



WORKPLACE ECOSYSTEMS

THE OFFICE'S CHANGING PLACE IN AN AGILE WORLD

APRIL 2021



About This Report

There's little doubt COVID-19 has accelerated agile and remote work. Employees have experienced the benefits of working from home (WFH) and they expect workplace flexibility in the future. Recognizing this shift is easy; preparing for it is more complex. Increasingly, organizations will have to rethink portfolio and workplace strategies to meet business needs and the needs of their employees. And then they'll have to implement those strategies to bring the vision to life—not a simple task.

Cushman & Wakefield partnered with CoreNet Global to survey its membership to explore how organizations are thinking about these changes and the opportunities and challenges they present. Major themes emerged from through 339 responses from more than a dozen countries across Americas, Asia Pacific and European regions. This report outlines key findings, providing the survey questions we asked and data summary views of the responses.

Key Findings

THE FUTURE IS NOT BINARY:

Providing office workers with flexibility to work in multiple locations during a typical week is a net positive. However, 100% remote work is not ideal for most employees. According to pre-pandemic data from Gallup, employees working in the office five days a week and those working outside the office five days a week both had lower employee engagement than those utilizing a hybrid model of both remote and in-office work.

The singular office transforms into a workplace ecosystem offering a variety of locations and experiences to support convenience, functionality and wellbeing.

THE PURPOSE OF THE OFFICE IS EVOLVING:

Employees being in the office several days a week will make the quality, services and amenities even more important, as the office is designed to offer what remote work can't. The office is better than remote work for casual interactions with colleagues, connection with leaders and to the corporate culture, collaboration, innovation and creativity.

Office layouts focus more on space, technology and amenities that enhance connection, collaboration and creativity.

TAILORED APPROACHES REQUIRED:

Two things will be key drivers of who comes to the office. First, the employee's role. Second, the type of work an employee needs to do on any given day. Office usage will vary based upon employee roles, team dynamics, departments, individual preferences and personal characteristics. Understanding different employee "personas" informs policies and workspaces that maximize performance.

Space, technology, communication and corporate leadership thoughtfully customized to seamlessly support different types of employees regardless of where they are working.

OPPORTUNITIES TO ACCESS DIFFERENT LABOR POOLS:

A third of survey respondents (and 39% of C-suite respondents) expect that companies will allow employees to live anywhere regardless of company office presence. This potentially opens untapped labor pools, gives employees more flexibility to live outside of major and secondary markets, and increases employee loyalty.

Emphasis on connecting both in-office and remote employees to corporate culture and building interpersonal trust and rapport in new ways.

A low-angle, upward-looking photograph of several modern skyscrapers. The buildings are covered in glass and steel, reflecting the sky and each other. A strong, warm orange light, likely from the sun being low on the horizon, bathes the scene, creating a lens flare effect and highlighting the architectural details. The sky is filled with soft, white clouds.

01

Changing Nature of the Workplace

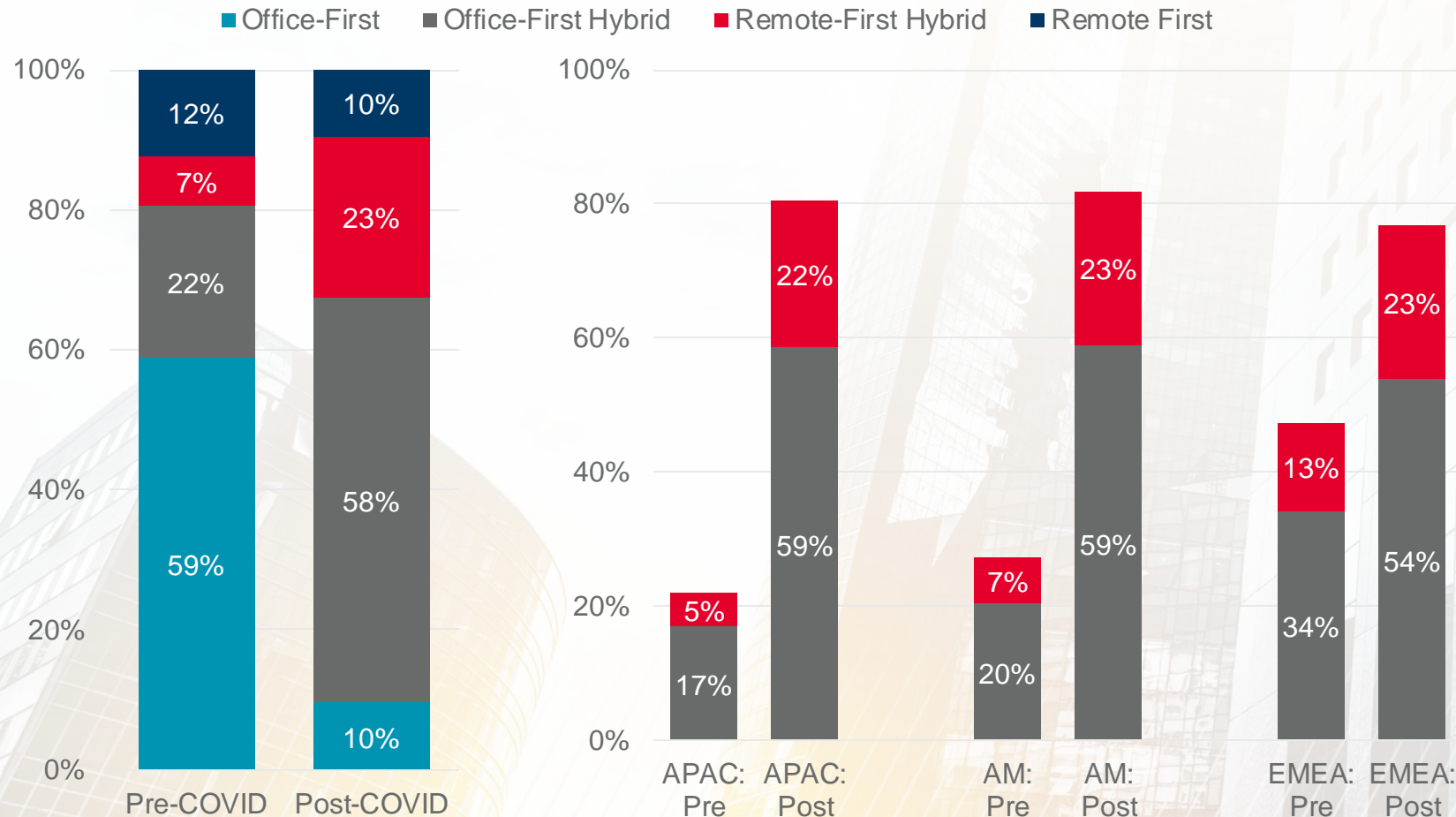


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The Future is Not Binary

Please select the option below that most closely matches your company's approach to work in the Pre-COVID-19 era and Post-COVID-19 era.

Hybrid Models

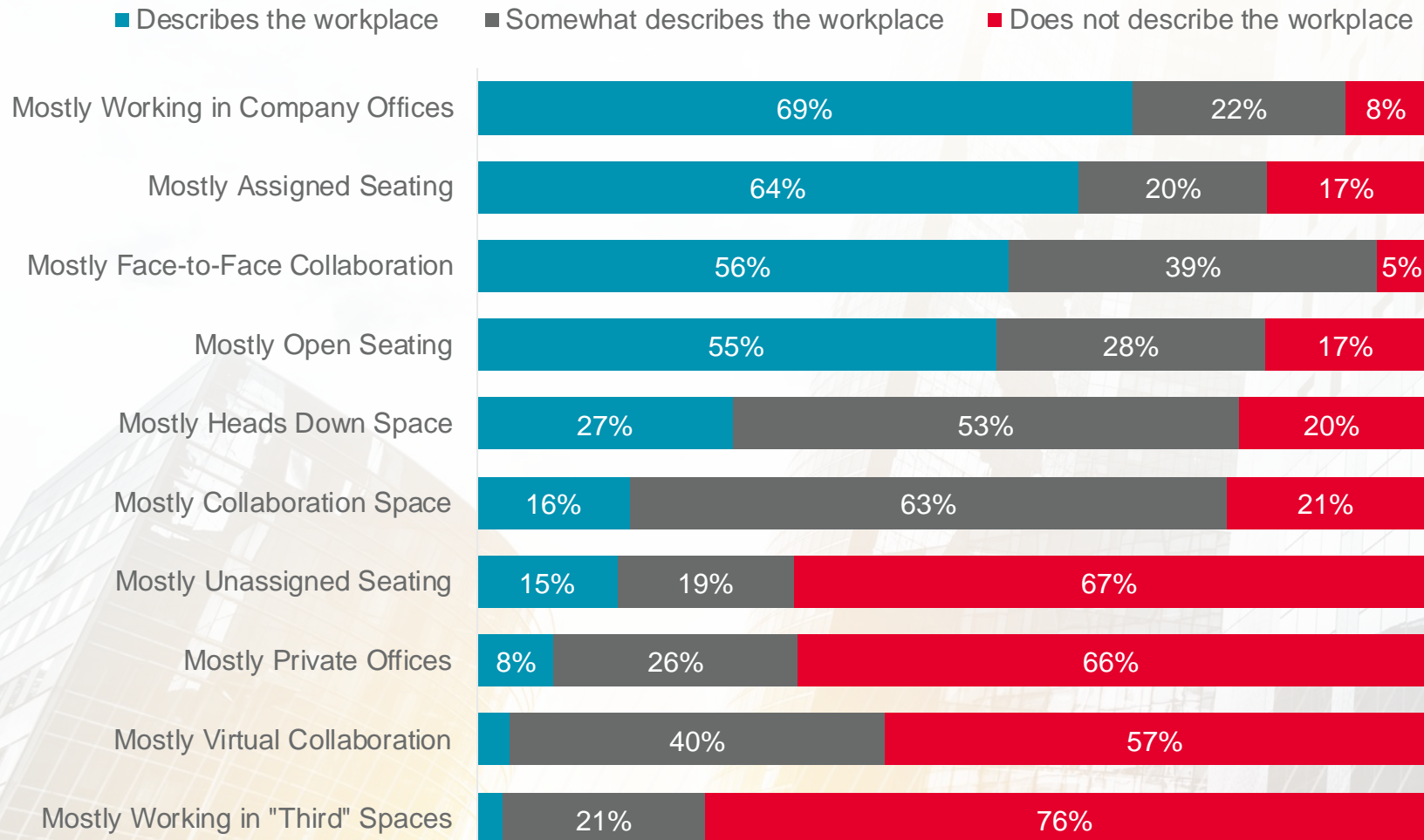


- Flexible work arrangements are not new. However, workplace strategy has largely defaulted to an office-first perspective.
- In the wake of the pandemic-induced WFH experiment, expectations for a mix of in-office and remote work have increased.
- This trend is true across regions, although geographic, demographic and company differences will apply.

