

The future of work

How workspace mobility can help your
business navigate the new normal



*We delve into what the new world of work
will look like for firms, from startups to
multinationals, and examine how a flexible,
mobile series of workplace options can
ensure business success*

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Promoting workspace mobility

We've proved that flexible work patterns can be successful, so creating permanent workspace mobility is the next frontier

As the world begins to pull itself upright, businesses are looking for ways to operate and innovate within our new normal. In some parts of the world, shops and offices are reopening, and a portion of non-key workers are starting to commute again. However, further restrictions are being rolled out in other parts, where the future looks ever more uncertain.

In the same way that wide-scale remote working was sparked by a wholesale departure from the workplace, those who are returning will experience unprecedented changes. We've proved that flexible work patterns can be successful, so creating permanent workspace mobility is the next frontier.

Companies' requirements in the new world of work will be ever evolving, with changes ranging from enhanced cleaning to fluctuating space needs. Their basic office requirements, too, will be subject to frequent transformation as advances in technology and policy continue apace.

Basic office requirements will be subject to frequent transformation as technology advances



Key learnings

Businesses will need to revisit how the office serves them



When looking at how the world is returning to work, it's a good idea to start with an overview of what we've learned.

What challenges are staff and companies facing? How are these being addressed and how are they driving change and fostering innovative thinking? Finally, what are some of the long-term changes we are likely to see?

Before staff even get into work, they will be faced with very different commutes. For years, commuting has been seen as a significant negative, with the average total commute (both ways) in the UK and US just under an hour, while in South Korea (which has the world's longest commutes) it's close to two-and-a-half hours. Many businesses had been making significant moves towards working partially from home for those with long commutes.

But the last year has opened many people's eyes to the joys of having no commute at all and spending more time with their families. It has also brought home other factors, such as how polluting commuting can be. On 19 March 2020, researchers from Columbia University told the BBC that carbon monoxide, mainly from cars, in New York City was down more than 50% on the previous year. In a related vein, bicycle sales have boomed.

However, we have also seen restrictions on public transport and are now observing high levels of car use as people either choose not to use public transport or find it harder to use. For these reasons, remote working or local working (within walking or cycling distance) will be considerably



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Once people are actually at work, companies will need to ensure they are safe. Some of the obvious precautions are the widespread introduction of hygiene facilities and processes and regular deep cleaning



more appealing. Moreover, even when restrictions lift, people may be reluctant to embark on long commutes once again.

Space and safety

Once people are actually at work, companies will need to ensure they are safe. Some of the obvious precautions are the widespread introduction of hygiene facilities and processes and regular deep cleaning. Clutter that creates multiple possible touchpoints will need to be kept to a minimum.

Workplaces may need to be rethought and redesigned with a greater emphasis on spacing, desk barriers and crowd control measures. This is likely to be an ongoing process, with regulations and recommendations changing over time. Businesses with operations in more than one country will have multiple sets of regulations to contend with.

On an almost philosophical note, it will mean revisiting how a business's office serves it. Writing in *The HR Director*, Jonathon Simpkins, of office designer Bluespace, said: "[Companies] need to take time to plan their new layouts to ensure they work for both staff and company goals." He added: "Take this moment as an opportunity to refresh and revitalise your workspace."

Employee wellbeing

It's not just about the physical side of things, either. There is a strong mental aspect to this. Many companies are reporting a sharp rise in calls to employee helplines.

"Take this moment as an opportunity to refresh and revitalise your workspace"



A recent study by Benenden Health found that 35% of individuals felt their mental health had suffered due to COVID-19, with 38% saying support from employers could help ease the stress they are experiencing day-to-day.

In a recent report, Capita found that 88% of businesses identified job insecurity as a factor that compromises employee wellbeing, while 77% cited a lack of social contact. In the *Financial Times*, André Spicer, Professor of Organisational Behaviour at Cass Business School, spoke about remote workers being paranoid. "When you are not around your coworkers and your organisation due to virtual working, it can give space for paranoia to grow," he wrote. "We don't have all the usual informal feedback to make sense of what is going on."

