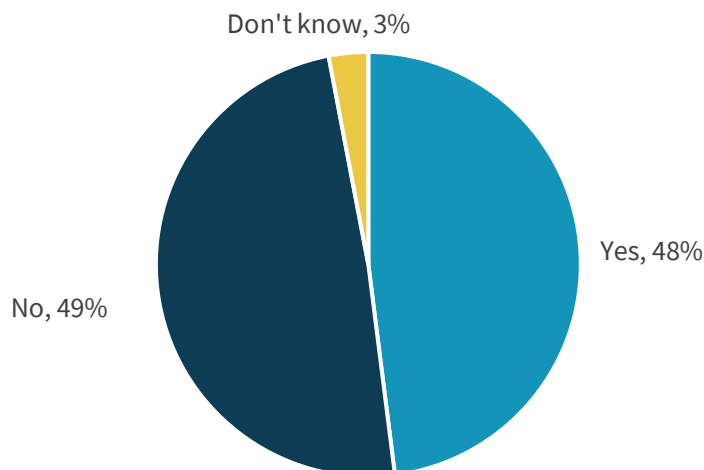
**ABSTRACT:** As workforces become more distributed and business processes become increasingly digitized, it is more important than ever for companies to have detailed insights into their employees. While monitoring employees via technology interfaces does provide valuable insight into work habits and wellbeing, business executives must be careful to avoid the perception of spying. Businesses need solutions that address these needs while challenging models of the past to support a surge in output, enhance employee engagement levels, and maintain remote and flexible work.

## Overview

ESG recently completed its annual technology spending intentions survey of 664 senior IT decision makers at midmarket (i.e., 100 to 999 employees) and enterprise (i.e., 1,000 or more employees) organizations across North America and Western Europe.<sup>1</sup> As part of that research, respondents were asked about their organization's employee monitoring policies over the last 6 months. Nearly half (48%) of IT leadership teams are getting pressured from business executives to increase employee monitoring (see Figure 1).

### Figure 1. Employee Monitoring Activities Have Increased

Over the last six months, has IT leadership gotten additional (or any) pressure from business executives to increase employee monitoring? (Percent of respondents, N=664)

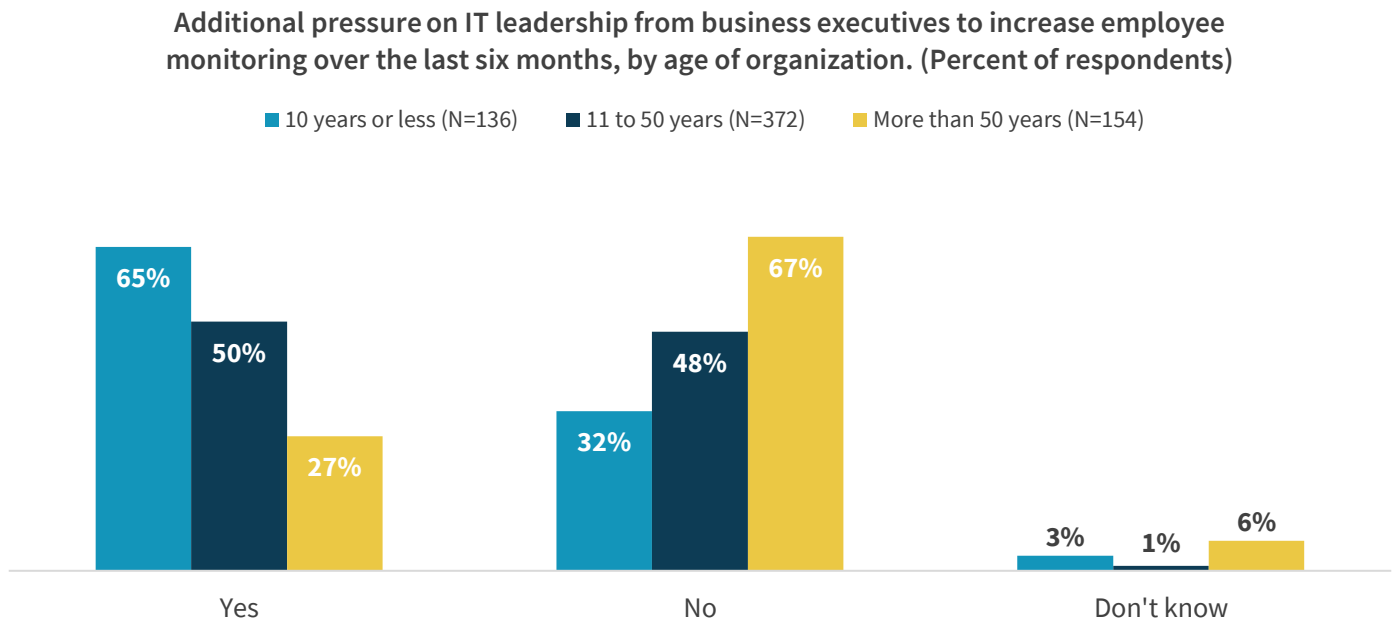


Source: Enterprise Strategy Group

<sup>1</sup> Source: ESG Research Report, [2021 Technology Spending Intentions Survey](#), January 2021. All ESG research references and charts in this brief have been taken from this research report, unless otherwise noted.

