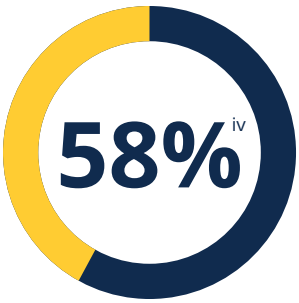
Confidence in the Evolving Workspace



now expect conditions in their own industry to improve over the next six months.

Q1 2022[iv]

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Introduction

In Q1 2021, many organizations were enthusiastic to reintegrate their remote workforces, and 87% of executives were expected to "make changes to their real estate strategy over the next 12 months," with 56% expecting to need more office space.[i] When surveyed, 77% of chief executives, across all industries, said they expected "global economic growth to improve during the year ahead."[ii] Throughout the summer, with this positive outlook, came the callout from businesses, nationwide, inviting even more of their workers back into the office.

However, even the biggest US tech firms encountered some resistance to their new workforce reintegration policies,[iii] with employees campaigning to continue working from home. In addition to this nationwide workforce hesitancy, the events of Q4 2021 cast further doubt over a full-scale return to the office. In light of the ongoing market uncertainty, there has been a widespread continuation of "work-from-anywhere" strategies.

Although it is undeniable that Q4 2021 presented further challenges to our journey back into the office, there is increased scope for optimism. As of Q1 2022, 58% of CEOs now expect conditions in their own industry to improve over the next six months.[iv]

Businesses across America are continuing to reassess how they can leverage their office space and deploy their workforces. However, the challenge of welcoming employees back into an evolving work environment remains as organizations strive for operational continuity while looking to increase productivity.

With ongoing well-being concerns for businesses and their employees, there is a need to reshape our understanding of the office and how it can be transformed to give organizations the confidence to meet the demands of the future.

The shifting perception of work

Prior to 2020, most workers were able to make clear distinctions between work and other aspects of their lives. For the vast majority, the commute to and from work was part of a behavioral framework that allowed workers to mentally compartmentalize their careers, linking work to its location. In 2019, only 20% of workers whose job responsibilities "could mainly be conducted from home" were working remotely "all or most of the time." By Q4 2020, that figure had risen to 71%.[v]

For these newly remote employees, work had now been disassociated from location and was being conducted in any and all available nonpublic spaces. Imperative for operational continuity, operations were often being conducted in temporarily adapted or repurposed ancillary areas. The daily routine of these workers became fragmented. Their work schedules now interspersed with personal errands and home-life responsibilities.

As time has gone on, employees have become used to this new work-life balance. 56% of leaders say their biggest opportunity in having established remote-working policies is to ensure they retain their most capable employees.[vi] As businesses have continued to deploy remote-working practices, many have been providing their workers with solutions to adapt their home spaces for longer-term hybrid operations. As a result of this extended "work-from-home" strategy, much of the workforce is now accustomed to operating within a more comfortable environment, rather than the purely professional, traditional workspaces they left behind. Workers are now prepared to change their job, or even career, based on remote-work provisions.

"You need to be able to keep and retain talent. It's vitally important in today's environment and, in order to do that, you have to differentiate yourself. And if you're going to be truthful, to that, you need to execute on what you're talking about."

- Hayden Trepeck, Director, Corporate & Government Partnerships

By Q4 2021, almost one third of respondents (31%) said that losing the option of working from home, should their employer remove it, would make them extremely likely to look for employment with another organization.[vii] Solutions that facilitate sustainable home and hybrid working will now be primary business considerations.

The biggest opportunity in having established remote-working policies is to ensure they retain their most capable employees.

Microsoft[vi]

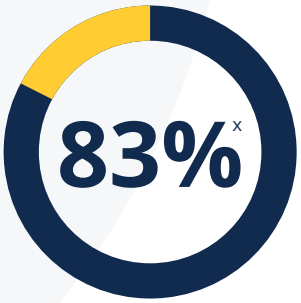
The confidence to be productive from anywhere

For decades, businesses have struggled to balance the cost-efficiency of their office space provisions with the impact it can have on productivity.

