Hybrid working and the challenges of the modern workplace

In partnership with

ACCRUENT

iwfm
Institute of Workplace
and Facilities Management

Contents

Foreword - Accruent

"As a Workplace Management Solution company that help to manage the build environment, we always thrive to learn about our customers, industries, and challenges the FM space and the workplace is facing. Therefore, we are appreciative to have had the opportunity to host the roundtable with industry expert professionals in the field.

Getting perspective on what the experts think the future will look like, and what the role of technology is, is a tremendous value for Accruent and the way we innovate.

There is no "one size fits all" approach, and we learn every day. There are countless statistics about the volume of data that is available to workplace professionals, at Accruent we believe that a range of different data points can help us create a true reflection of the landscape rather than a binary debate that seems to be dominating, so we can truly understand the bigger picture.

Will offices become hubs where staff only go for a reason and collaboration? Can remote workers be as innovative and productive as in-office workers? Is it worthwhile to invest time and money to get back to the "old infrastructure" of the office, to only find out years later that this is no more effective?

We found the roundtable discussion very enlightening. We were excited to learn what the panel of experts thought were, and we gathered a lot of knowledge and insights.

We would like to thank the panellists for their contribution and IWFM for facilitating the Roundtable: "Hybrid Working and Challenges of the Modern Workplace".
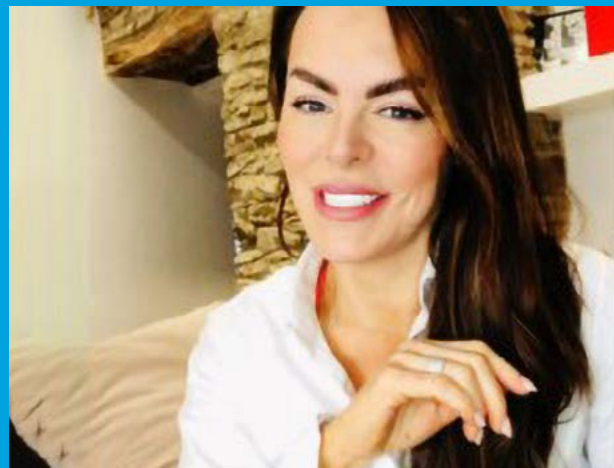
Nicola Atchison
Vice President International
Accruent

Foreword - IWFM

In the space of a year, the pandemic did more to change the workplace and our relationship with it than the previous several decades combined.

Before 2020, there were gradual developments in technology, culture, workplace design and working practices. It wasn't until social distancing saw millions successfully, and productively, work from home that many previously office-based workers started to understand what workplace experts have known for years: work is an activity, not a destination.

Decades of daily commutes to shared spaces had been undermined by the evident personal and professional benefits of working from home, but there were – and remain - clear drawbacks that can only be solved by understanding the value of bringing people together in the context of an organisation's purpose.

Now the big questions are, 'Where do we go from here and what does the future hold?' This is at the core of what we set out to understand in this roundtable discussion.

There were no surprises in the consensus view that there is no 'one size fits all' solution.

The Institute has been arguing that we need a new approach to workplace, bringing the space, culture and technology aspects of workplace together, and enabling people and businesses to work safely, flexibly, collaboratively and productively, to provide maximum benefit to the individual, the organisation and wider society.

What you will take away from this document is insightful and informed views on the key factors and considerations, common across all organisations, that will aid you in finding your own solution in a hybrid world.

Peter Brogan
Head of Research and Insight
IWFM

Executive summary

Introduction

Unsurprisingly at such a unique moment in our history, there is no unanimous view about how the workplace of the future will look. No one solution holds the key.

The way forward will proceed as a series of experimentations, mixing home and office work styles and discovering how technology can deliver and facilitate working structures that allow companies to deliver in line with their brands, their values, their culture and their commercial goals.

Agility and flexibility will be paramount in this new hybrid world, for both employers and their staff.

And crucially, data - and its correct interpretation - will be central to making it all work effectively.

Great uncertainty exists about the shape and scope of the workplace in the coming weeks, months and years. But amongst the current flux and fluidity, one thing is crystal clear - no one wants to go back to how things were before the pandemic.