The divide is much more prominent between younger and older organizations. According to Figure 2, nearly two-thirds (65%) of organizations that have been established within the last 10 years have experienced pressure from business executives to increase employee monitoring, compared to only 27% of organizations that have been in operation for more than 50 years. Younger companies have emerged in an era in which change is the only constant and the ability to quickly adapt has helped many of these companies innovate and succeed. However, the rapid fluctuation of business priorities and subsequent operating requirements can sometimes risk the ultimate business objectives, and recent work-from-home mandates further highlighted that these younger companies may not always have repeatable business processes in place to effectively accommodate change. Executives may also not have built historical trust with their employees and are left suddenly looking for new approaches to gauge employee engagement metrics. Conversely, older organizations are much likelier to have processes and KPI in place in order to track certain employee metrics, regardless of workforce distribution or location.

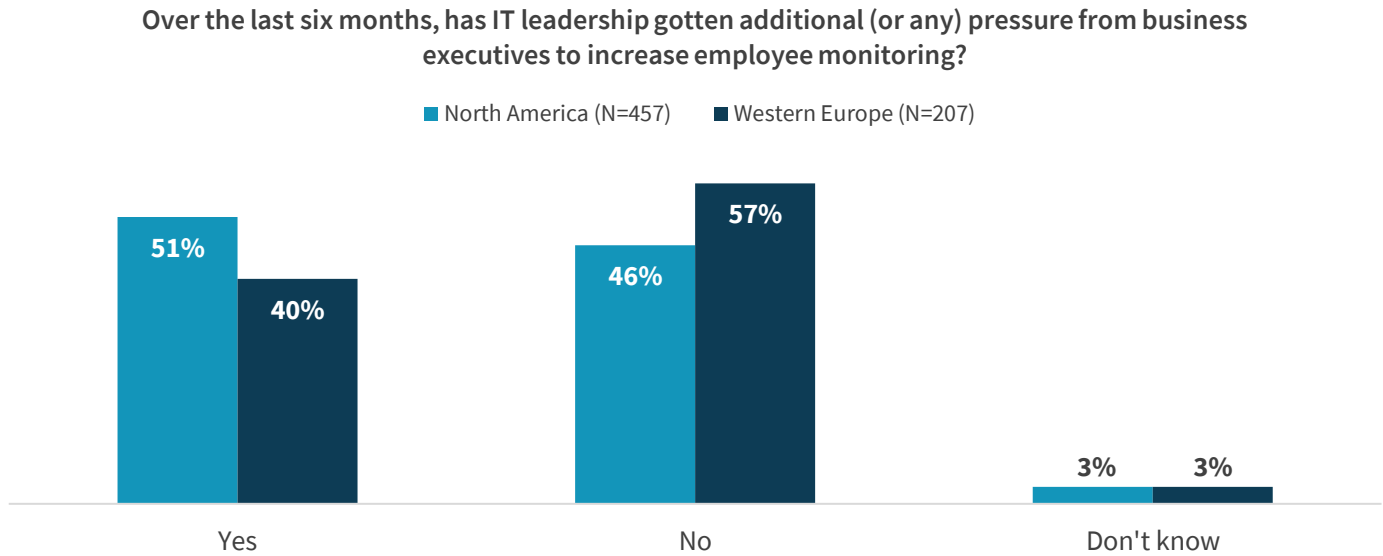
**Figure 2. Employee Monitoring Activities Have Increased More Among Younger Organizations**



Source: Enterprise Strategy Group

In terms of region, North American organizations tend to have more pressure from business executives to increase employee monitoring. In fact, according to Figure 3, more than half (51%) of North American organizations' IT leadership have seen additional pressure, while only 40% of Western European organizations have seen the same mandates from executives. The existing privacy regulations in European countries clearly delineate between the use of technology in employees' personal lives and for their jobs and also serve to discourage monitoring activities that could be construed as spying. The segmentation has likely aided in deriving insights from an environment that was not intended for personal usage, whereas North American businesses tend to blend personal and work technology environments, which creates a challenge to measure productivity and accurately monitor employees. The spike in remote work has created a further impediment in executives' ability to get a more well-rounded view of their employees and is something they clearly want to get a handle on as they continue to support remote work strategies.

