State of Workplace Technology: AI in IT

Facing increasing tech overload, IT leaders are turning to AI for much-needed relief

IT teams can't catch a break

They were on the front lines to implement massive investments in "digital transformation" over the last decade. We called on them again during the pandemic to help millions transition to remote work while ensuring the security of those systems.

Flash to 2023, IT organizations remain overloaded with the rising complexity and volume of software and other on-the-job technology, amidst scrutinized budgets and economic uncertainty. As our second annual State of Workplace Technology report reveals, IT pros are turning to emergent AI tools and applications for relief.

In our global survey of 2,000 IT professionals, we sought to understand the challenges facing IT organizations today. Foremost is managing a widening array of enterprise software applications. IT workers reported a 71% increase in the number of applications available for use on their work computers in 2023—up from an average of 14 in 2022 to 24 this year.

The growing cost of IT

56% say IT spend grew from 2022 to 2023

The wrong tools for the job

36% say most of their software isn't helping them do their work

No clear path for change

42% say there's no proper review process for their tech stack

The utility of all that tech spend, meanwhile is on the decline: IT teams use just a third of all software apps available to them, as opposed to half in 2022. Little wonder, then, that to confront these challenges, senior leaders as well as junior workers in IT are turning to AI to reduce complexity and free up staffers to focus on more strategic work.

According to the survey, 71% of IT workers already use AI tools to boost productivity, and Gen Z and Millennials are early adopters.

It takes more than just more technology, of course, to provide needed relief, says Prasad Ramakrishnan, CIO at Freshworks.

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Our findings reveal that IT leaders report the most success when working with their teams to reduce complexity and streamline efficiency, including by adopting new automation technologies fueled by AI.

Prasad Ramakrishnan
CIO at Freshworks

According to **early findings** from the same survey, Freshworks found that enterprise companies in the U.S. could save over $15,000 per IT worker per year (or $3.1 million) in wasted time by using AI for work. In particular, they see several potential benefits of generative AI, such as freeing up time otherwise spent on repetitive tasks (49%) and enabling IT teams to do more complex, meaningful work (45%).
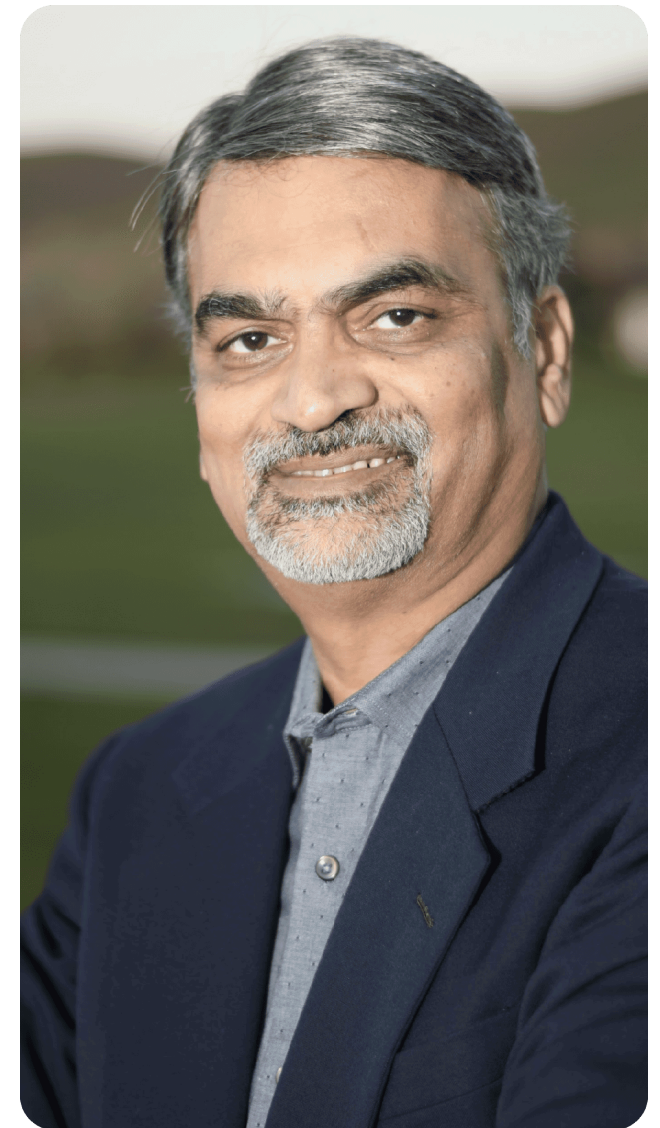
Calls for change

Enterprise leaders have invested in technology to solve problems that improve business results; every technology stack is built with the best intentions. That said, understanding the potential of AI to boost efficiencies in IT starts with an honest accounting of the tech overload IT teams deal with currently—and the cultural challenges that brings. Close to half (44%) of IT pros lament that their tech stack is packed with unnecessary features, according to the report; 42% don't even know how the software got there in the first place.