Working from home over the past two years - and especially not having to commute - has been a life-transforming and liberating experience for most people. The comparative ease with which businesses have been able to switch so successfully from office-based operations to remote working has astonished and delighted staff and management alike. Most workers have seen how much easier life can be.

It has all been made possible, of course, by IT systems that have existed for years but were never used to their fullest potential. Since Covid-19 forced the majority of us to work from home, Zoom, Teams and many other communication systems have come of age and proved enormously capable and flexible, delivering in a way that only the most optimistic futurologists might have expected. It has undoubtedly been technology's 'finest hour'.

But now, as the threat of Covid recedes and 'normal life' begins to return, managements are attempting to puzzle out to how combine the best elements of working from home with the traditional benefits of working in the office.

It was to discuss these challenging issues and consider the best way forward that the Institute of Workplace and Facilities Management, in association with technology specialist Accruent, convened a group of FM industry leaders and experts for a virtual roundtable debate.

Addressing the forum's theme – Hybrid working and the challenges of the modern workplace - the nine-strong group and its chair Peter Brogan, IWFM's Head of Research and Insight, examined key issues that will determine how we all might work in the future, including technology, office design and skills and recruitment. The debate started by focusing on hybrid working, and its challenges and opportunities.

The future of the workplace

The imposing challenge of how to structure the office of the future was set in context by Patrick O'Farrell of Nationwide when he analysed his co-workers broadly into three groups: firstly, those who continued to come into the workplace either to support the Society's Members or those whose home environments didn't lend itself to them working from home; secondly, those that have worked at home throughout the pandemic and were looking forward to getting back to the office; and finally, those who felt that working remotely worked for them and they didn't feel a need to return to the workplace. "We're trying to support all of these individuals by understanding their individual concerns and creating responses to those concerns," he said.

Kate Guthrie of the Government Property Agency said she is confronting similar issues. "We've had lots of conversations but I think we're all in that stage where nobody yet has gone through the full cycle of being at home or having our office fully occupied and so we're not quite at the stage of fully understanding the impact on people and their productivity and their wellbeing. We have some data, but we need to keep learning."

Maud Santamaria of Mace agreed that everything is in flux at the moment and that businesses are experimenting with different options. "It's a bit like laboratory work – people are trying things on a trial and error basis, and it will continue to be like that for a while."

Kate Guthrie said that staff surveys the GPA has carried out show "a huge proportion of people want to come to the office for collaboration. But we're also finding that individual focused activity is the number one activity that civil servants still need to deliver. So we need to make sure that, whether it's at home and other remote locations or in the office that people use on a day-to-day basis, that we're really supporting not just that collaboration and team meetings but that we're also allowing individuals to do the quiet work they've been used to doing in the acoustic privacy that they've had at home."

Guthrie is convinced a major part of the solution is a transformation of the workplace, to make them "the best possible workplaces." But it's also about giving people "choice in the different types of work settings that they may use and the different styles they may adopt."

Paul Jervis Heath of Modern Human agreed workplaces need to change, saying: "The workplace of the future has to be a place that inspires us. But that space also needs to help us work more effectively with others, and that includes people who are not in the room. And choice and freedom is at the heart of all this."

Heath said he disagrees strongly with those who say it's not possible for remote workers to innovate or for creativity to flourish if some people are working remotely. "You definitely can do innovation remotely, but it requires a different culture for that to happen. So we do need to rethink some of the ways we're working."

Nigel Oseland of Workplace Unlimited said it was clear that the workplace of the future "must be more attractive because it's competing with the effort, cost and time of coming to and from a city centre."

He also maintained there is still a clear need for the office. "Offices bring people together, not just for collaboration but for social interaction. Our surveys show that a lot of people are missing social interaction and just being with people. It depends on your personality as well. Extroverts tend to want that more than introverts."