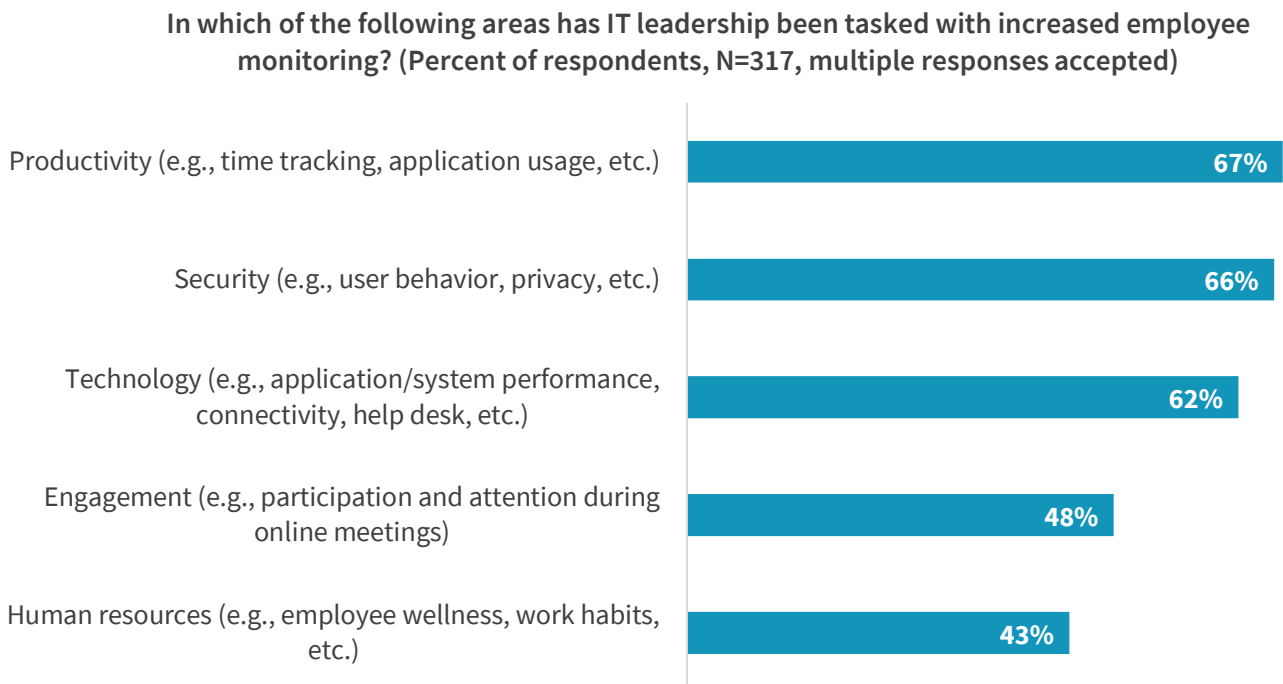
**Figure 3. Employee Monitoring Activities Have Increased More in North American Organizations**



Source: Enterprise Strategy Group

According to Figure 4, productivity (67%), security (66%), and technology (62%) are the most common areas in which IT leadership has been tasked with increasing employee monitoring. Antiquated management philosophies that connected work with “hours in a physical office” are being proven erroneous and have created a priority to track productivity so executives can create new ways to measure how work gets done in these increasingly remote and distributed environments. Additionally, IT is examining all areas of their operating remit and tuning security practices based on user behavior to defend against the threat landscape and provide a safe environment for employees. Executives also want to equip IT to monitor for and ideally preemptively identify issues before they impact employee experience or productivity.

**Figure 4. Employee Monitoring Activities Driven by Productivity and Security Concerns**



Source: Enterprise Strategy Group

## The Bigger Truth

Businesses are increasingly transitioning away from merely managing tasks in favor of achieving pre-planned outcomes. Historically, employee monitoring has been viewed as a means to track employees' time on devices or within specific applications, but given today's hybrid work environment, IT professionals should look for solutions that capture insights more broadly than tracking tools. IT administrators still require tools that show connectivity and performance issues so they can troubleshoot effectively, but they also need to lean on technology that captures insight concerning the employee "user experience" and wellbeing.

Work is no longer measured exclusively by hours in the office, though this shift does behoove businesses' executives and IT professionals to discover technologies that enable them to better capture and utilize employee insights when they may not be socially connected in an office environment. There is a fine line that balances employee privacy and monitoring with the use of technology that interacts with employees, derives intelligent insights across digital workspace environments, and results in improved employee wellbeing that is aligned with the expected business outcomes of their role and responsibilities. Companies that can strike that balance have the opportunity to foster a distributed, collaborative, and productive work environment anchored in maximizing the employee experience in terms of both work objectives and personal life needs.

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