

### **Proportion of employees** comfortable with returning to the office





#### **Table of Contents:**

Introduction	2
What was remote work, and what it can become?	3
Employee behavioral change, and the work-life balance	4
Recreation of the workspace at home	4
Collaboration and productivity	5
The continuing relevance of the office	6
Conclusion	7
References	8

# Introduction

In 2020, there was an unprecedented operational shift across all industries, nationwide, with employees required, wherever possible, to carry out their duties from home. Since then, with the fluctuating levels of market uncertainty, organizations have, to varying degrees, attempted to reintroduce their teams back into the workplace. As successive initiatives to reintegrate the workforce have been interrupted or overtaken by events, the work-from-home strategy of 2020 has evolved into the modern hybrid-work model.

Prior to 2020, just 8% of employees were working what we now know as a hybrid week of two days at home. By the summer of 2021, C-suite projections were that 36% of employees would be operating in a hybrid mode with a further expectation that 52% would be back to the office at least four days a week. Across the nation, a process of reassessment is currently under way.

Another interruption to the workforce reintegration process has arisen in the wake of the recently renewed uncertainty of Q4 2021. Once again, employees have become reticent to rejoin their on-site colleagues. In the three months leading up to February 2022, the proportion of employees comfortable with returning to the office has dropped from 73% to 56%." As a response to worker well-being concerns, and in order to maintain operational continuity, organizations have continued to deploy, or indeed, reintroduced the hybridwork strategy.

Nevertheless, there is an ongoing executive concern with the negative impact of home working on team cohesion and administrative oversight. In Deloitte's Return to Workplace survey, published in December 2021, 32% of employers were worried about "maintaining company culture" in a hybrid work environment.

As companies selectively continue to bring their teams back into the workplace, the dilemma continues over whether to prioritize investment in the traditional office space or longer-term "work-from-anywhere" solutions.

#### What was remote work, and what it can become?

Taking a brief look at the history of remote working, it is easy to understand how so many businesses are continuing to struggle with the adaptation to hybrid strategies. Prior to 2020, working from home was a rarity, often perceived as analogous with compressed hours or a reserved perk for those in senior, managerial and VIP positions. As recently as 2019, only 15% of companies had a flexible work policy available. This scarcity of remote-working practices is reflective of an earlier work culture, where working from home was seen as less productive, or indeed, as regularly scheduled paid leave.

In large part due to the unprecedented circumstances faced by everyone in 2020, there was an exceptional rise in the adoption of remote work, with 76% of organizations offering a flexible work policy to its employees. These widespread remote practices were implemented out of sudden and extreme necessity. However, C-suite expectations and projections have shifted, with over 75% of respondents to an Economist Impact survey now believing that "hybrid/ flexible work will be a standard practice within their organizations in the coming three years."vi

Remote-working practices are now being sustained as an ongoing operating model in order to maintain continuity for unpredictable future market situations. However, this perpetuation of the strategy is not purely out of operational necessity. As of January 2021, 63% of workers wanted to work in a hybrid model with only 8% saying they would not want to work remotely at all. 'ii Albeit as a result of extraordinary circumstances, hybrid working has become normalized amongst workforces nationwide.



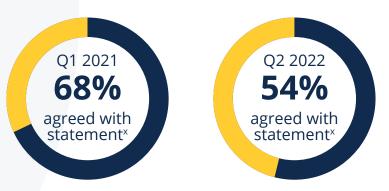


#### Employee behavioral change, and the work-life balance

Prior to 2020, 62% of employees preferred full on-site work. In 2021, that dropped drastically to 37%, with 52% of employees reporting to prefer a hybrid-work model. ix Many people have become used to working from home, appreciating an increased flexibility, allowing for care provision and household tasks to be integrated into their working day.

Working from home was deployed as an emergency measure, impacting on people's incomes, living costs, home lives and future expectations. However, the effects of the sudden switch to working from home were not all negative. Having done away with those traditional costs and time expenditures, such as the daily commute, workers are now reticent to return entirely to the old work routine. Safety is no longer necessarily the number one driver for remote working. In Q1 2021, 68% of survey respondents agreed with the statement, "I would like to return to the office as soon as it's safe." By Q1 2022, the proportion of those surveyed agreeing with this statement had dropped to 54%.\* For many people, maintaining this new form of work-life balance has become a high priority.

# "I would like to return to the office as soon as it's safe."



However, the popularity of fully remote work has not increased significantly. Pre-2020, only 8% of employees preferred working fully remote. In 2021, the figures of employees favoring fully remote had only risen to 11%.xi Hybrid is clearly preferred over a full-time "working-from-home" model, and is set to be all the more necessary for worker retention moving forward. There is an ongoing desire amongst workers to continue to operate with the flexibility and work-life balance that hybrid has afforded them.