Panel members noted that some firms are moving more towards a hub environment where their employees go to share thoughts, to brainstorm, to collaborate or to entertain clients. Said Nicola Atchison of Accruent: "The world of work and home and working hours are becoming more fluid. But having the ability to go to a central place, collaborate with employees in a professional environment remains key."
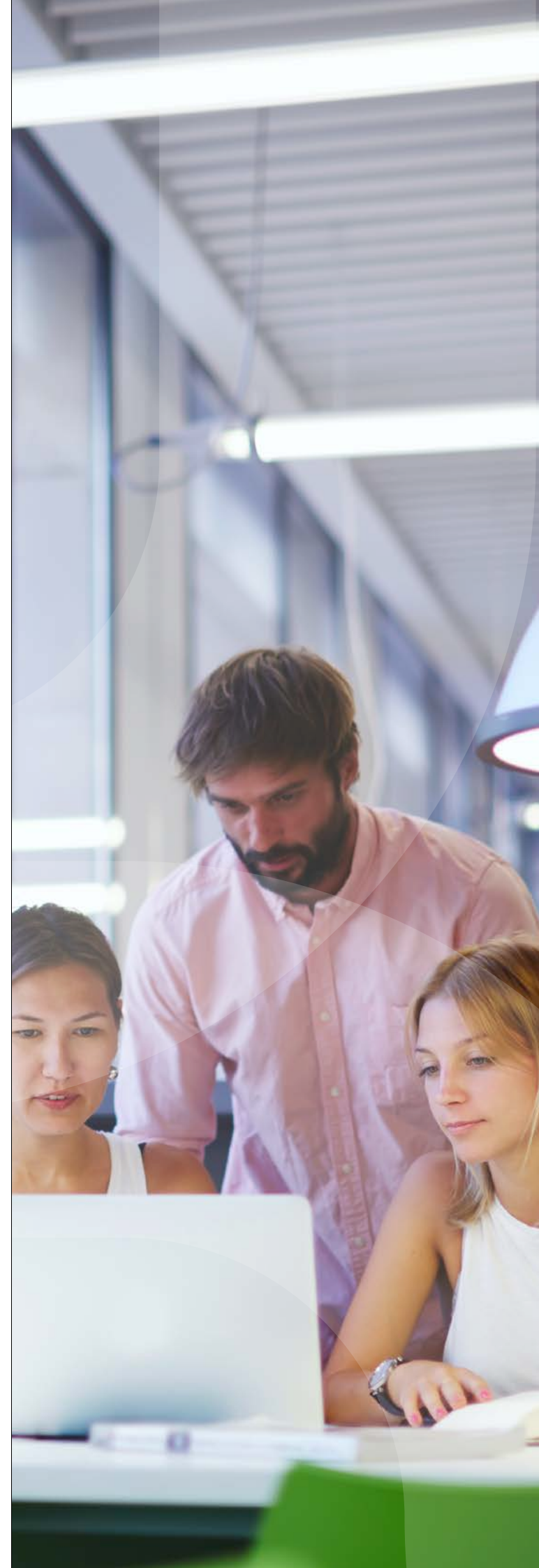
Andy Smith of John Lewis said that low utilisation of office space - at circa 10 to 15%, maybe 20% on a Wednesday – "gives us the opportunity to change the way we do things."

He said the partnership is looking to introduce as much flexibility as possible. "What we're finding is people actually don't want to go back to the office. They have delivered their roles really well from home. So we are introducing what we call blended working - we don't call it hybrid working. This gives choice and flexibility, and above all, shows there's trust in our people to carry on doing the work they're being paid to do.

"How they do that – and when and where – will have a large element of flexibility. So we're empowering our people to decide their own working environment in conjunction with their line manager. And people will be measured on output rather than how many hours they spend in the office."

Smith said John Lewis has seen that the function of the office will change – "We're even trying to get away from calling it the office" - and it will become much more "activity based". He said: "You'll go there to collaborate or do specific things and it should be a really good experience. So people should look forward to going in.

"It probably means that they'll only go there maybe one day a week, maybe a couple of times a month. But there will be a specific reason for people to come in." Smith described this as "a cultural change in our business, and one which requires a leadership shift in the way that the business is run. Leaders have to lead in a very different way and the physical space and its new technology is very much a response to that, and an enabler of creating that space."