Pre-Pandemic: Primarily In-Office Work

How well do each of the following statements describe your company's approach to the workplace pre-COVID-19?

Pre-Pandemic Workplace



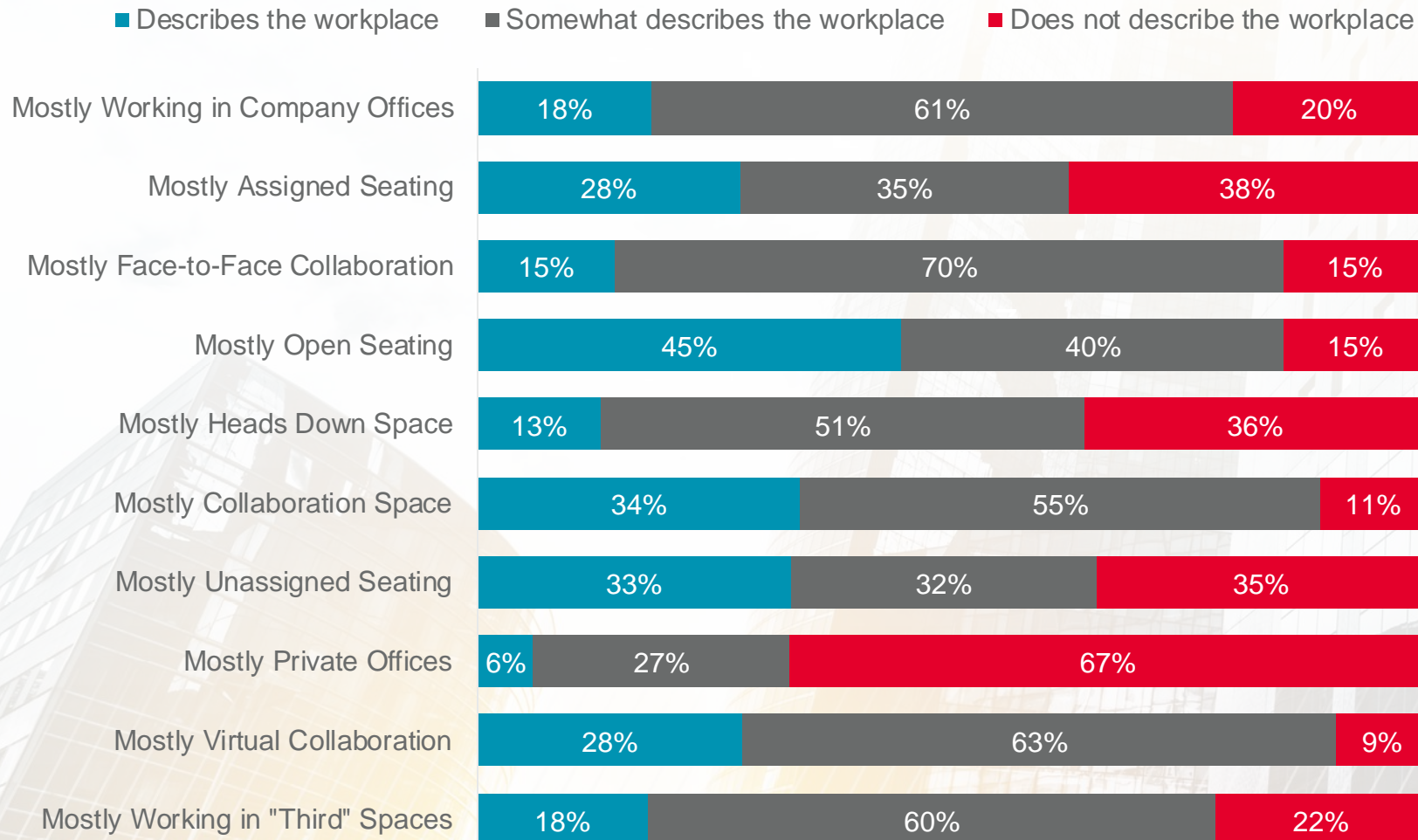
- At the beginning of 2020, most workplaces could be described as primarily focused on in-office work and made up of mostly assigned seats in an open seating setting.
- Very few organizations were primarily utilizing virtual collaboration and employees working in “third” spaces (e.g., home, coworking locations, etc.).

Post-Pandemic: More Variety in Approaches

Think about your company's potential approach to the workplace post-COVID-19. How well do each of the following statements describe what that approach might look like?

The Future Workplace

- It's uncertain how the future office will be described. However, a few key trends are apparent.
- Open seating will continue to be the norm; lots of private offices will not.
- Virtual collaboration and utilizing "third" spaces will be more common.
- Collaboration space will be more abundant and heads down space less common.

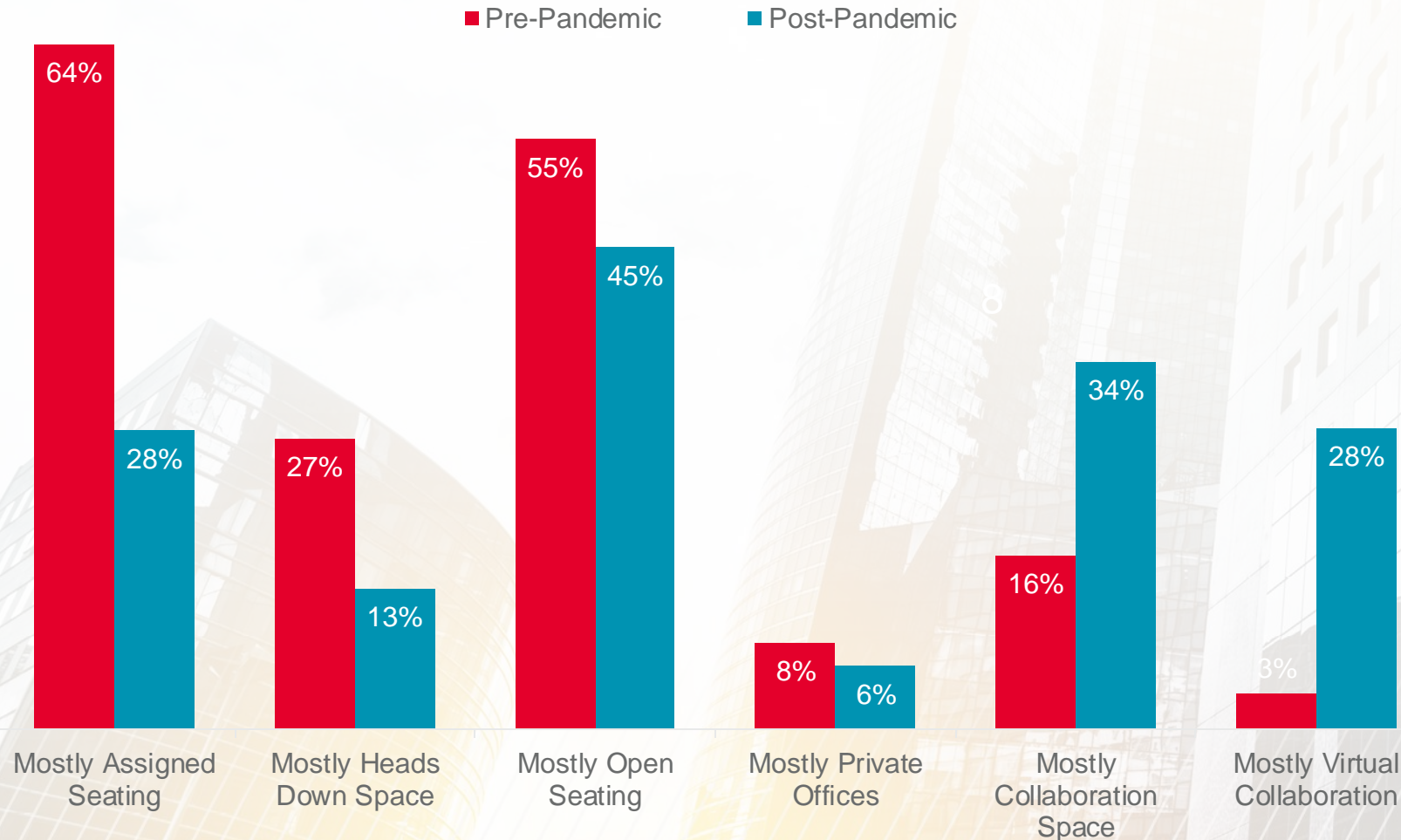


Changes in Space Layouts

Pre- and Post-COVID-19: How well do each of the following statements describe your company's approach to the workplace?

The Future Workplace

- In many ways, the pandemic has not altered the course of commercial real estate but has rather accelerated existing trends.
- Improvements in technology—now tested during a crisis—will accommodate more flexibility for office workers.
- In-office technology will be expected to efficiently connect colleagues and clients no matter where they are sitting.



A low-angle, upward-looking photograph of several modern skyscrapers. The buildings are covered in glass and steel, reflecting the sky and each other. A strong, warm orange light, likely from the sun being low on the horizon, bathes the scene, creating a lens flare effect and highlighting the architectural details. The sky is filled with soft, white clouds.