Business continuity

Companies will also need to think about what happens if there are further waves, lockdowns or, indeed, other unrelated crises. Their business continuity will depend on it. Gartner published a survey in March that showed that only 12% of businesses were well prepared for COVID-19. On the positive side, many businesses are now much readier to cope with external crises, although they may be in the unenviable position of having to prepare for the next crisis while coping with this one.

That said, we will be better equipped to deal with it. Firms will be better prepared to move their workforces to remote locations and will know where to go for everything from deep cleaning to emergency IT support to flexible office space.

Understanding the new world of work

Workforces that either work remotely all of the time or part of the time are here to stay



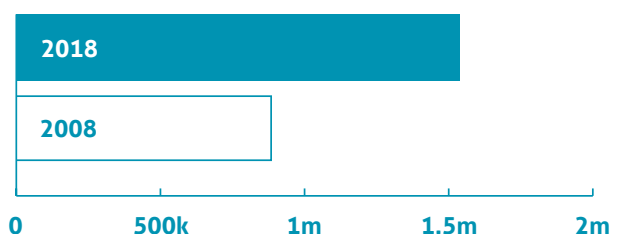
The pandemic massively accelerated a trend that was already emerging. Over the past 10 years, improvements in technology, changes in the world of work and cultural and societal movements have led to far more flexible patterns of working.

In the UK, Office for National Statistics (ONS) figures show that 1.54 million people worked remotely in 2018 compared with 884,000 a decade earlier – a 74% rise. Similarly, a 2018 Deloitte report showed that flexibility (in terms of working hours and location) was “very important” for half of Millennials and 44% of Generation Z when choosing whether or not to work for an organisation. Other surveys and polls regularly show that up to 90% of people would like to work from home at least some of the time.

Recent events have supercharged this. Two years later, ONS research conducted in April 2020 showed that just under half the UK’s workforce was working from home. This is roughly 13 million people. What is perhaps most interesting is how the pandemic has been a crash course in just how many jobs can actually be carried out remotely. Occupations that had always been office-based, notably those in areas such as law and banking, are now seen as candidates for remote work. In the UK, many such workers have not returned.

“Remote work is something we’re thinking a lot about right now,” said Colin Yasukochi, director of research and analysis at the commercial real estate services giant CBRE, in April. “People are right now being forced to do it, but I think some

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will inevitably stick to working remotely. The question of how many, and for how long, is unknown.”

The survival of the office

Many companies have embraced this change. Google and Facebook both announced that they will continue their working-from-home policies until the end of 2020 and Twitter has said that eligible staff will be permitted to work from home forever. It's not just forward-thinking tech titans, though. Jes Staley, the CEO of Barclays, recently said: “The notion of putting 7,000 people in a building may be a thing of the past.”

However, it's unlikely that the office will end altogether. Professor André Spicer recently told the BBC that, while he predicts a “radical decrease” in the amount of time people spend in offices, office working will continue. The fact is that offices do provide some factors that are very hard to replicate remotely. These range from face-to-face meetings to informal networking and intelligence gathering. Indeed, it has been widely noted that remote working may be harder on younger people who have not yet built up significant networks and other forms of work-related ‘social capital’.

A return to the office will inevitably happen, but there is unlikely to be a full return to the *status quo ante* – and workforces that either work remotely all of the time or part of the time are here to stay.



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There is plenty of evidence that this is starting to happen already. A recent Gartner survey showed that 74% of companies plan to permanently shift to more staff working remotely. Similarly, an Asia Pacific Occupier Flash Poll showed that 84% of businesses plan to increase their investment in technology in order to support remote working and business continuity planning.

