

The Future of Workplace

How will COVID-19 and data shape
the new workplace ecosystem?

The information in this report was derived from data-driven insights collected through the Cushman & Wakefield proprietary tool, Experience per Square Foot™ (XSF).

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Preface

Cushman & Wakefield has adopted a data-driven, evidence-based approach to understanding the key drivers of workplace experience, whether it is in the office or the current work from home environment. Through our bespoke Experience per Square Foot™ database (XSF), we have analyzed more than 2.5 million data points driving workplace experience from workers all over the globe in the pre-COVID-19 era and a further **1.7 million data points from more than 40,000 respondents worldwide** in the current work from home environment (XSF@home). This allows us to provide unrivaled insights into how employees are coping right now and to identify the successes as well as the challenges. A rigorous understanding of these issues will help inform who should return to the office and ultimately lay the platform to innovate and evolve workplace strategies to develop an ecosystem of workplaces that promote both wellbeing and productivity.

50% of the workforce

will likely be working across a
Total Workplace Ecosystem
balancing office, home and
third places



Key Learnings

1. Employees can be productive anywhere not just at the office

- **Remote workers have always done well:** Pre-COVID 19, employees who mostly worked remote were more engaged and had a better workplace experience than those who mostly worked in the office, indicating working-from-anywhere is effective
- **Collaboration is at an all-time high:** During the pandemic, productive team collaboration has reached new heights using remote collaboration technology
- **Individual focus has remained strong:** While working from home, employees continue to report the ability to focus when they need to be productive on individual tasks

2. Flexibility and choice to work from anywhere is accelerating

- **Employees want flexibility:** 73 percent of the workforce believes their company should embrace some level of working from home
- **People need a variety of places to interact:** Personal connections and bonding are suffering, impacting connection to corporate culture and learning; enabling people to choose where to work as they need will enable them to both get their jobs done and build personal connections
- **Employees feel greater trust:** 90 percent of employees feel they are trusted to work remotely

3. The new normal will be a Total Workplace Ecosystem:

- **There will be a variety of locations:** The workplace will no longer be a single location but an ecosystem of different locations and experiences to support convenience, functionality and well-being
- **The office isn't going anywhere:** Balancing the impact of social distancing on density with less office-based headcount demand will likely not affect current footprint sizes and offices will continue to thrive but in new ways
- **The office has a new purpose:** The purpose of the office will be to provide inspiring destinations that strengthen cultural connection, learning, bonding with customers and colleagues, and foster creativity and innovation

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The workplace is no longer a building. It is no longer a single destination. The workplace is a network of virtual and physical places. This ecosystem provides flexible and on-demand places to support convenience, functionality and wellbeing.

It's not “return to work” but “return to the office”

As governments around the world start to ease restrictions on lockdowns, attention inevitably turns to the concept of “returning to work.” However, this viewpoint incorrectly frames the current state of play. Many office-based workers have continued to work through the pandemic and so the focus should actually be on who should go “back to the office?”

Of course, the first focus has to be on employee wellbeing and vulnerable employees need to remain safe. But after that, the situation becomes more blurred, not least as social distancing will mean that not all employees can still be accommodated in the available space.

In conjunction with this, companies recognize that some workers can successfully operate remotely at least part of the time. As a result, companies will have to provide more choices and greater flexibility to work away from the office for the foreseeable future.

Workplace Experience Outcomes

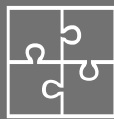
These terms will be referred to in this report and can be distinguished by their capitalization.