02

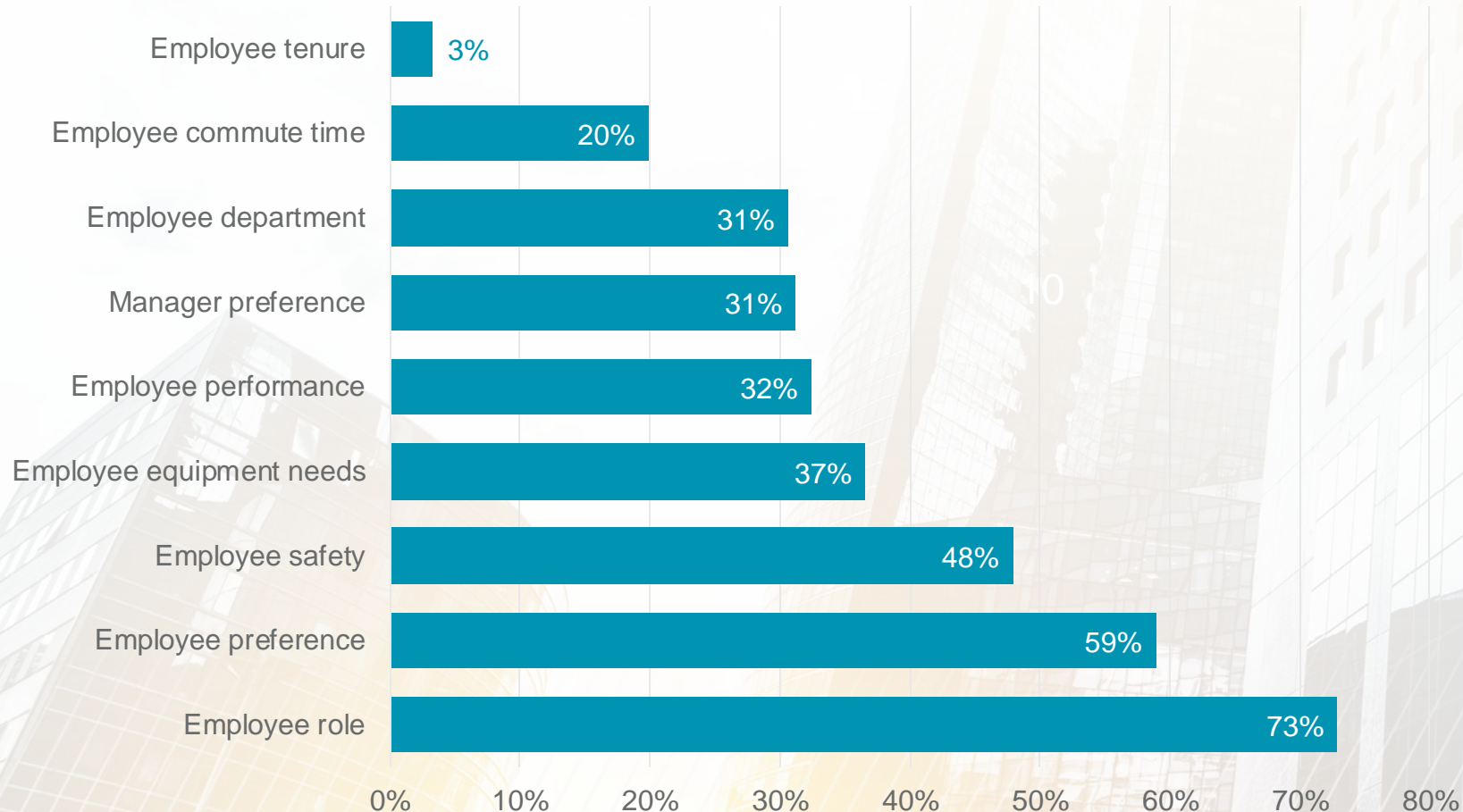
Knowing the Who, Why and Where...



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Tailored Approach Required

What do you anticipate influencing your company's decisions about which employees work in the office versus remote? (Select all that apply)



Source: CoreNet Global; Cushman & Wakefield Research

Custom Solutions

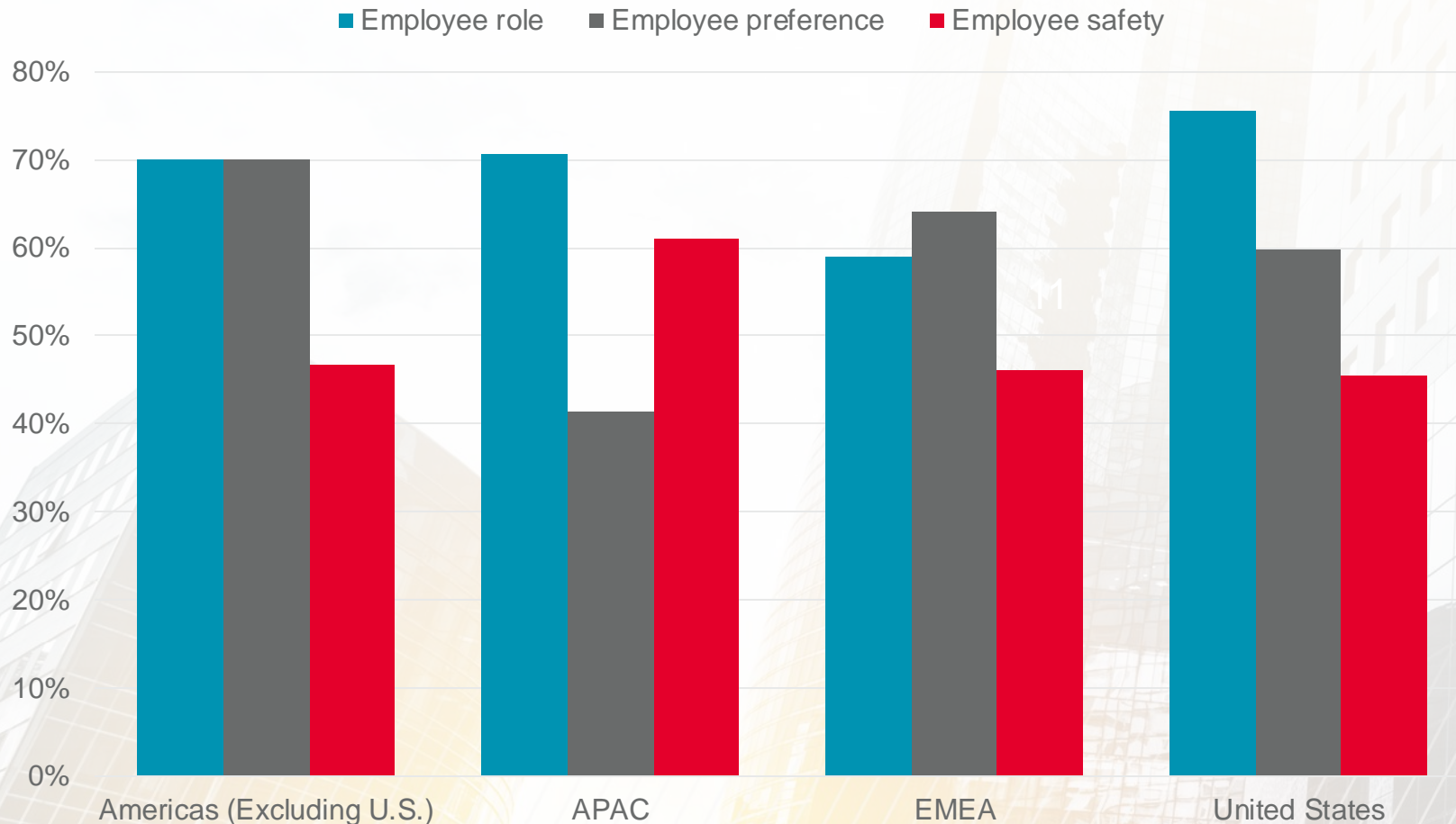
- The key driver off in-office vs. remote work is the role of the employee, and even more so, the specific tasks being conducted on any given day.
- Key questions for occupiers to answer:
 - Which employees must be in the office every day, which only come in sometimes, and how often different people want / need to be in the office?
 - What are the work-related tasks that need to happen in the office (e.g., focus, collaboration)?
 - What are the cultural, learning, and social tasks that need to happen in the office?

Tailored Approach Required

What do you anticipate influencing your company's decisions about which employees work in the office versus remote? (Select all that apply)

Employee Role

- The top drivers are consistent across the globe, but employee preference is considered more important in EMEA and the Americas (outside of the U.S.).
- The future of the workplace ecosystem will vary across geographies because of different cultural expectations, priorities and working environments. Global occupiers cannot implement one-size-fits-all solutions.

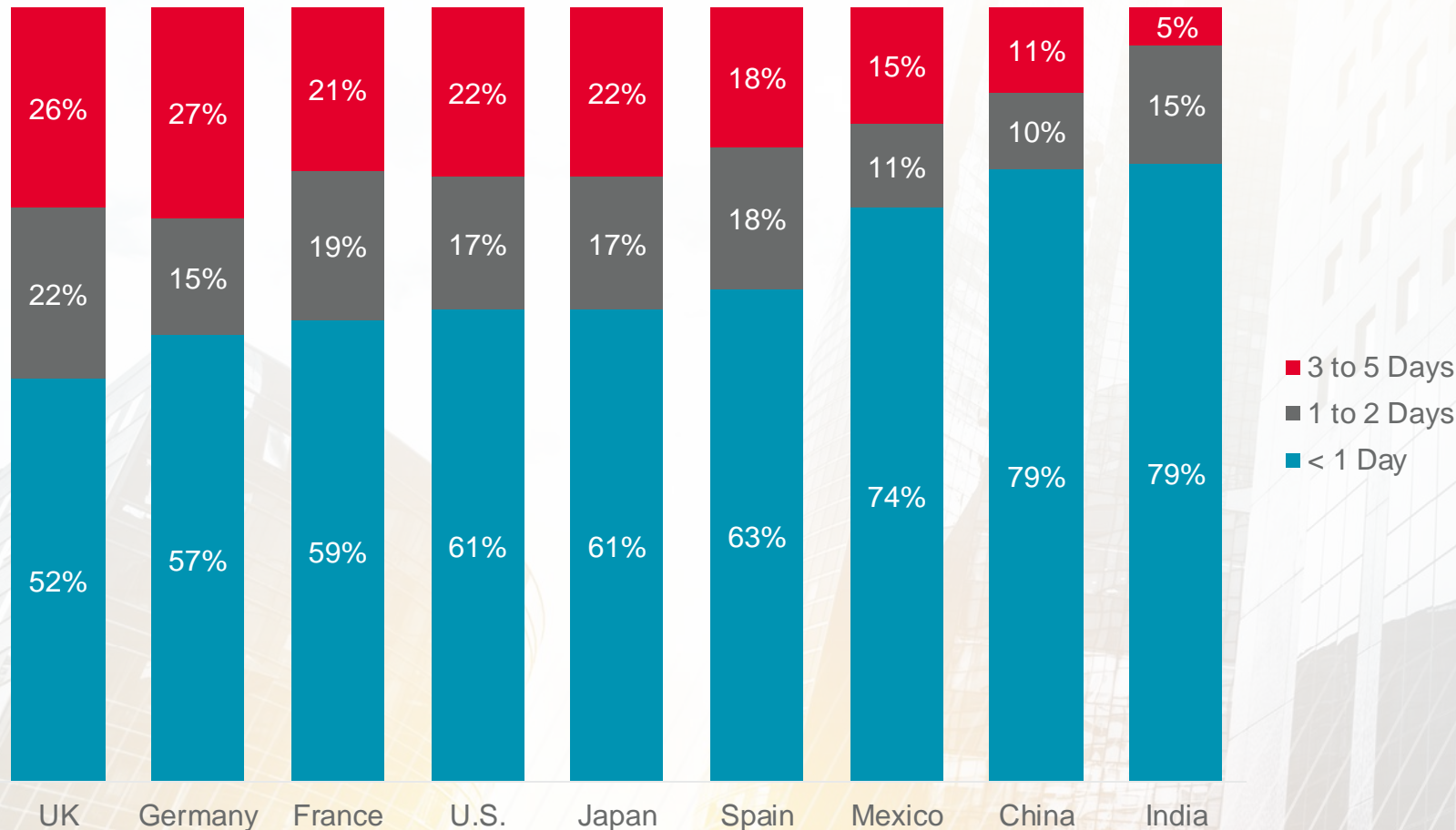


Remote Work Potential by Tasks

Number of days per week of potential remote work without productivity loss (effective potential)*