Remote-working tools have been incredibly effective at maintaining business productivity throughout the transition to hybrid-working strategies, especially when the work was target driven. In 2021, those organizations that prioritized investments in digital workplace technologies were more likely to have achieved benefits, with 91% of respondents reporting increased user productivity.[viii] 54% of employees who work remotely, at least some of the time, say they would ideally like to continue splitting their time between working at home and in the office.[ix]

In Q1 2022, 83% of CFOs, and 77% of executives overall, say that hiring and retaining talent is their most critical growth driver.[x] To support these shifting employee preferences, organizations are being presented with evolving challenges to maintain productivity across all spaces. Employees reported numerous perceived benefits associated with the home-working model – 69% dressing more casually, and 36% bringing their "whole self" to work.[xi]

While employees may now favor a hybrid-work scheme that includes a return to the office, they are still reticent to part with these additional home/work well-being comforts. As a recruitment and retention strategy, for businesses to be confident of ongoing productivity and growth, they should consider introducing more of the haptics of the home environment across all evolving workspaces.



CFOs say that hiring and retaining talent is their most critical growth driver.

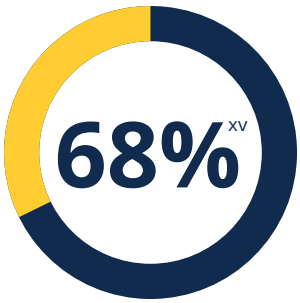
PWC
Q1 2022[x]

The sustainability of a communal workspace

In 2020, workplace well-being considerations pushed people to work from home. However, as organizations continue the worker reintegration process, some employees may have ongoing well-being concerns that employers may need to address. Throughout that year, 45% of employers with essential workers reported having encountered challenges surrounding employee absence due to continuing well-being concerns.[xii]

"Just because you're working from home doesn't mean that you should work all the time. Teams are trying more to find that balance of making sure that you take a break every couple of hours, that you block off focus time."

- Lori Kelly, Director of Strategic Acquisition



would feel comfortable returning in the event of an immediate announcement by their employer.

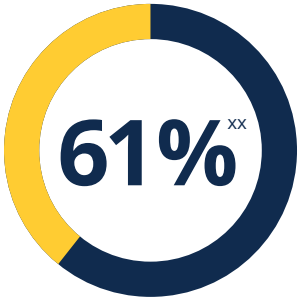
Morning Consult
Q1 2022[xv]

As organizations shift away from fully remote operations towards more hybrid practices, or indeed, full-worker reintegration policies, cleaning protocols should be considered to make employees feel more comfortable. 84% of workers in the US want visible evidence of workplace well-being protocols in place "before considering a return to their company's office."[xiii]

As of Q1 2022, organizations are already responding to this challenge. 31% of CHROs are now prioritizing workplace well-being concerns for the first half of 2022, in order to address employee turnover as they return to on-site work.[xiv] Active commitments to operating safely and sustainably are already showing results. Remote workers' confidence in returning to the office has now climbed to its highest level since November. 68% of respondents say they would feel comfortable returning in the event of an immediate announcement by their employer.[xv]

This increased level of comfort with a return to the workplace is, in large part, due to organizations showcasing their commitment to worker well-being, both in their on-site messaging and their workspace deployment of cleanliness measures. For worker retention, customer confidence and operational continuity purposes, businesses will have to continue these practices, reassuring workers and customers alike and increasing overall confidence in the sustainability of on-site operations.

Business culture



CHROs believe digital transformation is very important to their company's ability to grow

Q1 2022[xx]

As remote-work culture is becoming a longer-term norm, it can also be deployed to "counteract some of the unintentional in-office hierarchies." However, it also has the potential to create new ones.[xvi] While many employees are now comfortable returning to the workplace, some remote workers may still be reticent, or indeed, unable to return to the office full time. There is growing concern that these remote workers are at risk of being left behind.