“Remote working encourages work-life balance and can result in higher productivity”

There are good reasons for these changes. These range from the costs of city centre rents to being able to recruit from a bigger pool of talent – and being a more attractive employer if you do not require people to be at a desk in an office all day. As Kathryn Mayer recently wrote in *Human Resource Executive*: “Advocates say remote working encourages work-life balance and can result in higher productivity and increased employee satisfaction, loyalty and engagement.”

Change is coming

However, while a more distributed workforce may well be an overall positive for both companies and their staff, the new world of distributed employees is very much a work in progress, and considerable challenges remain. There may be issues we are only just becoming aware of.

Even though not all staff are returning to the office, they may well need more space. At first this will be due to physical distancing, but the threat of further outbreaks will continue to present new and fast-evolving challenges for both businesses and employees. Implementing and

maintaining appropriate protocols will represent a complex and expensive burden.

For these reasons, many companies are looking to more mobile ways of working, offering employees the option to work from home, at the office, or from satellite coworking hubs that bridge the two. In countries where lockdown has ended, flexible workspace demand is beginning to return to 2019 levels and a number of surveys suggest flexible workspace providers are feeling more confident about the future.

In the *Financial Times* recently, journalist Oliver Ralph wrote: "When small businesses get back on their feet, they might be looking for more flexible premises which offer shorter leases and more options to grow or shrink the space required. A lot of people have discovered that they can work from home now, but that does not necessarily mean that they will want to do so forever."

A more flexible future

We have already seen that in the short-to-medium term businesses might need more space. However, in the longer term, particularly as distancing regulations relax, they may well want less space. In these instances, coworking facilities can represent a boon to business leaders, providing less costly, unused space with the opportunity to flex up if necessary. CBRE estimates the price of a desk at £14,000 a year – or roughly half the cost of a UK employee's salary. Investing in flexible workspace can remove real estate from company balance sheets and ultimately improve a business's financial position.

Thus, for many companies, the idea of a central HQ where thousands of people work is fast becoming outmoded. Rather, the future is likely to be hub and spoke. You have a central office, which is the hub, and then satellites connected by spokes. This means smaller offices in pricey, central locations and a series of smaller satellites connected by spokes. People can work closer to home, companies save money and a flexible central office is still there if needed.

"Businesses that are able to implement remote working at scale appear to create a more agile working culture that lets them respond quickly to sudden developments – pandemics included," says a recent report by GlobalWebIndex. "Remote working can bring wider benefits to a business when properly implemented."



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Why workplace mobility better serves employees

This new way of working is a safer way of working

Workspace mobility is likely to be a big part of how businesses arrange their offices in the future. Here, we have outlined three scenarios.



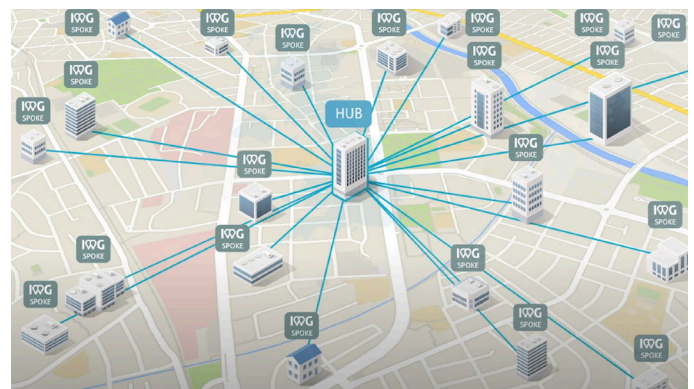
A finance company that previously had a big central office in a place such as the City of London or Wall Street might move to a few smaller hub premises, home working and a series of spoke offices dotted around the suburbs where its workers would normally commute from. The company would save money and workers would have less of a commute – or none at all. Many roles in finance are amenable to remote or semi-remote work.



A campus-based pharma company might take a slightly different approach. Because of the need for labs and other facilities, it would keep some of its large premises, which are likely to be located in a suburb. However, it would open hub-and-spoke offices and offer much more work from home for suitable roles. It would become a far more flexible employer. Some of its staff might find their jobs moving to city centres.



