Team Topic and Number: Distributed Work_6

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CODVID-19 is likely to significantly change the way we work in the future. Our team has explored the potential impacts of COVID-19 on the way we work, and in particular, where we will work in the future. We mainly focus on the long-term impact, the situation in which there is a vaccine available. This document begins with 4 trends that we believe are undeniable and will impact on where we will work in the future. Then we will focus on experiences with working from home during COVID-19 isolation. Based on this we will share our expectations for the future, and the expected impacts on where we will work in the future.

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

1. Trends

1.1 Physical distancing

In the short term when we start re-entering the office there will be a strong focus on distancing with strict regulations. Many companies are setting a 20 to 50% of workforce limit of returning/FM procedures/distancing. Until a vaccine is distributed homogeneously in society, distancing will be integrated in everything we do. We prefer not to call it social distancing, but focus on physical distancing, given the fact that we can still socially connect via technology. In the long term, we expect the impact of physical distancing to be limited. Dependent on regulation or legislation and the time it will take for people to overcome fear to be in crowded public spaces.

1.2 Travel restrictions

Travel restrictions will likely lead to a significant reduction in business related travel as we have proven capable to conduct multiple types of collaboration digitally. Likewise, organisations in a depressed post-COVID economy will seek to reduce expenses. This will occur at a city or regional scale, as employees use digital tools for most client or internal collaboration. This is in lieu of losing significant time associated with travelling to and from clients or employer's office.

1.3 Economic recession

An economic recession is expected in all countries, almost parallel to the health crisis. Hand in hand with the disappearance of many companies, it is expected that millions of jobs will disappear in the world leading to a reduction in office size for certain companies. There will be a strong focus on cost reduction and companies might use working from home as a way to reduce space and realise real estate cost savings.

1.4 Acceleration of work from home

The above trends will accelerate working from home, it has been on the agenda of many corporations for over 10 years. For different reasons many organisations did not implement it in a significant way, but today everyone is working from home. While we recognise that what we are experiencing today cannot be taken as a representative example of home office, we do see that many organisations that did not believe in working from home before COVID-19 are starting to be more open to it in the future.

2. Experiences working from home during COVID-19 Isolation

Working from home has been forced upon us and accelerated the adoption process for many organisations. Although it might not be a representative situation it is still of value to take the key learnings from working from home during COVID-19 into account, in order to create a vision of how we see working from home after COVID-19. In this section we will discuss some key working from home experiences that we expect will influence the future.

Working from home (or close to home) does have limitations. Digital communication cannot replicate the richness of media from face to face interactions and a handshake. Even through video calls we are

often unable to judge non-verbal communication and body language fully as there is a lack of social cues.

Due to the lower richness of information we are receiving we can fill gaps or make assumptions. This is attribution bias. Comfort is another issue as we are in our own homes. It is arguable that by being comfortable that you can sub-optimise your commercial performance in certain situations. Likewise, when we travel to our or someone's office to work and collaborate there is an inherent level of commitment recognised by both parties. That tends to result in a greater willingness to achieve goals set out. Via electronic communication it is very easy to hang up a call and 'kick the can down the road'.

The following risks are identified related to working from home, if moving to more remotely in the future these risks need to be managed professionally.

Impact on People

- Physical Health: unsuitable home working setup – ergonomics
- Mental Health: increased levels of stress and anxiety
- Work-life balance: challenge to maintain a clear work schedule, separating work and personal
- Employee Engagement: isolation from colleagues and leaders, lower motivation and sense of belonging
- Workplace Accessibility: Support may not be available to colleagues working from home e.g. visual impairment support

Impact on Performance

- Efficiency: decrease due to poor local/home Wi-Fi connectivity, phone signal, failing systems leading to re-work
- Creativity and innovation: decrease due to lack of team interaction, confinement to a space not fit for purpose
- Performance Management: difficulty in managing teams remotely and less effective decision making through virtual interactions only

Impact on Technology & Compliance

- Data Privacy & Cyber Security: lack of access to VPN, use of personal devices and unsecured/shared Wi-Fi networks, phishing campaigns or scams targeting remote workers.
- Business continuity/User Experience: overused networks & systems failures, leaving teams unable to access files.
- IT Support network: limited capability to support asset/site visits due to civil movement restrictions

On the other hand, we see that people are positive about the ability to perform individual focussed work from home. Most people say they are better able to do individual focussed work from home compared to from the office. Also, the negative impact of working from home during COVID-19 on individual productivity seems to be limited.

3. Working from home is here to stay, but the office remains a powerful and important place

Although considering the described challenges we expect that there will be a desire to work more from home, or close to home now people have experienced it. We expect people to find a balance between working from home and working from an office. We expect people to perform mainly individual tasks from home and go to the office to collaborate, connect and get inspired since it is very difficult to curate the spontaneous collaboration which generates ideas when not being physically together. There is potentially a very damaging commercial effect of not having an office or place to collaborate and connect– therefore we expect that the future of the office remains an integral core of most businesses. There is no doubt that we have proved people *can* work from home – but we do not believe it always maximises performance.

Organisations will need to make commercial decisions to consider the cost/benefit of footprint efficiencies versus the value lost through potential sub-optimal commercial performance and lack of collaboration. Real estate is one of the biggest costs to businesses and organisations may swing short term towards cost saving measures and possibly cut office space – due to the many successes of remote working. However medium to long term the value of the office and physical interactions will be recognised. The prevailing question is; will psychology drive space needs or will economics? The office remains a powerful and important place. Working from home and working from the office are not mutually exclusive, nor are they binary. It is about choice and balancing the needs of employees and that of the organisation.

4. Smaller, but higher quality core offices and more alternative workplaces

Increased working from home does not automatically lead to space efficiency and or reduction. When working from home is not managed properly it is likely that peak occupancy will occur on certain days of the week. To spread occupancy over the week it is important that employees work in schedules and shifts and follow the rules of engagement which steer people on how and when to work remotely. These terms may be around when face to face (rather than virtual) engagement is preferred and/or required. These 'rules of engagement' should have choice at the heart of them. If working from home is managed and structured effectively, we can expect organisations to reduce core office space.

This will lead to:

- Smaller core offices. Less workstations, more collaborate settings. Stronger brand experience. There will be a rethinking of the use of office space to be understood more as hubs of interaction and collaborative work rather than spaces for traditional work. We expect it to be the end of the anonymous and homogenous office as there will be a rejuvenated focus on quality space with branding and identity;
- More flexible workplace solutions close to people's homes for people that cannot or do not want to work from home, but want to work close to home;
- More working from home.

The consumption-based model and space as a service are here to stay as everyone is seeking greater flexibility, both employers and employees.

The interesting conundrum will be as many organisations reduce space, much of this residual space will likely not be immediately tenanted due to economic factors. The interesting question is what to do with this potential residual space. We expect different solutions including giving space back to the landlord, a rise in creativity and entrepreneurship to use these spaces for co-working or out of hours music or arts events, and companies might simply close space to reduce operational costs. This in turn may compress rents and force landlords to offer more flexibility which will be competing with co-working offering.