Not everyone, however, felt on the edge of a new era in office life. Conrad Dinsmore at CBRE said he believed things would continue very much as they have been pre-Covid. "I don't think the workplace is really going to change. People have always worked from home. You've always had the front line A-Team who will have to be in the office and those who can be flexible in where they work will still be flexible. It's still going to be based on regions, and on what you do. It's still going to be about what team is using this space? Do we give them computers? Do we give them whiteboards? Do we give them a nice space? I don't think it will change that much."

Challenges and opportunities

The panel was clear that not everyone is able to work from home: many roles can only be performed on the spot at the operating site, or if not in the field, then in the office. This poses the challenge of a two-tier workforce, and how to overcome that and create and a maintain a shared company culture.

Paul Jervis Heath commented: "The biggest challenge is not the workplace as such, it's the culture. If you're going to move to hybrid working, and not have transformation projects that fail, you need to move to an asynchronous working rhythm. You can't work remotely or in a hybrid style if the ways of working are still synchronous - because it will always be more efficient to bring people together to a place to do synchronous work. So one of the biggest challenges is how you move the culture of an organisation from synchronicity to asynchronicity, so that people are pulling work rather than being given work and then monitored at work."

He added: "You have to be willing to experiment with your ways of working. And instead of saying, "it can't be done", so it's not possible, for example, to bring on junior members of the team remotely, what we ought to be saying is "we don't know how to do it yet". And setting up the experiments to actually go and find out how it is possible to bring on and coach junior members of the team and bring them on. We need to experiment to learn the best ways of doing things. I think that's one of the challenges we need to overcome - to take our experimentation much deeper."

Raising the issue of desk utilisation and hot desking, Nigel Oseland commented: "For me, the issue with offices over the last few years has been about over-densification, with too much focus on cost and therefore a reduction in space, with people sitting on top of each other feeling cramped and overcrowded.

Now that we've only got utilisation of 20-30%, we can remove desks and also introduce other spaces. But the challenge then, of course, is that we're introducing hot desking. So how do we get over that? That's a whole transition process. But if we can understand what are the spaces that are missing in the workplace and we've touched on some of them already - spaces for both privacy and for collaboration for video conferencing and so on – then we can overcome that."

> "The biggest challenge is not the workplace as such, it's the culture. If you're going to move to hybrid working, and not have transformation projects that fail, you need to move to an asynchronous working rhythm."
>
> **Paul Jervis Heath**

Another challenge identified for the new workplace was diversity and inclusion. Andy Smith commented: "I think that there's a big risk with people spending so much time at home, because that doesn't reflect the way we come together as a diverse community in the office. Typically our homes are set up with our own biases, and this reinforces and perpetuates an affinity bias with people who are like us through our relationships and friendship groups. Those are the people that we want to spend time with. And there is the potential to perpetuate this through exclusively working at home."

Patrick O'Farrell said leaders could be helped in tackling this issue, and the many other challenges confronting senior managers, if there was a "toolbox" to help them become effective in this new working environment.

He commented: "In Nationwide, almost overnight we sent 12,000 people home and we had a big group of our leaders who were not necessarily equipped with the skills and capability to manage people remotely. It created a challenge around how they lead effectively remotely, and also how they manage people's wellbeing, as well as their own."

As well as challenges, there are of course major opportunities for a better workplace in the future. The panel noted that one of the main upsides of remote working is the ability to retain staff who might leave because they no longer wish to commute or perform their traditional 9 to 5 roles. Rohit Kohli of Accruent said remote working could be good for families in the regions who don't wish to relocate because the main salary earner had been offered a job in London or other far-removed cities. "And that is a win-win for employers as well as employees," he said.

He added that this would help with the government's levelling up agenda too.