### Recreation of the workspace at home

The mass transition to remote work in 2020 was unplanned and solutions were often makeshift. While some organizations and businesses have now embraced the model as an ongoing operational norm, others continue to run with temporary solutions in anticipation of a full-scale return to the old workspace.



49% of respondents could only work privately in their bedroom.

Stanfordxii



72% of US executives are planning increased investment in virtual collaboration.

**PWC**<sup>xix</sup>

Employees nationwide managed to fulfill their duties remotely, under incredible circumstances, with temporary solutions. They adapted their living spaces on short notice, often working from their bedrooms, living rooms, kitchen tables or garages. In 2020, only 49% of respondents could work privately in a room other than their bedroom.xii However, these makeshift home offices and work environments were often inadequate for long-term operation. "Human cognition depends not only on how the brain processes signals, but also on the environment in which those signals are received."xiii If remote work is to become a long-term operational norm, more conducive, adaptive or permanent remote-working spaces will be required.

- "People are working in smaller spaces. Maybe it's a third bedroom or a corner of their living room in their apartment; all these different scenarios. So having [solutions] that are efficient and customizable has been key."
- Chad Graham, Director of Sales, ODP Business Solutions Division

Many workers are still operating out of their bedrooms. Others may be performing their duties from even less appropriate spaces. Anecdotally, in an annual survey from a collaborative tech manufacturer, the number of respondents who had set up their home office in closets had risen from 15% to 21% between 2020 and 2021.xiv For businesses to harness the full potential of a hybrid workforce, they may want to consider helping their employees to create more suitable working environments that fit within the limitations of the workers' personal living arrangements.

With ever-increasing amounts of time spent on remote collaboration platforms, and hybridity becoming an operational norm, companies may need to consider practical and functional solutions. "Because it's a whole-different working landscape, it's better to be able to have those furniture standards so that organizations can contain their costs while still providing what they need for their hybrid workers," said Lori Kelly, Director of Strategic Acquisition for ODP Business Solutions. Moving forward, organizations may consider helping to improve the temporary, and often chaotic, home workspaces of their remote workers in order to be confident that these hybrid-work practices can be deployed as long-term solutions for sustainability and adaptability in the evolving business landscape.

#### Collaboration and productivity

The backbone of the new hybrid-work landscape is connectivity and the technology that facilitates collaboration between remote teams and their in-office colleagues.

In 2020 and Q1 2021, the time spent in Microsoft Teams meetings more than doubled (2.5 times) and these meetings grew, on average, by 10 minutes (up from 35 to 45 minutes).xv

This evolving technology has allowed many organizations to maintain operational continuity with little or no reduction in productivity. By Q4 2020, 82% of leaders indicated that their companies were at least equally as productive as before.xvi

Those organizations proactively investing in remote devices and services as collaborative solutions would go on to credit these technologies with increasing user productivity by 21% over the preceding year.xviii

These early adopters of remote working saw a "2.6x larger increase in productivity" than those who only adopted the remote work-enablement tech reactively.xviii Following on from the hugely successful implementation of remoteworking solutions in 2021, 72% of US executives were planning increased investment in virtual collaboration tools.xix

Over time, collaborative tech has become the newest normal, not only maintaining productivity through unprecedented market challenges, but actually improving it. The long-term reality for businesses will be to remain adaptive and collaborative in the face of ongoing market uncertainty. They will want to focus on evolving remote collaboration technology and services designed to help maintain resilient and more sustainable operations.

#### The continuing relevance of the office

While these connectivity solutions are helping to improve productivity in remote workforces, a new challenge is emerging. "Zoom fatigue" has become a recognized and ongoing issue affecting a growing proportion of employees with many influences and indicators impacting its likelihood. A recent Stanford study showed that anywhere between 5.5% and 13.8% of workers using collaborative teleconferencing tools reported feeling "very" to "extremely" fatigued after Zoom calls, depending on demographic.\*\* Virtual collaborative tools have, in a trial by fire, been proven to help improve productivity in task-driven, remote operations. However, "the limited body language available in videoconferences can trigger misinterpretation and make bonding difficult. Being physically co-located helps people interpret others' moods and personalities, making it easier to build and cement relationships."xxi



The new hybrid workforce should be enabled to work from anywhere and provided with the collaborative tools to be productive across all spaces including a continually relevant, albeit transformed, and adaptive office space.



"Confident that they have the technology experience at their organization to adapt and thrive."

