



PRESENT



## A COVID-19 Virtual Ideation Experience

**Team Topic and Number: Space Utilization & Metrics, Team 10**

**Team sponsor/chapter (if applicable):**

**Team Lead: Holly Hindmarsh (HH Workplace Consulting)**

**Team Members: Aaron Metz (Dow Inc), Aidan Hitt (HITT Contracting), Carol Carter (JLL for Lenovo), Carrie Cary (DocuSign), Chris Tran (Oracle), David Jackson (Red Thread)**

**Input your submission below. Please remember that you have 1500 words to share your insights.**

To answer the challenge posed – *how will the pandemic impact space utilization and metrics going forward* - our team first wanted to step back to put thought into *what is the purpose of the workplace?* We also considered how these views may change in the following weeks, months, and years, potential shifts in company's real estate & location strategies, how a more mobile-ready workforce will react to coming back to the workplace, the greater importance of effective communication, and focused on more qualitative human-centered metrics that solve for the psychological factors (*PPT Slide 1*) of health and productivity for employees.

The role of the workplace has changed dramatically over the past decades. When thinking of defining what the workplace is, this is what we came up with: A place for collaboration & community with colleagues. Space for purposeful coming together, teamwork, & culture. A physical artifact of a company's culture & values. A place to inspire new levels of innovation, productivity, & connectivity. To summarize, our view is that the workplace isn't a place where people come in to simply work on spreadsheets & write emails – its main purpose is to connect & inspire people to come together.

To think about what the workplace might morph into & what metrics will be important, we wanted to make sure that we thought about it in the context of the timeline of the world's response to the pandemic. We came up with three phases in this timeline: 1) Survive; 2) Redefine; and 3) New Normal. (*PPT Slide 2*) While the work that our industry is undertaking now to return our workforces to the workplace is important, we also need to understand that there will be a tendency to overreact and be more risk-adverse and this will slowly wind down over time. From personal and social aspects outside of the workplace, in time people will return to going to sporting events, concerts, and bars and restaurants and this will make people more comfortable being in the workplace again. However, we also don't think that we will return 100% to where we were pre-pandemic either.

Next, we evaluated potential shifts in company's real estate & location strategies as well as potential new normals for a workforce that is more mobile- and remote-work-ready now more than ever. As organizations focus on the health and safety of employees, we speculate that they will also begin to diversify their real estate portfolio. It will no longer be advantageous to huddle hundreds of employees in multiple high-rise floors, queueing endlessly for elevators. Instead, we believe there will be a shift to having more offices with smaller footprints. This could also bring about the need for smaller, more available co-working locations to accommodate a broad diversity of real estate. We see an increase in suburban locations being more popular. While urban locations will always be leveraged, the fear of proximity will reduce the use of public transportation and we imagine employees will start looking for employment opportunities much closer to their home.

Real estate occupiers have also grappled with low utilization rates of our assets as companies have built the capability and the policies to enable employee flexibility with remote working. We think this trend may continue and companies may even consider equipping remote team members with the proper equipment to connect them to the company – IT assets, home office equipment, software/network security processes, etc. With this combination of real estate location strategy and increase remote work ability, the workplace must provide a superior experience over remote working to continue to attract employees to connect with each other.

All of these factors culminate to our view on impacts to space utilization and metrics going forward. When we think about space utilization and metrics currently, there is a lot of focus on the space and the cost. Our team decided to look at the qualitative metrics we believe organizations should start focusing on that solves for the psychological factors of health and productivity for employees (*PPT Slide 3*). The health and productivity of employees plays a huge part in creating this type of workplace. Knowing that cost will always be a factor in the workplace, our decision to focus on the qualitative metrics puts more emphasis on the people to ensure a happy, healthy, connected and productive place where employees want to come to work. Without this focus, we feel that employees might not feel safe and would seek employment in organizations that are focusing on these factors.

While our team does not believe that more traditional space utilization & Real Estate cost metrics will completely go away, we do think that companies will pair those traditional metrics with more human-centric metrics, including:

- Net Promoter Score (NPS) focused on Workplace Safety
- Value of space (instead of focus on cost only metrics)
- Employee safety and wellbeing
- Employee perception of the workplace
- Employee productivity – both in the workplace and remote work locations
- Employee mental health (EAP Usage)

In summary, while cost will always be a factor in space utilization, our team believes that a focus on the employee and the human-centric metrics of the workplace will provide a better shift into a new normal and provide longer term success for organizations moving forward. We see this being a key factor not only for existing employee retention and wanting to come into the workplace, but for new talent looking for a happy, healthy, connected and productive place to work.