There are also many community benefits that flow when people visit the office less frequently – such as the sustainability effects of reducing traffic emissions and the injection of new life into local high streets.
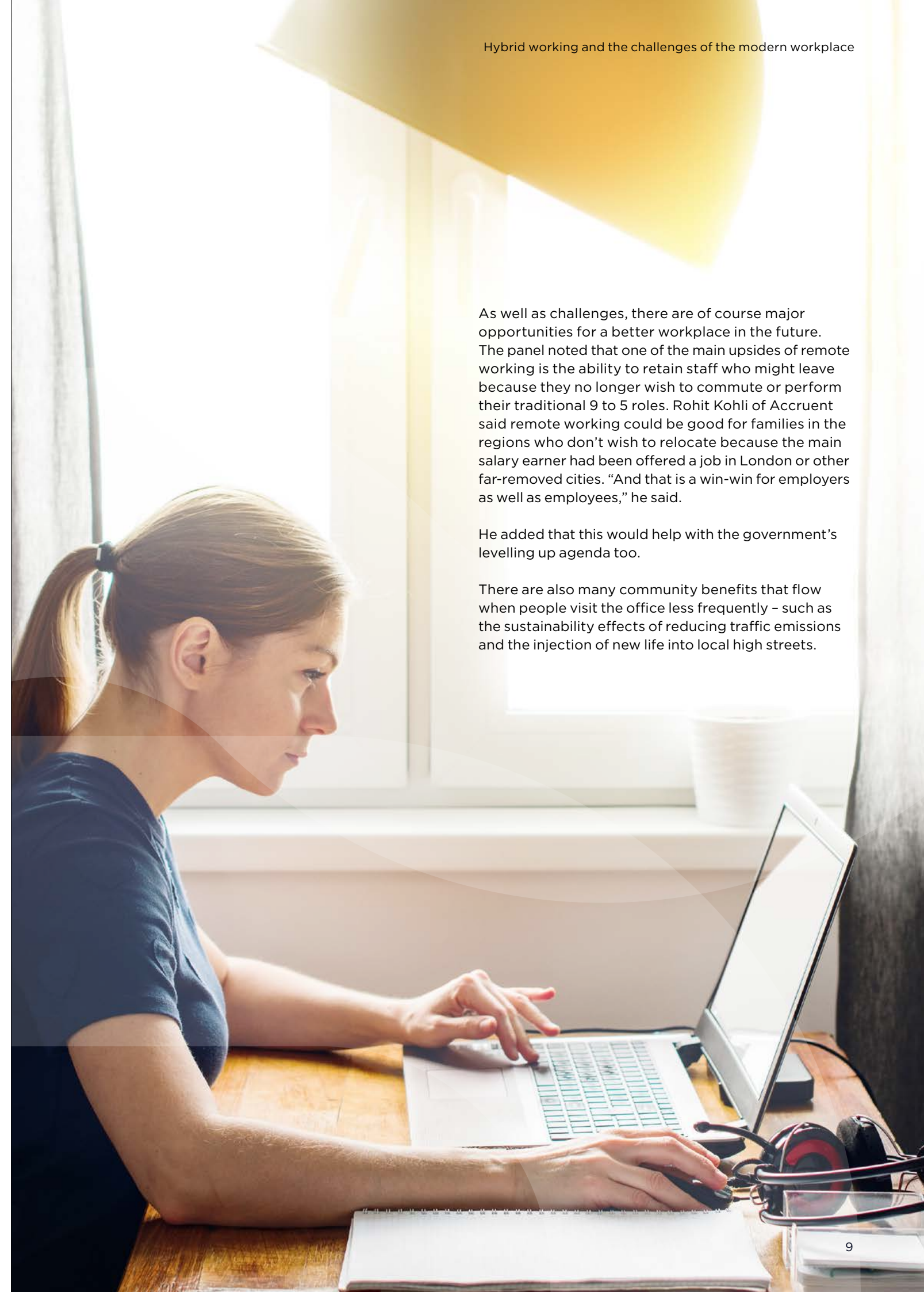
Decision-making and the role of tech

One of the obvious applications of technology to the future workplace is in helping rationalise the use of office space.

Rohit Kohli of Accruent commented that "digitalised data can play a significant role in deciding what kind of spaces we require. If there are two offices within a 10-miles radius and one is at 20% utilisation and other one is 50%, we can make an informed decision to close the less used space."

Technology can also help overcome the silo effect seen in many businesses, which becomes even more apparent during remote working. "So often the right hand doesn't know what the left hand is doing, and organisations are not properly aligned internally," he said. Data will help to redesign the office to align with employees expectations.