FOCUS
personal
productivity



TEAM
productive
collaboration



BOND
bonding with
colleagues



RENEW
energy
throughout
the day



LEARN
continuous
learning &
development

The successes

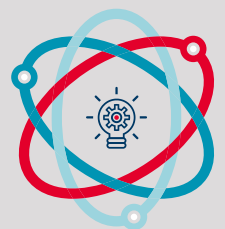
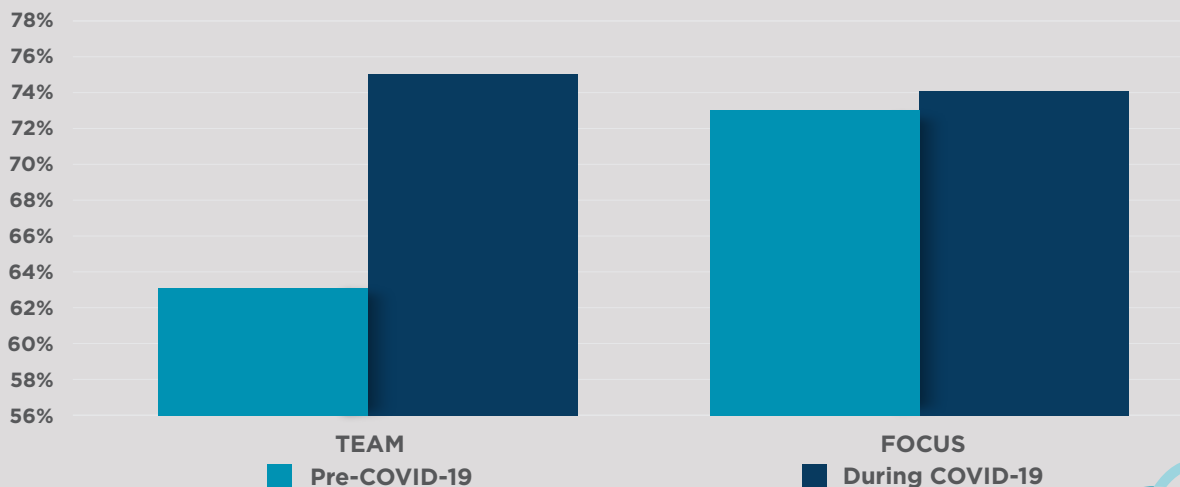
As many companies swiftly mandated employees to work from home, it could be expected that the workplace experience would suffer as a result. However, the reality is that overall workplace experience has remained strong, which must be viewed as an overwhelming success, not least given the speed of deployment along with personal circumstances and challenges.

Collaboration is better than ever

The interesting aspect of the transition to working from home is how the balance of workplace experience attributes have changed. Most notably, team collaboration (TEAM) has reached new heights—75 percent of respondents agree or strongly agree that they are collaborating effectively with colleagues in the current environment. That's up ten percent from the pre-COVID-19 period (Figure 1). The ability to collaborate effectively is underpinned by the availability of collaborative technology. Quite simply, the enforced work from home means that using collaborative technology tools is no longer optional but an imperative, and employees are using them to their fullest.

Figure 1:

Comparison of pre-COVID-19 and during COVID-19 TEAM and FOCUS outcomes



The successes

75% of respondents feel productive when they need to FOCUS



Personal productivity remains strong

The move to working from home was practically universal across office-based employees as companies closed their offices across the world. The home suddenly became a bustling workplace with spouses, housemates and home-schooling all occurring under one roof. Despite the change, employees are reporting they have the ability to focus when required. This is not to say that the current situation has been without challenges – we explore these further in the next section – but for the most part, people have been able to adapt and overcome.

A culture of trust

Trust is arguably the strongest currency in today's working environment and is something that Cushman & Wakefield has specifically targeted in the XSF@home survey. Again, there is good news here as 90 percent of respondents feel trusted to carry out their work by their manager. Also, trust is a two-way street with the feeling being reciprocated by employees through their trust in the company and confidence in the company's ability to successfully navigate the current economic crises.

The challenges

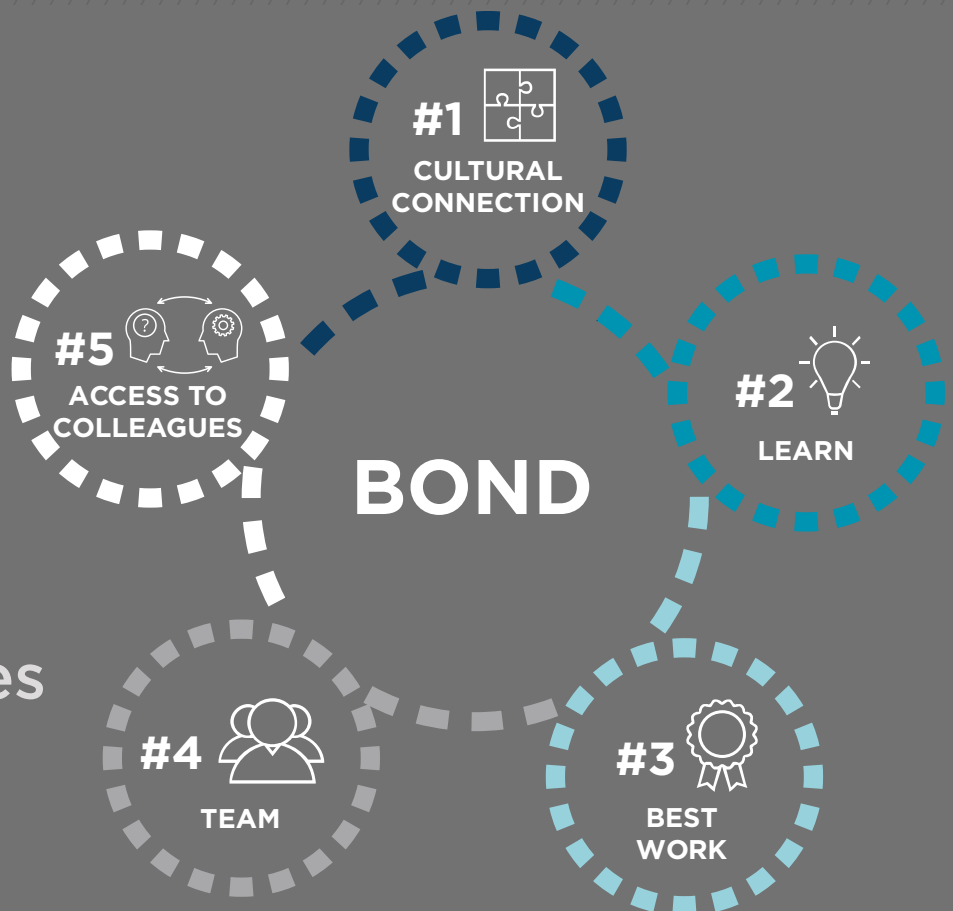
While it is important to acknowledge the successes, it is also equally important to learn from the challenges. Although a rather clichéd expression, this current state of work is truly the “world’s largest work from home experiment.”