Whether in bodies or in dollars, something has to give. Among decision-makers in IT (director-level positions and above), there is near-universal consensus (98%) that their companies would benefit from paring back software contracts. Two-thirds (66%) of IT pros felt they would rather cut software than staff.

What's holding back change? Nearly three-fourths of those leaders (73%) are hesitant to voice their feedback. Their reticence extends to managers and rank-and-file professionals, in part due to not being asked (27% say their organization never or rarely asks for feedback on the software they use), and because of fear of losing their job (32% worry they would be fired if they share negative feedback about the software).

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The answer to sustainable business growth in today's digital-first world isn't more software. It's more efficient software. Despite its best intentions, new technology and ever-expanding add-on features are often unnecessary and make life harder for IT teams.

Prasad Ramakrishnan,
CIO at Freshworks

92% say they face roadblocks to reducing unnecessary software contracts

32% think they might lose their job if they speak up

66% would rather cut software than staff

Putting AI into IT

According to the study, IT professionals already see many benefits of AI on the horizon:

Less time spent on repetitive tasks (49%)

More time spent on complex work (45%)

Time savings of upward of five hours per week

While it's no magic bullet, AI can help cut through rising software complexity, the report finds. That's especially valuable in IT operations when time is critical. "Decisions may be made more quickly and accurately with the help of AI," says one survey respondent.

Despite the frustrating software complexity they face, IT professionals are already finding relief using AI software to automate workloads and boost productivity.

The report shows how adoption is playing out at different levels of the organization:

Enthusiastic embrace of generative AI
95% of IT pros see benefits to employees using generative AI to help complete work—namely that it frees up employee workloads spent on repetitive tasks to do more complex work.

Similar overall support for AI
70% of IT directors and above say that AI use is actively encouraged by their company, compared to 44% of team leads/managers and 21% of individual contributors.

Leaders are driving early adoption
91% of IT directors and above currently use AI to support their workloads, compared to 66% of team leads/managers and 33% of individual contributors. The vast majority of senior staff (96%) also say that generative AI is used across their organizations, compared to 83% of team leads/managers and 67% of individual contributors.

An AI youth movement is underway
Newer generations are playing a pivotal role in AI adoption within IT. Eight in ten (81%) Millennial and 75% of Gen Z IT pros currently use AI to support their workload, compared to 57% of Gen X and 27% of Baby Boomers.

AI is here to help, but not without complications

95% see the benefits of using generative AI to get things done

87% have concerns with using generative AI

65% feel using AI is inevitable

Reflecting on the report, Freshworks CIO Ramakrishnan sees a direct line between the perils of excessive software and the promise of AI. He says, "smart, simplified technology, paired with the power of AI, will do more to drive productivity and efficiency than legacy software has done in decades. IT leaders who embrace automation and technological agility to reduce complexity will be the ones whose teams come out ahead."

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Adoption in the workplace varies across diverse cohorts

97% of Millenials and Gen Z say there are benefits of AI use

93% of Gen X agree

76% of Boomers feel the same way

Methodology

Freshworks conducted this research using an online survey prepared by **Method Research** and distributed by **RepData** among n=2,000 adults ages 18+ that work full time as IT professionals, with n=500 U.S., n=500 U.K., n=100 the Netherlands, and n=150 each from Germany, France, Singapore, Australia/NZ, India, and the United Arab Emirates. The sample was balanced by gender, age, and company size, with an internationally representative geographic spread of respondents. Data was collected from April 27 to May 17, 2023.

Time savings using AI in the U.S. was calculated by taking the median salary of computer and IT pros in the U.S. ($100,530, per **U.S. BLS Data, May 2022**) and calculating an hourly rate. Using the hourly rate, a per-worker annual cost was found by multiplying it by the annual amount of hours in the U.S. workers said they could save by using AI to complete repetitive tasks. Then, by multiplying by the amount of U.S. IT workers an enterprise-sized company has on average (**Workforce survey**), it gives a final value of $3.1M annual costs with a minimum of 200 IT employees.

About Freshworks

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