Andy Smith agreed that data is key to creating the office of the future. "Data is absolutely paramount because it will allow us to utilise space much more efficiently and effectively. But the data has to be backwards looking too in order to help us look forward."

Smith said technology will develop to allow everyone in a hybrid meeting to feel included. "And it's absolutely imperative that technology will make available all the facilities and functions that people need, to give people the confidence that their office will have all they need for a fantastic experience."

Kate Guthrie backed him up: "I couldn't agree more about the importance of data and tech, and particularly with its use around occupancies and sensors and Wi-Fi and so on.

"We've been using data to understand people's working situation for quite a while and have continued with people working at home. It's helped us understand how their workspace at home has impacted things like their productivity, their wellbeing and their work life balance.

Technology can also help overcome the silo effect seen in many businesses, which becomes even more apparent during remote working.

"Our data is showing that on average, younger people, people at lower grades, and black and black British ethnic groups often don't have as much dedicated work space at home as some, and that's really impacted their ability to be productive. That's also been true of people in London generally – they're less likely to have dedicated space for working.

"We're trying to support these people and help them be more productive - in some cases when they continue to work from home, but also to prioritise them when they come back in the office to make sure that they've got the spaces that they need. Data is helping us do this."

Paul-Jervis Heath commented: "If we're going to provide a personalised experience for employees, we have to have the data and we have to collect data and we have to then give them something in return for that data. Because if you think about all of the companies who harvest our data, they do it in return for some kind of functionality that we can't get elsewhere. And so I think data is going to be a big part of providing the personalised workspace."

Design

Paul Jervis Heath quoted Steve Jobs' statement that "design is about what it does and how it does it" to illustrate his view that the designer has an important role to play in what an office does.

And he made the point that office design is not the sole preserve of designers. "Everybody on this call today is designing workplaces, and you can either do it deliberately and with conscious thought and effort, or it just happens accidentally and by default, which is how offices have been designed so often in the past."

What needs to be done now, he said, is "literally reimagine the way we're going to work in an office the way we're going to work with our colleagues and how we're going to use the space, and what it looks like and what it has in it."

He said non-designers should have access to design toolkits and then experiment with designs, using ethnography data to try and understand what offices they need. "This way we can democratise the design process and arrive at better decisions."

He added that hybrid meetings don't work well at the moment "because you're always at a disadvantage when you're on a video called compared to being in the room.

"But when we move to something like digital world, or to use a new expression, the metaverse, you can see how a hybrid meeting might work if the culture changes.

"The designer's role in culture change is making that culture change desirable rather than making it something that people have to go along with. So the role of designing culture change is, effectively, making us want the culture change. It's making us want to work differently. It's making us want to go to an office in a different capacity and use that space in a different capacity. It's making us want to work in different ways and experiment with different things."

Nigel Oseland said there is now a great opportunity to make people more comfortable in the office and design offices to become more attractive for a broader range of people rather than just the average - "because as I keep saying, there's not many of us who are actually average." As part of this design process, he said it was vital "to put yourself in the shoes of other people" to meet their broader needs.

Rohit Kohli said the starting point with designing offices is whether the workplace is fit for the purpose in giving an employee what they want. "And if it's not, then we need to think about the occupancy trends to see what's happening."

He used the example of large meeting rooms, saying their full capacity is perhaps used only 10% of the time. "We need that large meeting rooms, but we need to redesign them to adapt them to the hybrid model and convert some into smaller meeting/huddle rooms if this is more demanding."

As part of that adaption process, he said we need to design a healthy office environment, with improved air quality and lighting. Employee experience is key to attract & retain the talent.

Conrad Dinsmore struck a more cautious note with new office design, pointing out that getting rid of desks and creating hybrid spaces and dedicated collaborative areas may seem all very well at the moment, but there's a danger that companies start wanting to fill their offices with new recruits in a few years' time. "You'd have to spend a fortune putting the old infrastructure back in place."