Activity-Based Workplace

- The pandemic-induced WFH experiment has led many employees and organizations to rethink the potential of remote and agile work arrangements.
- The idea of 100% remote work, however, is not a likely scenario for most. The proportion of jobs that can be done remotely has increased but does vary by country, as well as by organization, department and role / tasks.

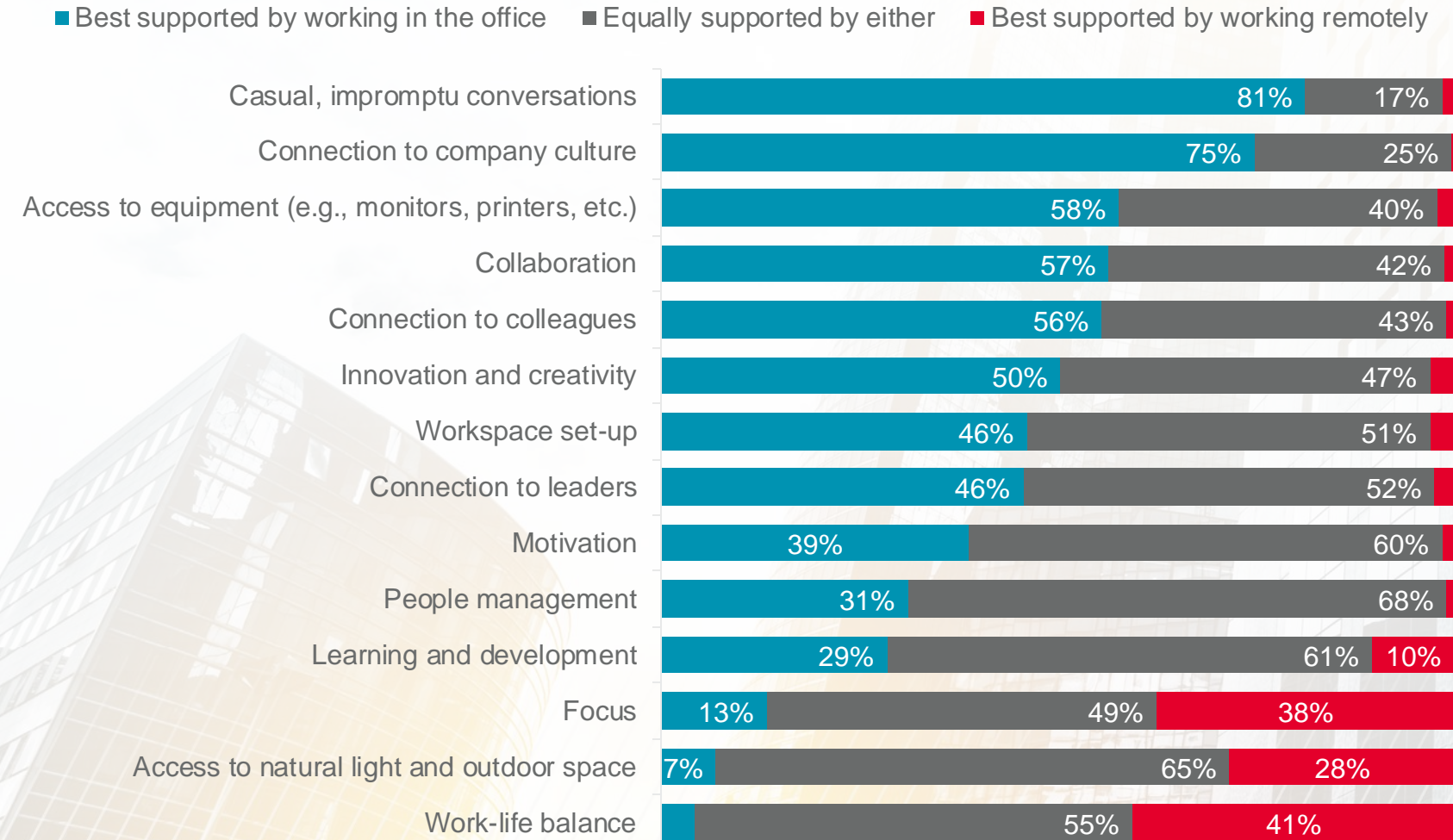


Source: McKinsey Global Institute analysis.

*Number of days per week of potential remote work without productivity loss (effective potential). The effective potential includes only those activities that can be done remotely without losing effectiveness. Model based on more than 2,000 activities across more than 800 occupations.

The Office Bolsters Connection & Collaboration

For each item below, please indicate if it is best supported by working in the office, equally supported by office / remote work, or supported best by working remotely.



Source: CoreNet Global; Cushman & Wakefield Research

Tasks Best Supported By?

- Increased remote work during the pandemic has had negative impacts on connection. Half of employees indicate they struggle to connect with their company's culture.*
- The office is seen as a key supporter of connection to company culture, corporate leaders and other colleagues.
- The office is also considered a better place for casual interactions, collaboration and innovation / creativity.

*According to data collected by Cushman & Wakefield's Total Workplace team as part of the Experience per Square Foot™ Survey.

What One Is Doing Matters

Based on the number of people coming into the office, how often they come in, and the types of activities that take place there, what is the optimal and configurable workplace design?

In-person

- Informal knowledge transfer
- Learning and development
- Social interaction

Hybrid

- Team meetings

Remote

- Process driven activities
- Formal meetings
- Focused work

Example settings:

- Branded product meeting hubs
- Brand display
- Team neighbourhoods
- Meeting spaces and rooms

Example settings:

- Meeting rooms with video and interactive smart boards
- Interactive project spaces and meeting rooms

Example settings:

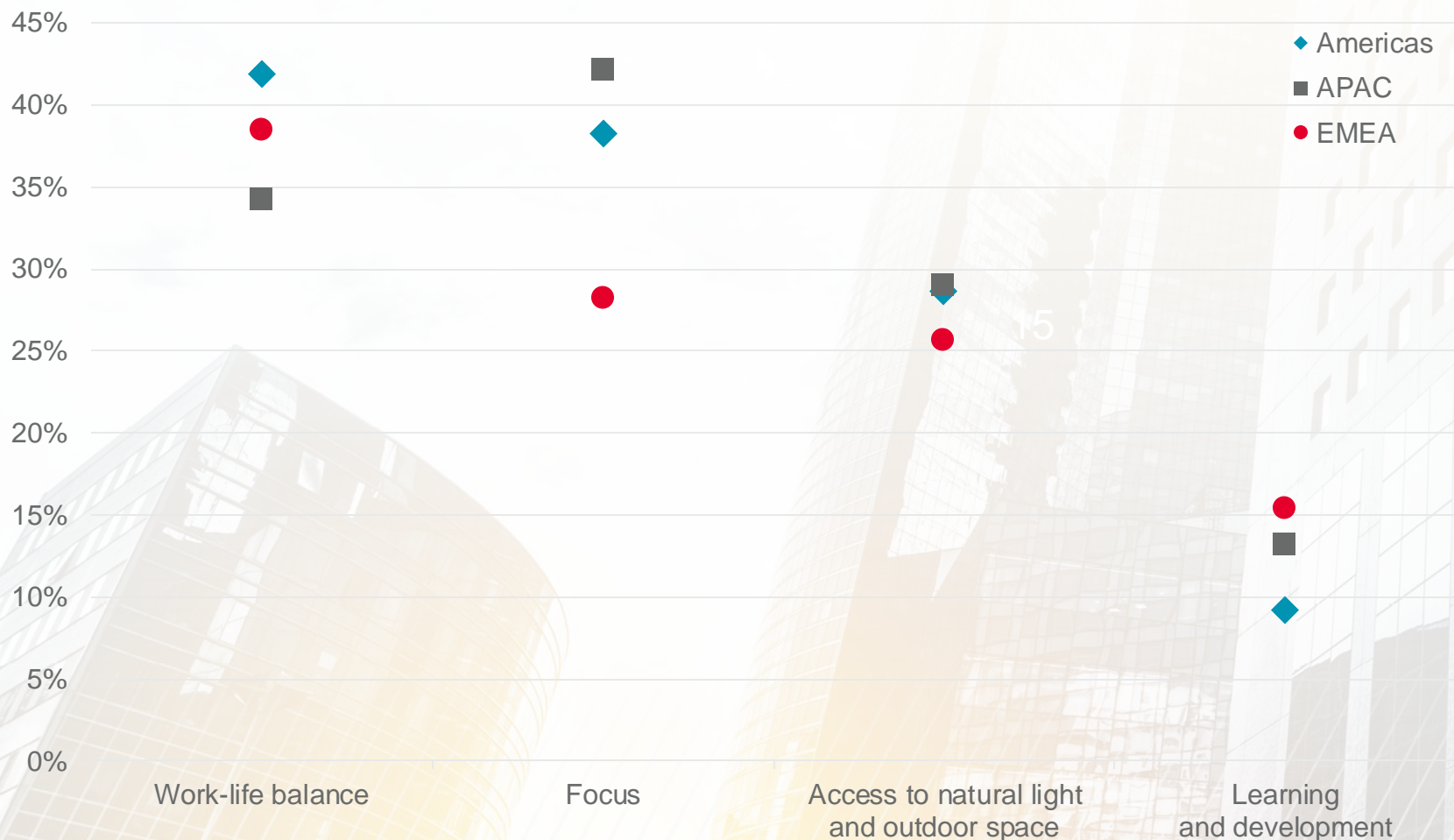
- Employee homes
- Wider network of places e.g. café, in transit, local community hub