**FSG**<sup>xxvi</sup>

# Conclusion

Hybrid work continues to be an operational focus. In 2020, 73% of those employers who had adapted to hybrid work said the shift had been successful. By 2021, that had risen to 83%.xxiv While many organizations and employees have embraced a "work-from-anywhere" strategy, there are still a large number of businesses that have not engaged with this new model. By May 2021, 68% of companies still did not have a detailed hybrid-work plan communicated or in place.xxv

With continued uncertainty in the market landscape, it is perhaps understandable that some organizations may be tentative to say goodbye to the old ways of working. However, 96% of respondents at those companies with accelerated adoption of the digital workplace and remote-work enablement were "confident that they have the technology experience at their organization to adapt and thrive through major societal and macroeconomic disruptions."xxvi

What is clear is that hybrid is here to stay. For vital business outcomes, organizations will need to consider continued investment across all areas of remote communication, "work-from-anywhere" connectivity and flexible work environments as collocational, collaborative spaces. Between market forces, the need to maintain company culture and concerns surrounding worker recruitment and retention, hybrid work is a universal tool to help businesses meet the demands of the future with confidence.



## References:

McKinsey - 'It's time for leaders to get real about hybrid'

https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/its-time-for-leaders-to-get-real-about-hybrid

" Morning Consult - 'Tracking the Return to Normal: Work & Offices' https://morningconsult.com/return-to-work/

iii Deloitte - 2021 return to workplace survey

https://www2.deloitte.com/us/en/pages/human-capital/articles/2021-return-to-workplace-survey.html

<sup>™</sup> Microsoft - Building resilience & maintaining innovation in a hybrid world

http://d1c25a6gwz7q5e.cloudfront.net/reports/2020-11-09-workplace-whitepaper-FINAL.pdf

<sup>v</sup> Microsoft - Building resilience & maintaining innovation in a hybrid world

http://d1c25a6gwz7q5e.cloudfront.net/reports/2020-11-09-workplace-whitepaper-FINAL.pdf

vi Economist Impact / Google Workspace – Global Survey

https://cloud.google.com/blog/products/workspace/insights-from-our-global-hybrid-work-survey

vii PWC - US Remote Work Survey

https://www.pwc.com/us/en/library/covid-19/us-remote-work-survey.html

viii Morning Consult - 'Tracking the Return to Normal: Work & Offices'

https://morningconsult.com/return-to-work/

 $^{\mathrm{ix}}$  McKinsey - 'It's time for leaders to get real about hybrid'

https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/its-time-for-leaders-to-get-real-about-hybrid

\* Morning Consult – 'Tracking the Return to Normal: Work & Offices'

https://morningconsult.com/return-to-work/

McKinsey - 'It's time for leaders to get real about hybrid'

https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/its-time-for-leaders-to-get-real-about-hybrid

xii Stanford - 'How working from home works out'

https://siepr.stanford.edu/publications/policy-brief/how-working-home-works-out

iii Harvard Business Review – 'Designing the Hybrid Office'

https://hbr.org/2021/03/designing-the-hybrid-office

Owl Labs - 'State Of Remote Work'

https://resources.owllabs.com/state-of-remote-work/2020

https://owllabs.com/state-of-remote-work/2021/

Microsoft - 'The Next Great Disruption Is Hybrid Work—Are We Ready?'

https://www.microsoft.com/en-us/worklab/work-trend-index/hybrid-work

xvi Microsoft - Building resilience & maintaining innovation in a hybrid world

http://d1c25a6gwz7q5e.cloudfront.net/reports/2020-11-09-workplace-whitepaper-FINAL.pdf

xvii ESG - 'Organizations Accelerating Their Digital Workplace Achieve Improvements'

https://www.delltechnologies.com/asset/en-us/solutions/business-solutions/industry-market/organizations-accelerating-their-digital-workplace-experience-achieve-

ESG – 'Organizations Accelerating Their Digital Workplace Achieve Improvements'

https://www.delltechnologies.com/asset/en-us/solutions/business-solutions/industry-market/organizations-accelerating-their-digital-workplace-experience-achieveimprovements.pdf

xix PWC - US Remote Work Survey

https://www.pwc.com/us/en/library/covid-19/us-remote-work-survey.html

xx Stanford University - 'Nonverbal Mechanisms Predict Zoom Fatigue and Explain Why Women Experience Higher Levels than Men' https://papers.ssrn.com/sol3/papers.cfm?abstract\_id=3820035

xxi Harvard Business Review - 'Designing the Hybrid Office'

https://hbr.org/2021/03/designing-the-hybrid-office

xxii Economist Impact / Google Workspace – Global Survey

https://cloud.google.com/blog/products/workspace/insights-from-our-global-hybrid-work-survey.

xxiii PWC – US Remote Work Survey

https://www.pwc.com/us/en/library/covid-19/us-remote-work-survey.html

xxiv PWC - US Remote Work Survey

https://www.pwc.com/us/en/library/covid-19/us-remote-work-survey.html

xxv McKinsey – 'What Executives are Saying About the Future of Hybrid Work'

https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/what-executives-are-saying-about-the-future-of-hybrid-work

xxvi ESG – 'Organizations Accelerating Their Digital Workplace Achieve Improvements'

https://www.delltechnologies.com/asset/en-us/solutions/business-solutions/industry-market/organizations-accelerating-their-digital-workplace-experience-achieveimprovements.pdf