*"The starting point with designing offices is whether the workplace is fit for the purpose in giving an employee what they want. "And if it's not, then we need to think about the occupancy trends to see what's happening." **Rohit Kohli***

Skills and recruitment

Rohit Kohli and Nicola Atchison of Accruent said attracting and retaining talent is a major challenge at the moment. "We're hearing this every day," said Rohit. "It really is a hot topic for everyone."

Data analysts are amongst those most in demand, he said. "Companies have huge banks of data but not enough experts to analyse how to use it to transform the workplace."

Patrick O'Farrell commented on internal competition for talent. "Individuals whose roles means they have to come into the office might be attracted to another job within the same company if they can do it remotely. Fantastic career opportunities for individuals and also great in terms of retaining talent and capability within an organisation, but is it all upside? More work needs to be done to understand this evolving dynamic in the workplace."

Paul Jervis Heath said a skills gap has opened up in "experience design", which relates to designing workplaces and driving working behaviour by creating an experience that motivates people in their work.

"I'm sure most companies have many people who design customer experiences. But there needs to be people who have the ability to create desire amongst work colleagues through creating an experience. Those skills probably exists somewhere in most organisations, but they're often not focused on the place where that organisation goes to work. And I think that's a missed opportunity."

Nigel Oseland observed that "empathy" was an essential skillset for a better future working environment. "We all need to be able to recognise and tolerate the different requirements of different people and also their ways of working. Don't think that your way of working is the right way. I think we're learning as we go along that people have different issues and different concerns and different experiences and that all contributes to how they prefer to work."

KEY TAKEWAYS

→ Workers are reluctant to resume commuting and feel their wellbeing is better served with a hybrid working lifestyle

→ There is no one-size-fits-all template for the office of the future

→ Data, and its correct interpretation, will help leaders decide the best mix of home and office working, and the size of estate that is needed for the future

→ The optimum organisational structures will only arrive after further experimentation

→ Offices, in whatever shape they take, must be designed to be more attractive venues

→ Offices may become hubs where staff go to only for special projects requiring collaboration

→ Cultural change is required to ensure against two-tier workforces and deliver diversity and inclusion

→ Leaders need to show empathy towards differing needs of home and office workers

→ Employees will feel valued if given choice and freedom, thereby improving staff retention

→ Remote workers can be as innovative as in-office workers

Participants

Nicola Atchison
Vice President International
Accruent

Conrad Dinsmore
Head of Projects
FM Division
FMSO Projects
CBRE

Maud Santamaria
Workplace Experience Director
Mace

Andy Smith
Partner and Senior Manager
Partnership Head Office Facilities
John Lewis Partnership

Kate Guthrie
Deputy Director Workplace Experience
and Smarter Working Programme Director
Government Property Agency

Paul Jervis Heath
Founding Partner and Chief Creative Officer
Modern Human

Nigel Oseland
Environmental Psychologist
Workplace Consultant
Change Manager
Researcher
Author and International Speaker
Workplace Unlimited

Facilitated by **Peter Brogan**
Head of Research and Insight
IWFM

Rohit Kohli
Sr AE Workplace Solution

Patrick O'Farrell
Head of Facilities Management
Nationwide Building Society

The Institute of Workplace and Facilities Management (IWFM) is the body for workplace and facilities professionals.

We exist to promote excellence among a worldwide membership community of around 14,000 and to demonstrate the value and contribution of workplace and facilities management more widely.

Our Mission: We empower and enable professionals to reach their full potential and have a rewarding, impactful career. Together we create the conditions for the profession to thrive through leading edge thinking, sharing best practice and upskilling our people.

Our Vision: As the pioneering workplace and facilities management body, our vision is to drive change for the future. To be the trusted voice of a distinct profession recognised, beyond the built environment, for its ability to enable people to transform organisations and their performance.

The IWFM was established in 2018. It builds on the proud heritage of 25 years as the British Institute of Facilities Management.

To find out more, please visit
iwfm.org.uk

Or contact us at
engagement@iwfm.org.uk
+44 (0) 1279 712 620

IWFM
Charringtons House
1st Floor South
The Causeway
Bishop's Stortford
Hertfordshire CM23 2ER

iwfm

Institute of Workplace
and Facilities Management