Geographic Differences with Balance & Focus

Items best supported by working remotely, by global geography

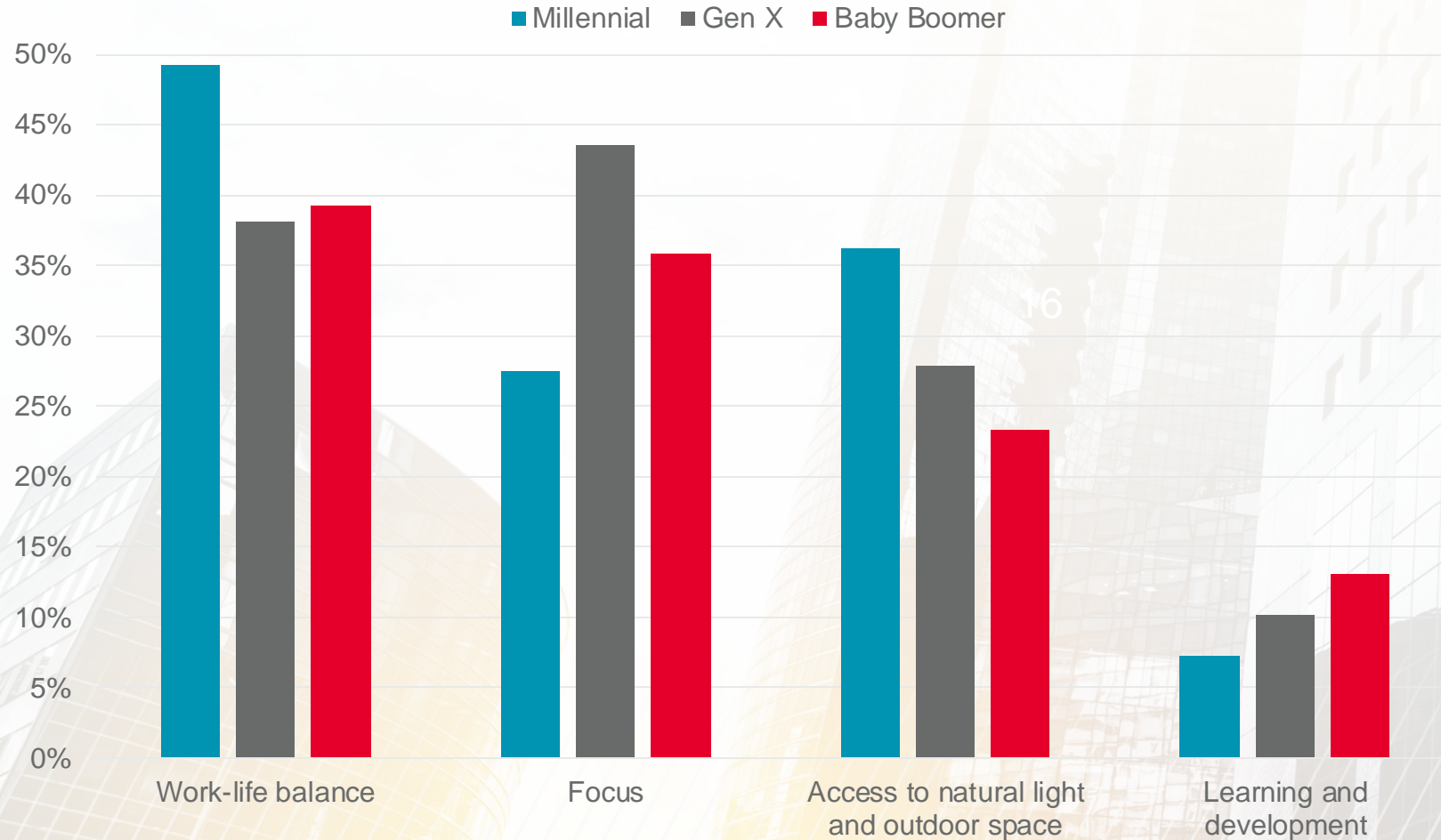
Balance & Focus

- Working remotely is less helpful for supporting work-life balance in APAC. This may be driven by the number of highly dense markets where working from home is not feasible or at least not comfortable for many employees.
- The perception of remote work's benefits on the ability to focus are considerably lower in EMEA (28%) than the global average (38%)



Millennials: Remote Better for Balance

Items best supported by working remotely, by generation



Generational Divide

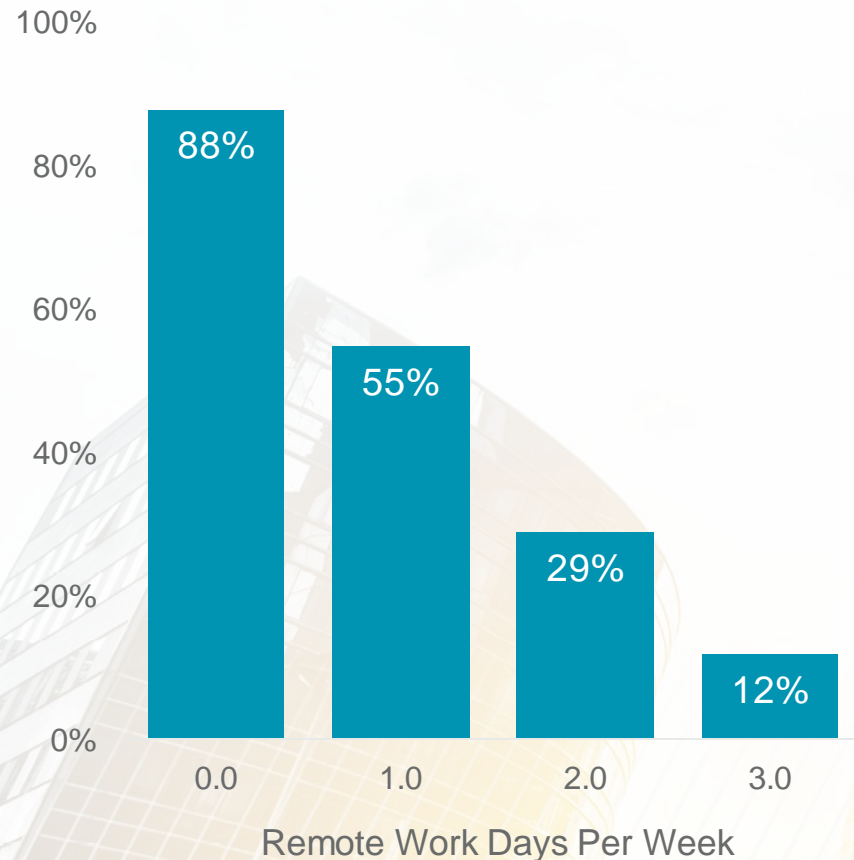
- Millennials (approximately 26-40 years old) are more likely to experience remote work as supportive of work-life balance. This may be driven by the fact that many of them are in the peak age for raising young children.
- However, these same workers are less likely to see remote work as a way to improve focus. Again, life stage and living arrangements may be a cause of this discrepancy.

Flexibility Requires Active Management

Otherwise, interactions between individuals & among teams drops sharply

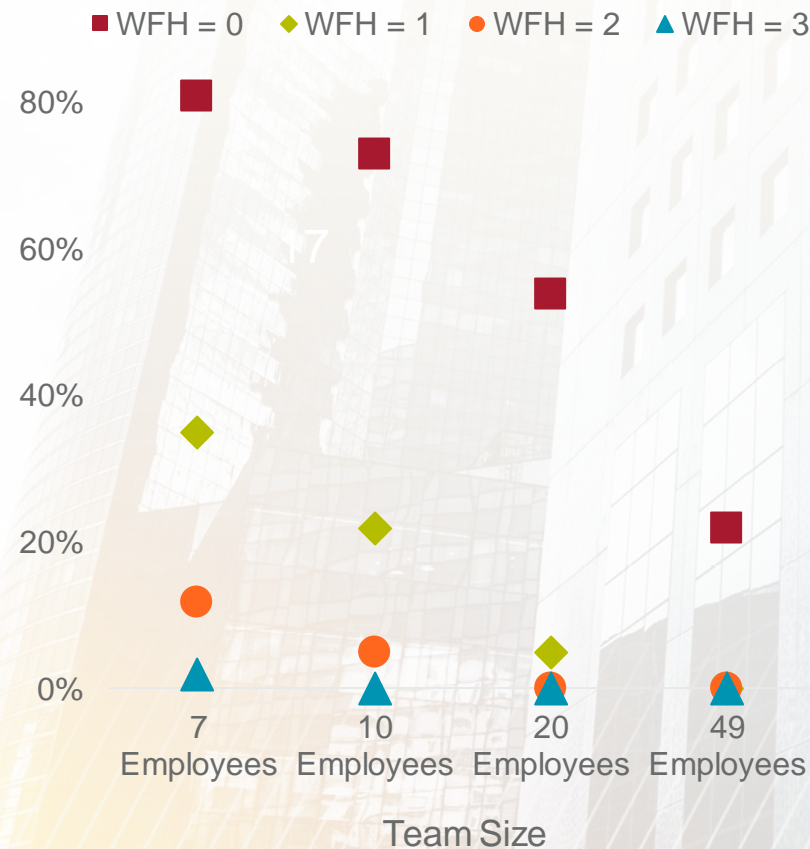
HQ-X: OFFICE CASE STUDY

Chance of Employee A & B Both Being in the Office



HQ-X: OFFICE CASE STUDY

Chance of 50% of a Team in Office Together



HQ-X: Office Case Study

- With a two-day per week remote work policy, the chance of two employees seeing each other is 29% (or roughly six times per month).
- Even for a small team (e.g., seven employees) a two-day per week remote work policy greatly reduces the chance of 50%+ of the team being in the office on a given day, down to 12% of the time. That equates to fewer than three times a month or just 30 times per year.

