



A COVID-19 Virtual Ideation Experience

**Team Topic and Number: Distributed work, Team 5**

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**Introduction**

State-enforced home working during the COVID-19 outbreak has disrupted work patterns and created a remote working experiment on a global scale. Corporate Real Estate (CRE) professionals are now questioning the necessity of traditional large core office setups as remote working proves to be achievable for organisations and desirable for employees. Organisations will now begin to re-evaluate their workplace strategies with a key focus on the benefits and risks of the distributed workforce model.

The purpose of this paper is to provide CRE professionals with insight on some of the key internal and external driving forces to be considered in order to maximize the value of workplace for their organisation. Moreover, it will question whether a more distributed workforce is likely to become the *new normal*.

### **The starting point: Variable factors to consider**

Organisations are heterogeneous; there is no single distributed work solution to support all business sectors and goals. Each organisation has a different starting point, and as such its strategy for distributed work will require bespoke evaluation, incorporating factors including:

- **Business objectives** – What does the organisation want to achieve? Real estate objectives may be focused on cost savings or improved employee experience.
- **Current workplace experience** – The quality of existing office space and its alignment to business and employee needs are crucial factors. The design and function of the workplace will have an impact on employees desire to return. Employees in underutilised or poor quality workplaces are likely to prefer remote working.
- **Employee remote working experience** - Early research suggests that home working is being embraced by employees and can support core corporate business needs. This is influenced by individual working preferences, job functions, home distractions and personal work environment.
- **Employee commute** – Time spent travelling to the workplace and mode of transport have an impact on employee's work-life balance, wellbeing and productivity.
- **Work functions** – An employee's role and associated processes can determine ability to migrate to remote working.
- **Individual preference** – Whether an employee needs social interaction to motivate themselves, or prefers a more collaborative approach to work.

### **Impacts of change: The new importance of choice**

For a distributed work model to be successful the perception of remote working needs to change. Within some organisations there is a culture of presenteeism, implying that home working is ineffective and an excuse for reduced productivity. The COVID-19 experiment demonstrates how successful remote working can be, especially if the aforementioned factors are complementary to home-work. Organisations may need to adapt culturally to embrace the benefits of homeworking and provide employees with the right tools to successfully transition to a distributed workforce model.

Fundamental to any organisation is their need to provide the right level of service to their customers. Organisations may be restricted in their ability to work remotely due to the location and culture of the customers they serve. Where customers have a hands-on culture, it may limit the ability of sales and delivery teams to work remotely. Conversely customer preference may dictate how employees operate in the distributed workforce model. However, the impact of COVID-19 is likely to see a shift in working practices globally as the appetite for innovative virtual collaboration has risen.

Effective organisations see their employees as humans, each with a unique personality and set of requirements to be considered when developing workplace designs. The introduction of Activity Based Working has enabled employees to choose how and where they work, according to personal preference and work style. The distributed working model necessitated by COVID-19 has not suited all employees. Some who have invested in home offices are finding a comfortable work life balance, whilst those without a suitable home work environment are eager to return to the workplace. Under the traditional model a proportion of employees took inspiration from the buzz and activity generated in a busy workplace, whilst others preferred to work in quiet zones on focused work. These personal preferences

can be grouped into five employee profiles outlined on slide 4. The reality is that all employees will carry out a variety of tasks, some of which require high levels of concentration, whilst others are suited to open environments where colleague interaction and other distractions may be present.

### **What is likely to change?**

Whilst some organisations may not see the need for a change in their work model, the majority should embrace this period of disruption as an opportunity for workplace optimisation and rebalancing work distribution. Since the outsourcing boom, operational roles delivering commodity processes (typically elements of finance, IT, HR and CRE functions) have been viewed as location agnostic. More specialised functions such as risk, legal and compliance are likely to have some restrictions or regulation, requiring processes to be carried out in close proximity to elements of the core business; especially within financial services sector. Further limitations affect executive roles, including required interaction with customers and line management responsibilities. That said, some transactional roles, including sales and project delivery, could see virtual collaboration as the new norm if this aligns with customers evolving customer expectations. Slide 7 reflects the impact of workforce distribution on the different employee functions vs work functions in the three phases.

The shift from physical to remote work has been relatively effortless for many due to the availability of supporting digital tools, notwithstanding home bandwidth constraints. However, shifting to more permanent home working will require investment as more stable and supportive technology evolves. With a more distributed workforce, the use of video conferencing/VOIP calls and more advanced digital collaboration tools will increase. Technology will be a key enabler for employee flexibility and will have positive effects to employee productivity, engagement and individual wellbeing.

COVID-19 will place an increasing emphasis on effective data-driven decisions. As we return to the office and start to consider the new normal, organisations will need to reassess their Disaster Recovery Programs, evaluate how successful remote working has been, and understand how employees have adapted to home working. As such, the future of CRE will become data driven. We are likely to see new trends between CRE data, BMS data and employee data feeding into portfolio optimization, workforce reduction and office footprints. The role of the Workplace Performance Manager is likely to shift from a facilities management focus to broader portfolio and workforce optimisation. To support this, organisations may benefit from a dedicated CRE function as detailed on slide 9.

### **Conclusion: The future of the Distributed Workforce Model**

The impacts of COVID-19 are likely to force organisations to think differently and adopt distributed working as part of a blended workplace strategy. The physical office will remain important to an organisation as one of the drivers for business change or progress.

As a result of the COVID-19 homeworking experience, organisations and employees are likely to support more distributed models. Successful implementation of homeworking is more likely if employees are given options, with the freedom to choose the optimum work environment for their role and personal circumstances. The role and use of the office will evolve as humans still need physical space to collaborate and socialise to be fully productive. Whilst core office footprints may reduce over time as a result of a distributed workforce the main impact will be the way people use the office environment. With some of the workforce working from home and choosing only to come to the office sparingly or for

key meetings, organisations are likely to shift from traditional office solutions to high value collaboration space with seamless and location agnostic technology integration to support office and remote working.

Workplace performance management driven by robust workplace and workforce data will become the organisation's greatest asset to plan ahead, with real time information supporting greater space agility. Better use of data will support more effective CRE decisions as we better understand physical workplace performance and link to the individual preferences of our workforce.

This leads us towards a conclusion that **flexibility** and **choice** of how and where to work will become the most important elements to successfully implementing a more distributed work model. Key to this will be the cultural acceptance of, and support for home working within an organisation.