

## **Choice, flexibility and talent in the future of the office- by Nicolas Kozubek**

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As employees return to the office, companies are faced with an array of workplace strategies that will impact talent attraction and retention. Meanwhile, owners and designers are looking at what post-COVID-19 strategies will mean for the flexible office market. One of the most consequential factors at play is that the global pandemic has created a grand social experiment in remote working, and it could change workplace strategy for the long term, though no one really seems to agree on what that change will be.

Prior to the pandemic, just 3.4% of Americans worked from home. At the peak of the shutdown, an Upwork report in partnership with MIT found that nearly half of the workforce was working remotely. Similarly, in the EU, nearly four in 10 people began working from home as a result of the pandemic, according to Eurofound. More than half of respondents from Finland, Belgium, Luxembourg and the Netherlands said they had made the switch.

As lockdown protocols are easing and physical offices are equipped for the safe return of personnel, the concept of choice is becoming a bigger part of workplace strategy. How companies pursue that choice and extend it to their talent is likely to shape the world of technology, recruitment and real estate for years to come.

**Technology First:** With technology powering home-working, it is perhaps unsurprising that the world of work has been taking its cue in part from the globe's digital giants as it assesses how to move forward. While Microsoft and Amazon, for example, have extended work-from-home protocols until October for corporate staff, Facebook recently joined Twitter in stating that employees could work from home forever. Facebook will also be taking job applications for remote roles later in the year, as it continues to prioritize the needs of its present and future talent. Google, one of the pioneers of the talent-friendly office, is pursuing a hybrid model, welcoming key employees back to its premises while encouraging remote working for others.

But the debate becomes more complex when we look beyond digital-native businesses to the vast

and varied range of tenants occupying offices across the range of towns and cities. Mandatory remote working has been a struggle for those that lack the technical infrastructure or the appropriate management culture; digital fluency and geography also play roles.

In 2019, 5.4% of employed people in the European Union aged 15-64 usually worked from home. Over the past decade, that figure has held consistently around 5%. However, over the same period, the percentage of people that sometimes work from home has been rising, from 6% in 2009 to 9% in 2019. Across different geographies, the differences are starker. In 2019, just 0.5% of workers in Bulgaria, and 0.8% in Romania practiced teleworking. In The Netherlands and Finland, that number was over 14%.

When the pandemic occurred, with no regard for borders or work cultures, not all workforces were equally prepared. Companies reviewing the benefits of teleworking might have hoped to count savings on utility bills and office cleaning, while averting the material risks of viral transmission. However, rents and fixed costs, plus the obligation to outfit home offices or provide suitable technology, have largely eroded the benefits, not least because IT and data security don't become less significant with remote working: they become more crucial than ever.

Meanwhile, the actual experience of remote working has revealed an emerging divide between wealthier upper management and the rest of the workforce. It has similarly eroded the novelty of video-conferencing and the sofa-as-office. In dense urban centers, working in small apartments often collides with childcare obligations and the work needs of spouses and other cohabitators. At the other end of the spectrum, professionals looking to take advantage of remote working to move out of the city and pursue a dream life in the country or the coast may encounter another quandary: how remote is too remote?

Many are recognizing they may have underestimated the need for local amenities, fast trains, nearby airports, speedy telecommunications infrastructure and a more dynamic social life.

**Office Benefits:** Because humans are social animals, the office presents an opportunity for human and creative collaboration that is impossible to replicate over video calls. Conference-room debates or even corridor interactions foster big and small ideas. Now, as companies explore and implement hygiene and distancing protocols for their offices, they are also looking to reboot the comfort factor for a pandemic-savvy workforce to promote productivity again.

Yet, commuting has never looked more unattractive: the environmental, time management and practical issues of worker travel over the last decade have collided with fears about virus transmission in packed public transport. One solution is what Hamilton Place Strategies calls a hub-and-spoke model, where company premises are physically dispersed with office locations spread across cities to meet people closer to home, ideally allowing users to walk and cycle to work. Flexible offices can fill this need, both in experimental, transitional phases and longer term.

Taken to the extreme, the idea can be used to create multiple provincial options for workers, potentially improving quality of life, reigniting regional real estate markets, or simply supporting retail

and service businesses in neighborhoods and towns for greater economic equality nationwide.

The other argument for flexible office growth over the next 18 months lies in the necessity to create socially distanced models in current premises: vacating regular offices for pandemic-friendly fitouts or permanently spreading staff members across bigger footprints. Companies in an experimental growth phase or exploring new markets may also want to do so on temporary leases. Business sectors that never flirted with flexible offices in the past may now discover their utility in a risk-averse world.

Furthermore, while office logic and layout were once purely about productivity, today's innovation drill is particularly about ensuring space can meet the requirements of hard-won talent.

In the end, offices aren't dead; they are evolving. Technology and innovation will continue to have a central role in driving talent-centric business plans. The pandemic is just accelerating the process. The real solution for building exceptional teams may ultimately lie in maintaining multiple options that support the needs of individuals.

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