Losing out on personal connections

Although team collaboration has been a success, the move to remote working has impacted people’s ability to connect with one another on a more personal level. XSF@home measures BOND, or sense of personal connection employees feel to one other. Only a little more than half of respondents feel connected to their colleagues. The ability to have a strong connection among colleagues is an extremely important component of employee experience under any circumstances, and even more so in the current environment. Weaker BOND scores also negatively impact connection to company culture and personal and professional development (Figure 2).

Figure 2:

Top drivers of colleagues bonding



Source: Cushman & Wakefield

The challenges

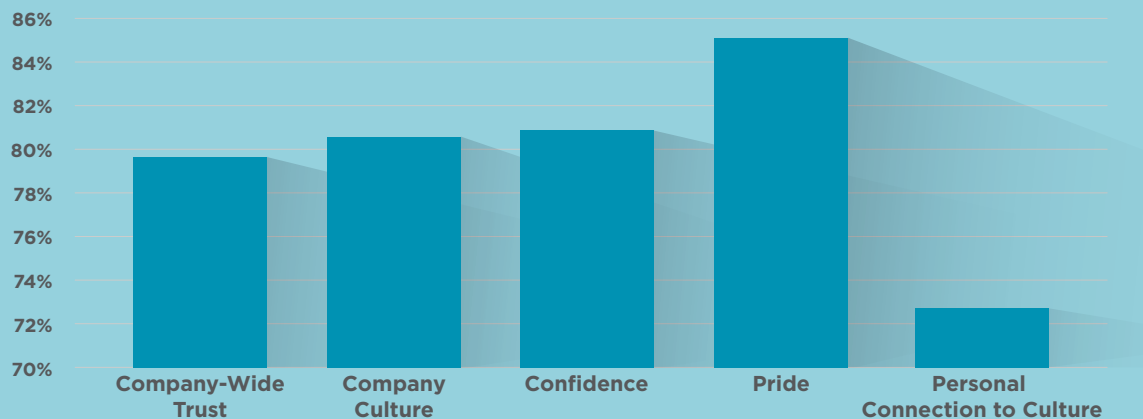
Connection to culture is manifest both consciously and sub-consciously in the office through face-to-face employee interactions which increase BOND and connection to the company. The results of XSF@home show that personal connection to culture is one of the lowest scoring indicators in relation to current employee experience.

Even though employees report high levels of pride working for their companies and they like their company culture, it is hard to maintain a sense of personal connection and belonging to that culture when not nurtured and “lived” in person. (Figure 3) Similarly, while collaboration has become more effective, it is task oriented collaboration and not the kind that creates opportunities for informal learning and mentoring. Organizations that find ways to overcome the challenge of maintaining and renewing personal bonds in the current environment will experience significant benefits in the form of employee experience, engagement, and well-being.

Figure 3:

Measures of culture

Employees feel high levels of trust, confidence and pride in the company but struggle with their personal connection to the culture



Source: Cushman & Wakefield



The challenges

Working from home is tougher for younger generations

It is commonly reported that Millennials and Gen Z have the strongest desire for flexible working options. The results are interesting and nuanced. Overall, younger generations have lower experience scores—70 percent of Gen Z and 69 percent of Millennials report challenges in working from home, compared to 55 percent of Baby Boomers.