A low-angle, upward-looking photograph of several modern skyscrapers. The buildings are covered in glass and steel, reflecting the sky and each other. A strong, warm orange light, likely from the sun being low on the horizon, bathes the scene, creating a lens flare effect and highlighting the architectural details. The sky is filled with soft, white clouds.

03

Remote Work Policies



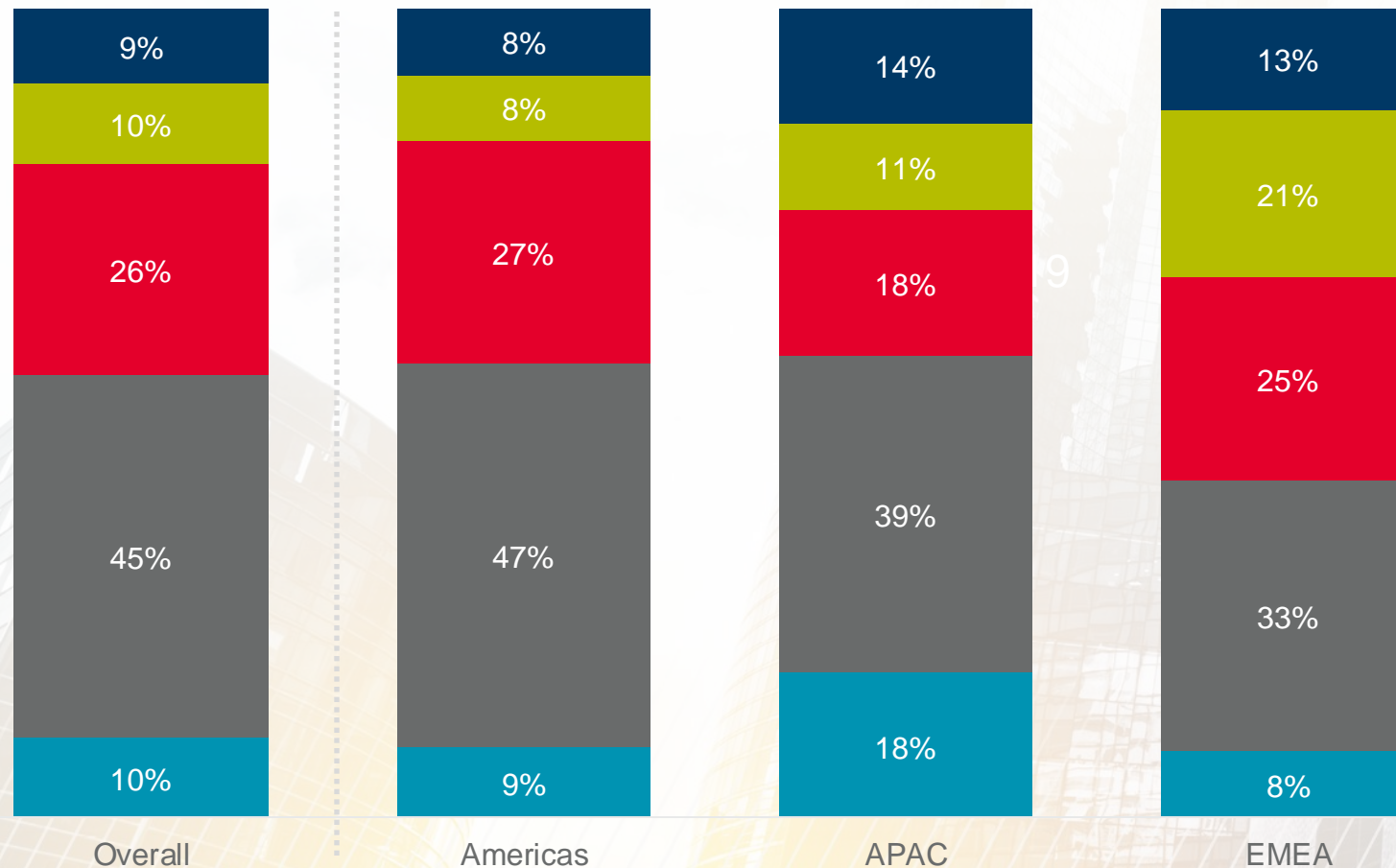
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Hybrid Model: The Future of Workplace

What type of remote work policy has your company announced / considered?

Hybrid Work Policies

■ Office-first policy ■ Office-first hybrid policy ■ Remote-first hybrid policy ■ Remote-first policy ■ I don't know / unsure



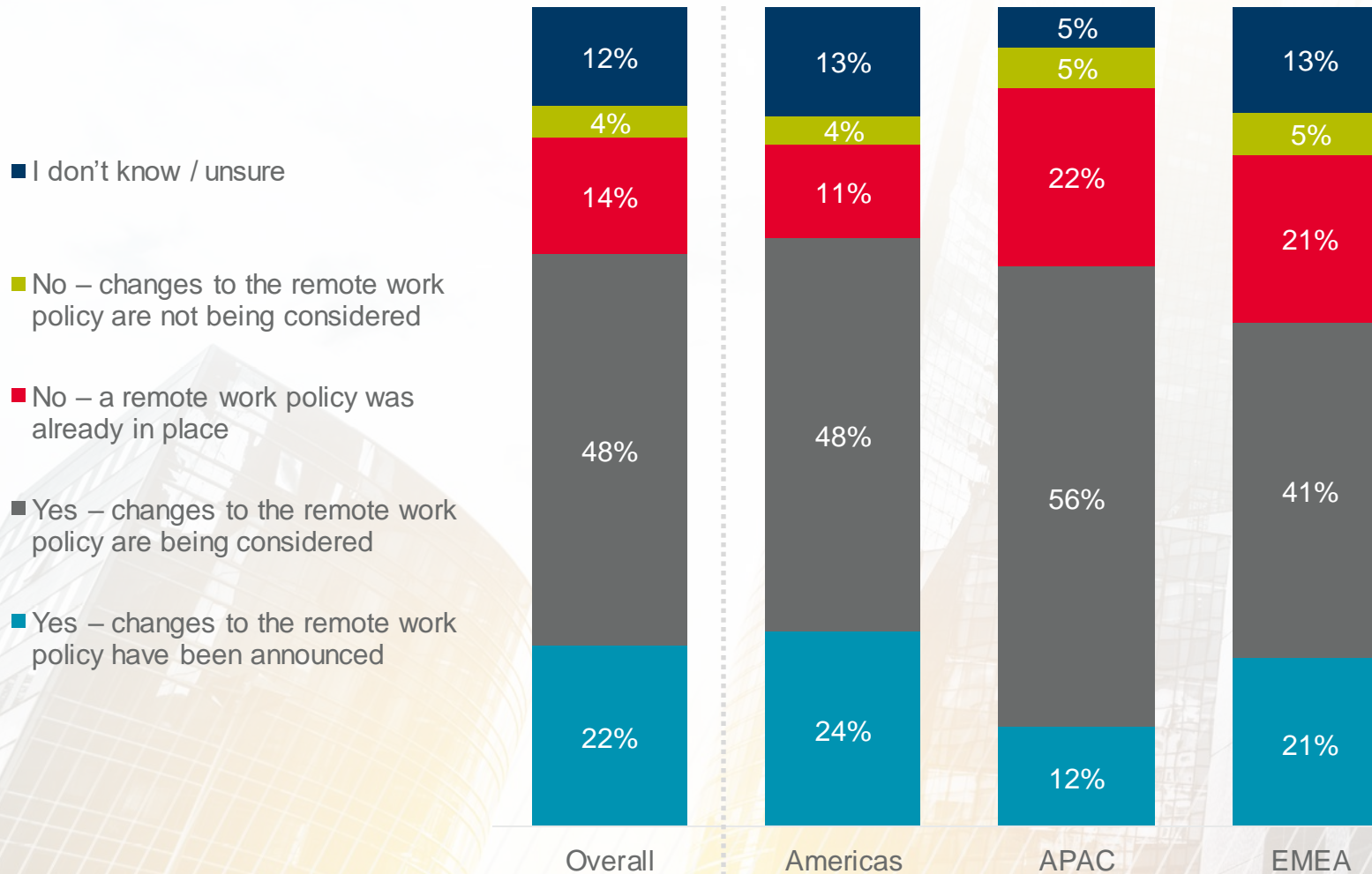
- The bulk of current research indicates that employees in general would *prefer* a mix of work that takes place in the office and remotely.
- Three-fourths of Americas-based respondents indicate their company's remote work policy plans are hybrid in nature—either office-first hybrid or remote-first hybrid.
- Only 10% of companies are looking at remote-first policies, although it is twice as popular in EMEA.

Announced Remote Work Policy Changes

Is your company considering / have they announced changes to their remote work policy?

Policy Changes

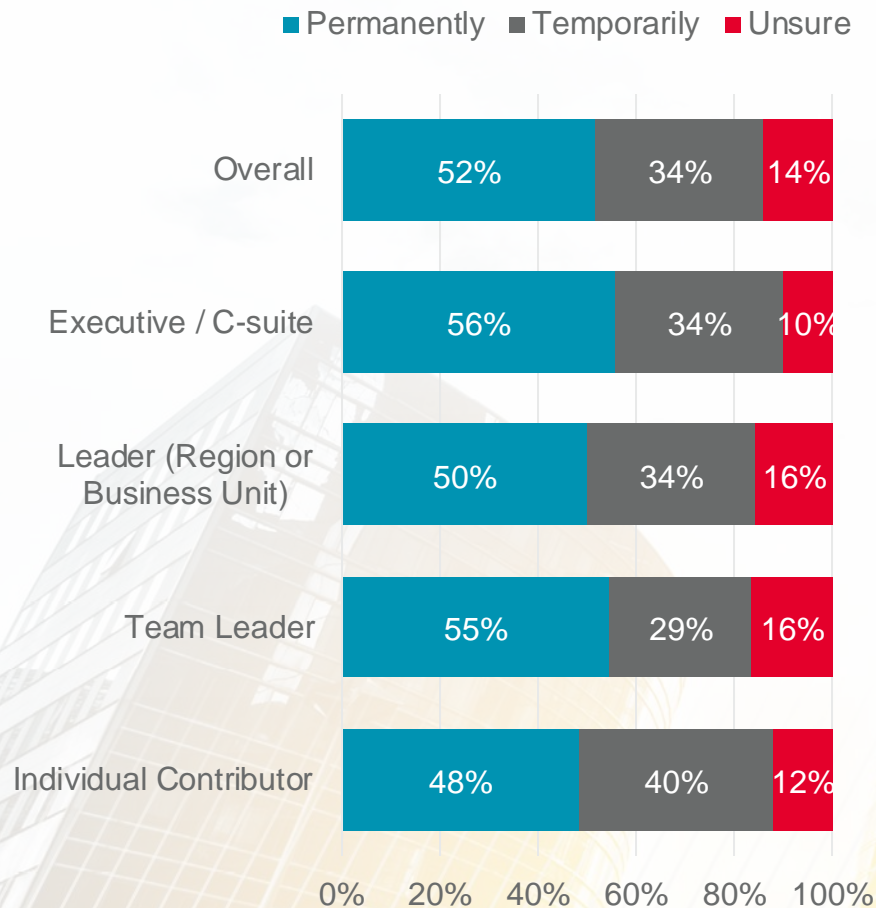
- In many cases, the pandemic has created a need to explore new ways of doing business, but uncertainty has limited actual changes.
- Occupiers' remote work policies are a clear example of this, with a fifth of respondent companies having announced remote work policy changes while half are considering changes but have not yet committed to them.