Medium and large tech companies could move over to one of these two models. Tech companies are often very well suited to working from home both in terms of the work itself and the expectations of staff, and so would be likely to have a smaller need for office space. However, in recent years many larger businesses have built campus premises. For them, the changes would be quite mixed, but the probable overall result would be a more flexible, attractive employer. Growing tech companies are likely to embrace this model fully – and make considerable savings.



1

A central office operates as a hub for employees, with satellites connected to it by spokes

2

People can work closer to home, companies save money and a flexible central office is still there if needed

3

Businesses can easily and rapidly flex up and down in terms of the space they use, should circumstances require

Creating an environment where businesses thrive

How flexible working can grow your business

For businesses looking to make sense of this new normal, flexible workspace solutions from IWG can play a big part.

A network of thousands of locations worldwide means that businesses can easily spread their workforces out across different sites. Moreover, they can also rapidly flex up and down in terms of the space they use, should circumstances require. And it allows access to fully serviced offices, with professional IT infrastructure, and therefore fewer anxieties during difficult, busy times.

As well as physical infrastructure, IWG offers businesses more than 30 years of experience operating across different jurisdictions and markets. Representatives are familiar with a number of different working practices, cultures and regulatory regimes. Companies can access expert advice, make adjustments according to their needs and feel secure that best practice is being implemented as circumstances evolve.



Did you know?

Home office support is part of IWG's mobility solution for enterprises. A range of products is designed to support workers from home, including virtual office services, on-demand meeting rooms and day offices. This means that, whether your workforce consists of freelancers or full-time employees, homeworking can be more professional for everyone





Taking your business forward

Choose a solution that fits your brand

If you're a business facing this new world of workspace mobility, it's important to know that you're not alone. IWG is already partnering with companies just like yours to make this flexible future a reality.

IWG Enterprise Solutions enables companies to simply show up and start working. Businesses can choose from a range of support options that are designed to remove the pain points and provide seamless solutions to a range of common needs. IWG recognises that there will be uncertainty and changes going forward – and our solutions are flexible enough to take this into account.

This means that businesses can take short-term space on highly flexible terms in IWG locations near their own premises. If businesses already lease space from IWG, they will be able to take more space, either in the same centre or in nearby centres.

In the longer term, we believe that the hub-and-spoke offering will answer the needs of many businesses. Regional hubs can be designed with different layouts to accommodate different functions. Spoke offices can be set up quickly and as needed. And we recognise that companies' needs may fluctuate considerably over the coming years.

IWG recognises that there will be uncertainty and changes going forward – and our flexible solutions take this into account



IWG offers an unrivalled network of locations in both city centres and suburban areas, meaning there are convenient offices available for all members of a workforce

Companies will want to flex and offer a mixture of remote- and office-based working – and discovering what works for them will be a journey with IWG as a guide. There may also be infrequent events that require normally remote workers to be in the office – for instance, critical meetings.

For these reasons, having on-demand access to flexible, local, professional workspaces is crucial. It removes a logistical headache for companies and means they can plan ahead knowing that they can also make last-minute changes. IWG offers an unrivalled network of locations in both city centres and suburban areas, meaning there are convenient offices available for all members of a workforce – resulting in happier and more productive employees.

It doesn't matter what size your business is. IWG offers membership plans that allow pay-as-you-use access, short-term assistance and longer-term corporate solutions. IWG envisages many companies using an à la carte mixture of these to suit their needs.

IWG is not just about office space. It can help make homeworking more professional for individuals and companies and recognises that the last thing many businesses want is additional administrative burdens. To make life easier, it offers a programme with a range of professional services to support home workers, ranging from local phone numbers and mail redirecting to use of local workspaces, whenever and wherever they are needed.



To help your business navigate the new world of work, speak to IWG today iwgplc.com