Workers who have more fully embraced the remote-working lifestyle may not be aware of the potential limitations it can impose on their career progression. No longer visible in the office environment, only 32% were concerned " that "out of sight" means "out of mind" when it comes to promotions."[xvii]

Leading in to 2020, organizations across America were already driving towards ever-greater levels of inclusion. Up from 2019, there was "an almost 800% increase in job postings for dedicated diversity recruiters."[xviii] One of the most direct ways businesses are able to exemplify their commitment to inclusivity is through their increasingly diverse workforce. However, as a result of the sudden shift to remote working, these efforts became less visible.

While "organizations have found ways to successfully measure and track diversity, they haven't been able to do the same for inclusion."[xix] As part of any workforce reintegration program, or ongoing deployment of hybrid-work strategies, it will be essential to give all workers a voice and reassure them that they are receiving the same opportunities as their colleagues.

61% of CHROs believe digital transformation is very important to their company's ability to grow.[xx] As businesses continue to develop longer-term "work-from-anywhere" policies that are "inherently more inclusive and diverse," and "make strides towards [their] ESG goals,"[xxi] investment in collaborative tech will be integral to the reassurance of all employees that their voices will continue to be heard.

With organizations continuing to welcome colleagues back into the office, they will be able to leverage this continued remote tech investment as a demonstration of their ongoing commitment to flexible working, an inclusive business culture and the well-being of all their workers.

The confidence to collaborate

Many organizations have been able to maintain the productivity of their workforces by leveraging the potential of remote working. However, it has been established that a fully remote-working model can inhibit creative collaboration as it is often impacted by the lack of in-person communication. This has been attributed to a reduction in the occurrences of the "human moment," a "face-to-face encounter that allows for empathy, emotional connection, and nonverbal cues to complement what is actually said."[xxii]

These "human moments" often occur in communal spaces, as spontaneous interactions. They can lead to idea sharing in between those periods of formally scheduled collaboration. Whether it's at the water cooler or the coffee machine, in the hallway or the breakroom, these interactions, in a reframed thought environment, are the missing ingredient for collaborative work that remote digital solutions are less likely to provide.

In 2021, employers identified "increasing employee productivity" as the primary purpose of the office. Whereas, employees considered its principal role was to encourage collaboration.[xxiii] As organizations look to implement more permanent hybrid strategies, the need has never been greater to reshape the traditional office space "using intelligent, tech-enabled design to turn ergonomic workplaces into socially engaging culture spaces."[xxiv]

> **"I think that employee productivity is not a product specific solution. It's about de-stressing and providing your employees a way for them to step outside of their busy time."**
>
> **- Hayden Trepeck, Director, Corporate & Government Partnerships**

The office of tomorrow will no longer be a hub for traditional oversight where "we tend to value and reward presenteeism over productivity."[xxv] It must be reimagined to inspire the confidence for creative and divergent thought, leveraging ergonomics to encourage "human moments" of collaboration between colleagues when working on-site.

Conclusion

The workspace is one of the most immediate ways to showcase an organization's business culture. From interior design and customized spaces to provision, businesses can leverage their office space as a direct representation of their brand, corporate identity and messaging, for both clients and employees.

As organizations continue to welcome employees back into the office, reaffirming their commitment to a diverse and inclusive workplace culture will be an important consideration. 60% of C-suite respondents believe it will be likely that "ESG and sustainability will be integral to longer-term planning at the end of 2022."[xxvi] As a retention and recruitment incentive, businesses should have a plan to address the cleanliness, comfort and collaborative expectations of the new "work-from-anywhere" employee.

Many workers are now comfortable with a return to the office. However, there are new employee expectations surrounding "work-life balance." In order to maintain productivity levels and operational continuity, organizations will need to consider how to "balance empathy with economics."[xxvii] In addition to remote-working solutions, businesses should consider providing in-office amenities that emulate some of the comforts of the home-working environment.

By visibly addressing ongoing well-being concerns and leveraging tech and ergonomic design innovation, businesses can run their organizations with confidence in their operational continuity. As they adapt their offices to be responsive thought spaces fostering collaboration and innovation, businesses can continue to inspire the confidence of both their employees and customers, wherever they are.

60%

C-suite believe "ESG and sustainability will be integral to longer-term planning at the end of 2022."

Q1 2022[xxvi]

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