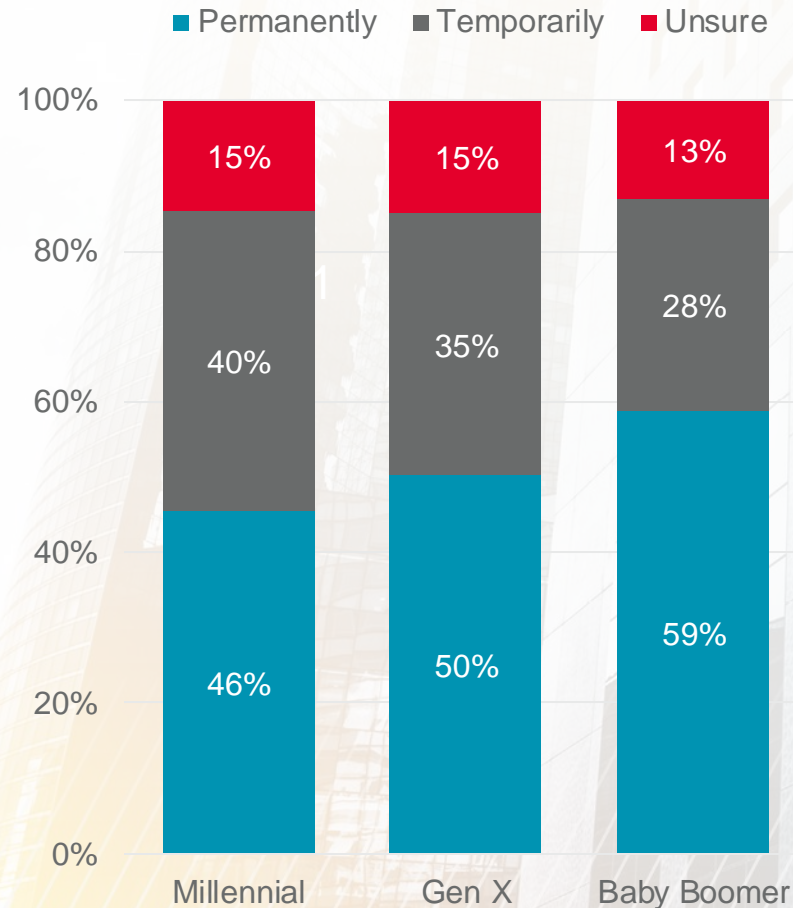
Permanence of Remote Work Policy Changes

How long do you think remote work policy changes across companies associated with COVID-19 will last?

LEVEL IN ORGANIZATION



BY GENERATION



Changes Permanent?

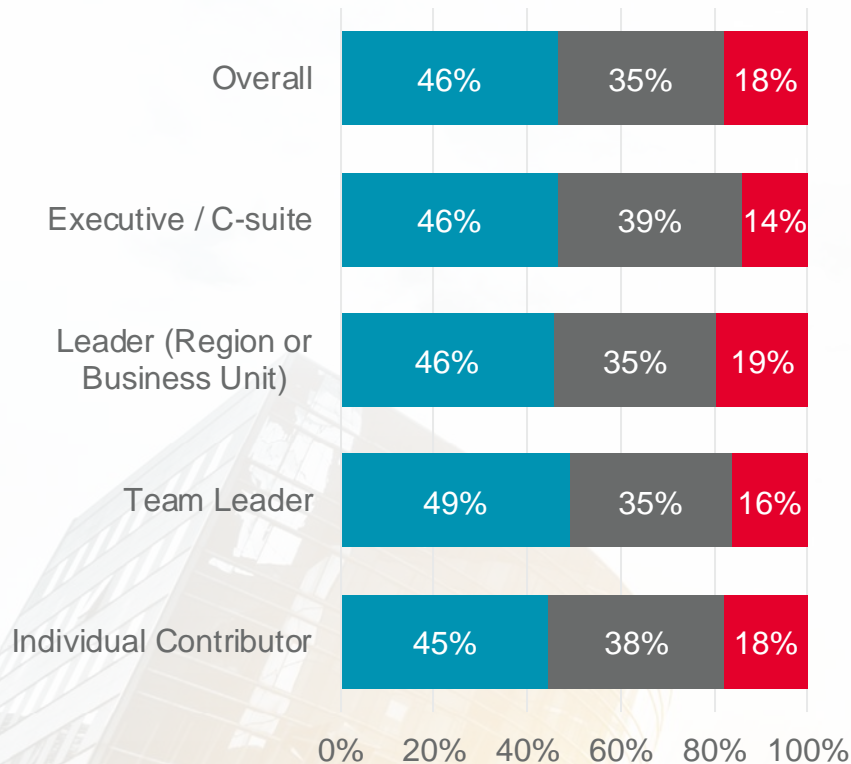
- Many remote work policies have been altered during the pandemic. Approximately half of respondents expect these policy changes to be permanent.
- The expectation of permanence is highest among C-suite executives and lowest among individual contributors. Older respondents are also more optimistic these changes are permanent.

Work Remote or Work From Anywhere?

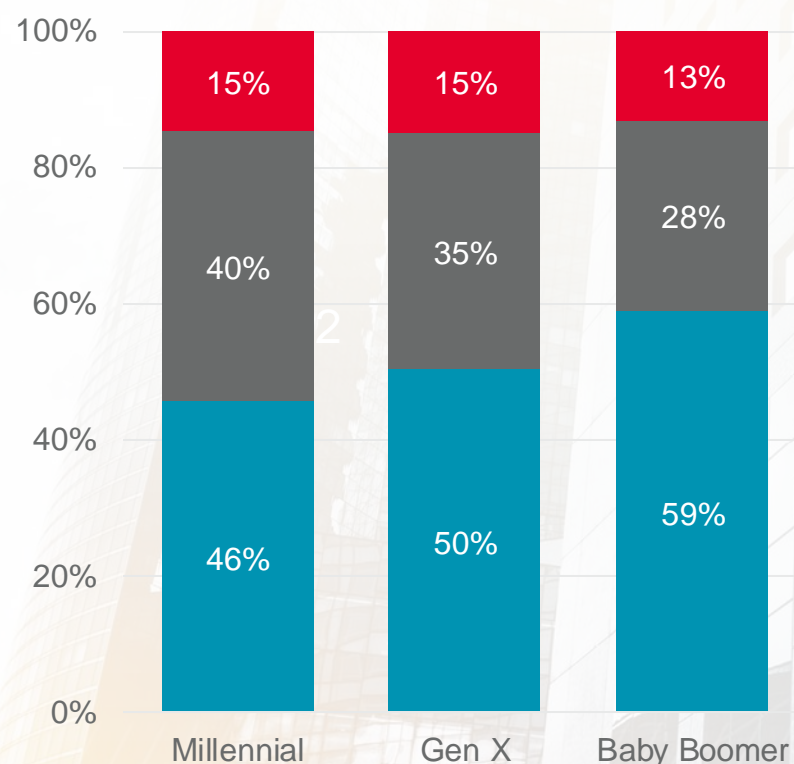
Even if remote work becomes the norm, do you anticipate your company requiring most employees who are able to work remote to live in markets where you have offices?

Work From Anywhere

LEVEL IN ORGANIZATION



BY GENERATION



- Yes – employees will have to live in locations where the company has offices
- No – employees will be able to live anywhere regardless of company office presence
- Unsure

- One question that remains to be answered is whether remote work is an option for a couple days a week or if employees will be able to work from anywhere (regardless of where a company's offices are located).
- A third of respondents expect employees be able to live anywhere, but this is less common among mid-level leaders and older respondents.

04

Appendix



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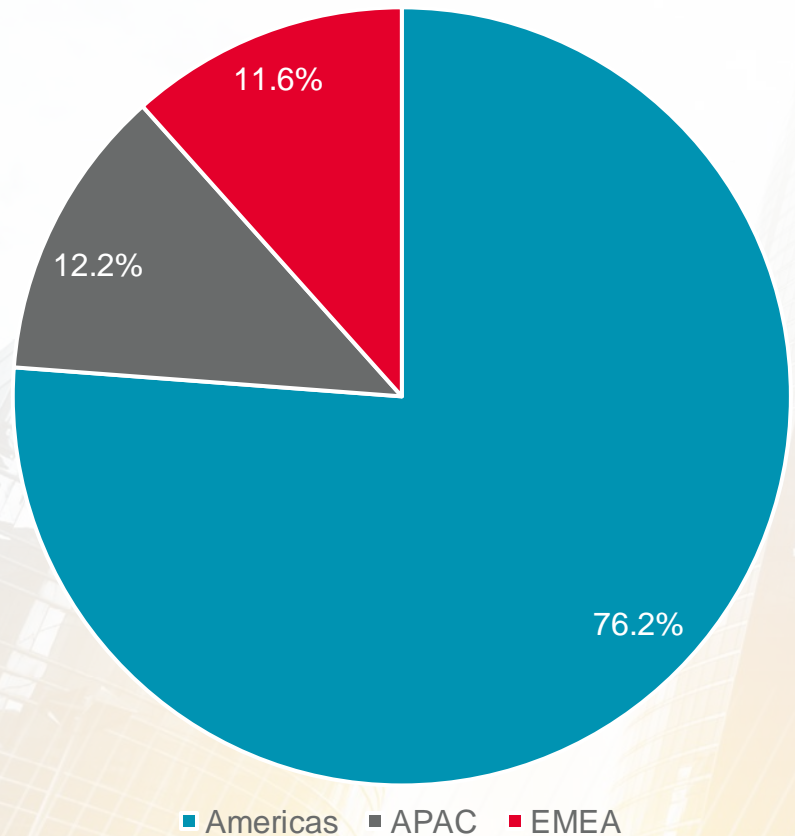
About the Survey Respondents

- A total of 339 responses were received from over a dozen countries across all three global regions: Americas, Asia Pacific and Europe.
- Respondents came from firms that identify as end users, economic developers or service providers / consultants.
- A fifth of respondents are C-Suite executives and 78% are in leadership positions of some type.
- A further breakdown of survey participants follows.