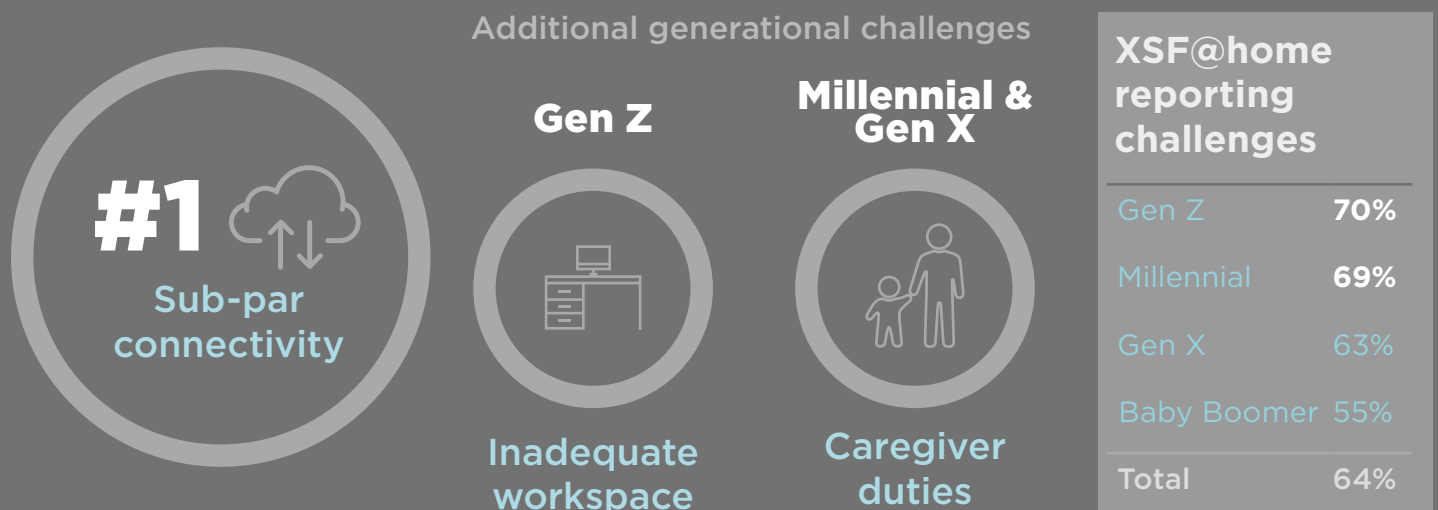
While sub-par connectivity is a gripe for most, there are clear life stage challenges also at play. Gen Z are the most likely to encounter inadequate home workspace (Figure 4). Given these workers are under 24 years of age they are likely living in shared accommodation or perhaps still living with their Baby Boomer parents. So it is unlikely that they will have access to a dedicated work environment.

Millennials have similar challenges with home workspace. They report scores 10 percent lower on “space for focused work” and “minimal distraction.” Couple this with challenges from also being caregivers – something they share with Gen X – and it is not surprising that Millennials report lower scores across a variety of metrics.

In contrast, Baby Boomers appear to be coping and adapting the best – reporting fewer challenges and positive workplace experiences.

Figure 4:

Top challenges working from home



Source: Cushman & Wakefield

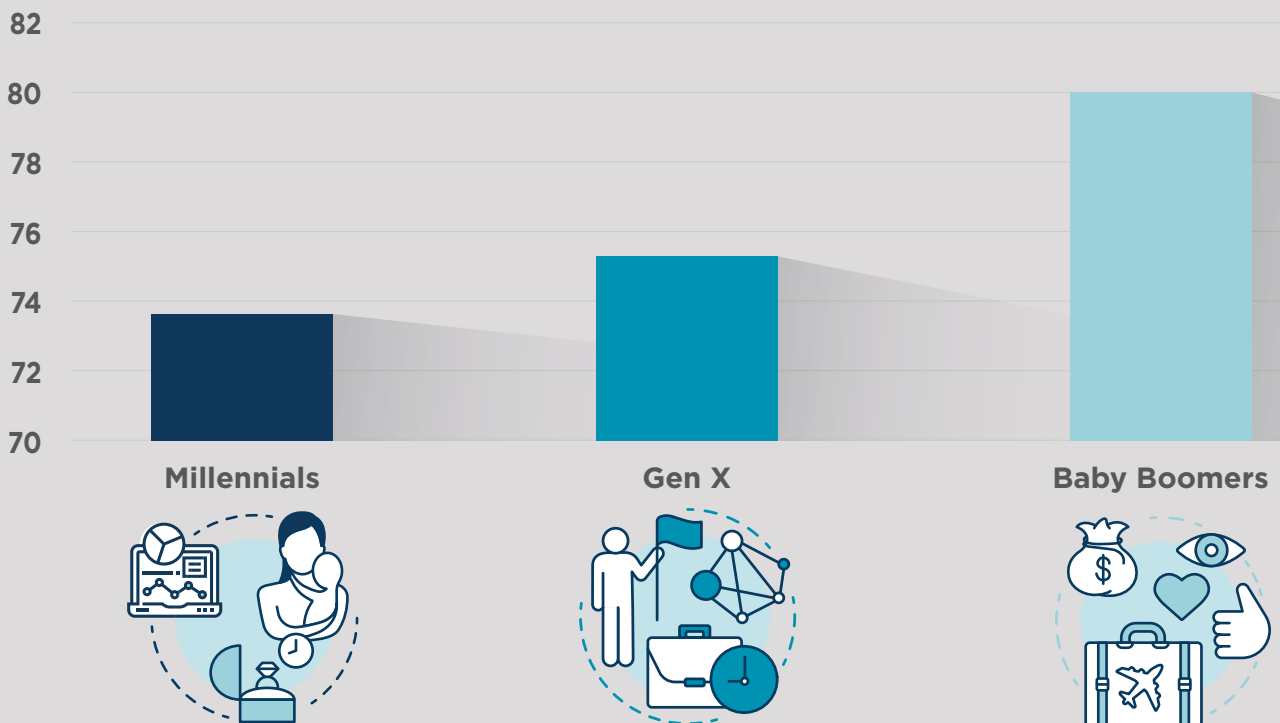
The challenges

A need to focus on wellbeing is imperative

A constant between pre-COVID-19 and the current environment is that people still struggle with RENEW, or the ability to remain energized throughout the day, which continues to be the weakest experience outcome. In addition, while there has been a marginal improvement in RENEW, overall wellbeing is suffering not because of a struggle to maintain work life balance, but rather the lack of time away from work (Figure 5). One factor impacting the lack of time away from work may be the absence of a daily commute. This absence means there is no natural break at the start and end of the working day to provide the ability to switch off, negatively impacting mental and physical wellbeing. Another factor is likely because the home is where all work takes place, the sense of physical separation from work has evaporated. Managers can support employees in this regard by encouraging their teams to take time out and not be connected 24/7.

Figure 5:

Time away from work XSF@home scores



Source: Cushman & Wakefield

Returning to the office

As restrictions ease, many companies are looking to transition at least some of their employees back into the office. This raises the question – who can or should return?

Employee health and safety is the utmost priority and more vulnerable employees should remain at home for longer. There are essential workers who likely should return first, but in an environment where not everyone will be able to return, who should be given the opportunity first?

Our analysis reveals that there are clear differences in experience between business functions. Salespeople, who were previously office-based, are struggling the most on almost every measure. This is likely connected to the challenges they face in conducting their role in the current business environment, but it is also in their lack of ability to feed off face-to-face interaction which is hard to replicate in a remote environment. We see similar issues for Research and Development teams struggling to maintain dynamic collaboration and brainstorming. In contrast, operations teams and support functions appear to have little downside in their experience.

It is important to note that those with previous experience of working remotely are doing very well. For the remainder, companies should take time to understand people's challenges and consider how they can help support them.



What's next

Quite simply, flexibility and choice to work from anywhere are both accelerating and here to stay, even as COVID-19 restrictions do ease. There are two clear reasons. First, 73 percent of respondents think companies should embrace flexible working policies. Second, social distancing will mean staggered use of work-from-home / office approaches to keep office occupancy within safe ranges and to keep public transportation less congested.

The upside is that companies are faced with a tremendous opportunity. Through adopting a data-driven, evidence-based approach they can develop innovative strategies that support a combination of office-based and remote working to leverage success and manage challenges.

If companies make no change in enabling flexible working, they could see footprint size increase by 15-20 percent as a result of social distancing measures and new types of collaborative environments. However, this is easily offset with increased flexible working practices. If 50 percent of respondents who indicated they would increase their flexible working followed through on this, there would be no net change in footprint.

As we look to the future, the key learning from the current work from home experience is that organizations will embrace more remote working. In doing so there is an imperative to recognize that the workplace is no longer a single location but an ecosystem of a variety of locations and experiences to support convenience, functionality and wellbeing. In doing so we can reimagine the way we work and leverage location, time and technology to drive improved people, place and business performance.



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