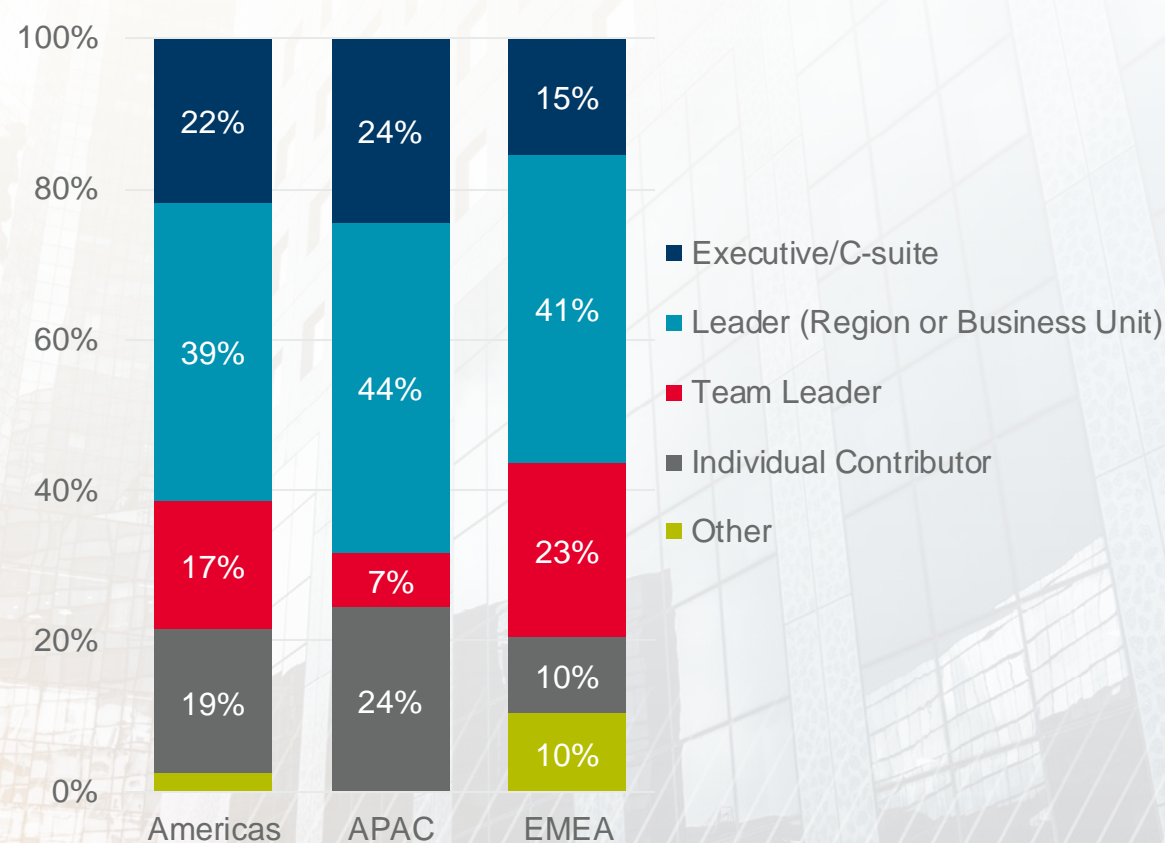
Appendix

Distribution of Respondents

Global Region



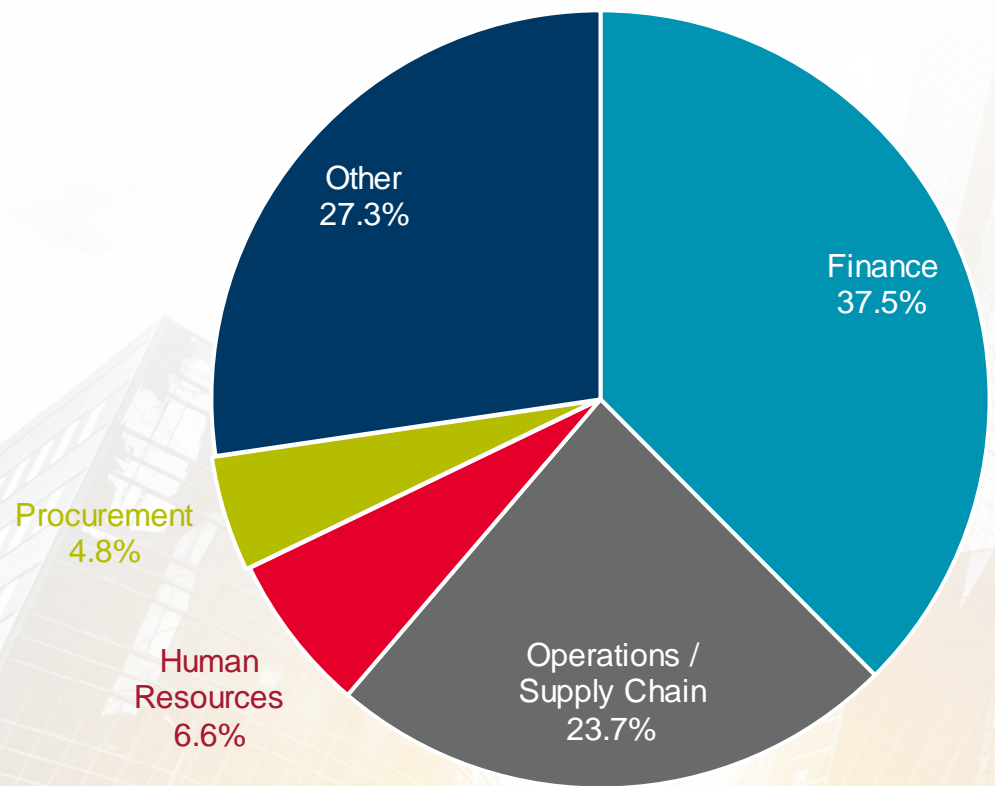
Level in Organization



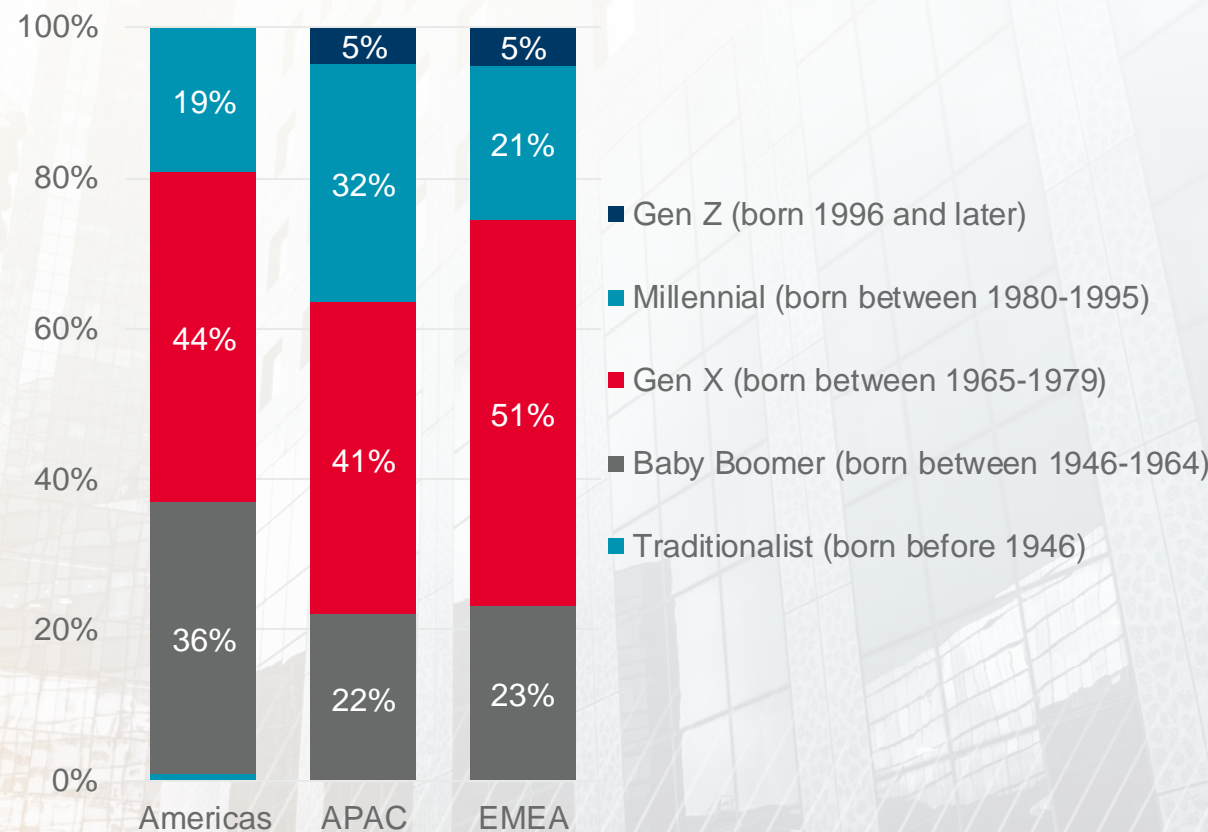
Appendix

Distribution of Respondents

Where does CRE report in your organization?



Generation





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About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in 400 offices and 60 countries. In 2020, the firm had revenue of \$7.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow [@CushWake](https://twitter.com/CushWake) on Twitter.

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