The rebirth of work:

How workspaces can drive recovery

A Virtual Roundtable

bruntwood
Works

Facilitator

Herb Kim
Curator of TEDxManchester

Participants

Katy Leeson
Managing Director of Social Chain UK

Sir Cary Cooper
President of the CIPD and Professor of
Organisational Psychology at
Alliance Manchester Business School

Lara Marrero
Strategy Director at Gensler

David Porter
Partner at Knight Frank

Carolyn Hicks
Director at Deloitte

Andrew Cooke
Strategic Director at Bruntwood Works

Contents

In 2020 we saw businesses across the country switch to home working as a result of the Covid-19 lockdown, before investing heavily in their workspaces to pandemic-proof offices and support employees as many began the tentative return to the workplace over the summer.

Introduction

As lockdown restrictions began to ease, there was a clear desire by many to get their workforce back into the office, but for others a hybrid approach provided more flexibility for their employees and there were some that chose to operate a work-from-home policy. Now, as we start the working year in our third national lockdown, we look at the cost of remote working to businesses and ask how the pandemic will shape the future of work?

We brought together a cross-section of leading UK business leaders and experts to debate these points. From the impact on employee wellbeing, both mental and physical, and development opportunities to the importance of place in driving collaboration and idea generation, we've asked our experts what they learnt over the last few months and what the future looks like.

The following report brings together the views of our leaders from a panel debate they took part in and it provides some actionable advice if you're also thinking, what's next?

One thing I'm certain of is that the way we work and where we work is undoubtedly changing, but there is a huge opportunity to change how we do things for the benefit of our customers and colleagues. I wholeheartedly agree with Lara Marrero of global design and architecture firm Gensler, who argues the need to leverage a CSD – a central social district – in order to blend work and lifestyle. It sits at the heart of everything we do and by continuing to take a blended approach we'll be able to create places where people want to spend time, both in and out of work.

I'd like to thank our panel for such a fascinating debate, and our facilitator – Herb Kim, curator of TEDxManchester – for chairing the discussion. I hope you enjoy reading this report, as much as we enjoyed bringing these people together.

Ciara Keeling, CEO, Bruntwood Works

In 2020, long periods of working from home changed the way people viewed the office. For some, the pandemic gave the office a renewed sense of purpose as it became the home of collaboration, while others sought to downsize their estates as more of their employees chose to work flexibly. We asked this group of experts, if the office is really dead?

The death of the office?

> A lot of our workforce is also very young, and many have been working from their bedroom or sofa for almost a year now. The impact this has on individuals is huge. When I look back, some of the best relationships I have now are those I built at the beginning of my career when in the office. I made friends for life and I want to replicate that for our employees, but to do it I need to bring people back together in our office, in person. It's always been my goal to help young people build their careers in the best way possible, but the importance of that has become even more apparent."

Katy Leeson
Managing Director of Social Chain UK

For **Herb Kim**, curator of TEDxManchester and chair of our panel, it is important to look back before making any predictions about the future:

"We've all read about the upcoming death of the office and while employees across the UK have adapted well to technologies such as Zoom, and there are undoubted financial and time benefits to remote working, I personally don't agree with such doomsaying. So, before we go on to look at the future of work, I'd like to ask how 2020 was for our expert panel?"

Katy Leeson, managing director of Social Chain UK - a business that works with some of the world's biggest brands and employs 137 people at its headquarters in Manchester, said:

"It's certainly been a tale of two halves – we ran into the first lockdown all guns blazing, a bit like a bull in a china shop because we knew we could work from home effectively. The second half of the year then really ramped up and business was stronger than ever, so my concerns switched entirely to our people. Not having the opportunity to physically bring people together has been difficult culturally.

"A lot of our workforce is also very young, and many have been working from their bedroom or sofa for almost a year now. The impact this has on individuals is huge. When I look back, some of the best relationships I have now are those I built at the beginning of my career when in the office. I made friends for life and I want to replicate that for our employees, but to do it I need to bring people back together in our office, in person. It's always been my goal to help young people build their careers in the best way possible, but the importance of that has become even more apparent."

This experience is one shared by **Andrew Cooke**, strategic director at Bruntwood Works. He said:

"Remote working was seamless for us, too – we already had the systems and processes in place. But the strain isolation has put on colleagues is clear. The connection you get through Zoom isn't comparable with face-to-face interaction.

"Behaviour has also changed, and that's impacted how we encourage people to come back into our buildings. We always knew hybrid working was going to increase, but the pandemic has almost acted as a nationwide social experiment that has supercharged this trend."

When it comes to behaviour, **Sir Cary Cooper**, President of the CIPD and Professor of Organisational Psychology at Alliance Manchester Business School, believes we need to take a further step back before we start to make predictions:

"For me, we need to look at what people wanted pre-Covid. It was flexible working. No one wanted 100% remote working – they wanted autonomy, and most didn't sign up for the level of remote working we saw in 2020.

> *"The death of the office has been compared to the death of the high street – and we've been hearing that phrase since 1996. We're in the middle of a pendulum swing and we don't know what the new normal is. Businesses need to stop making massive changes to their infrastructure until all of this is said and done. I don't believe we'll see normalised behaviour until at least 2022."*

Lara Marrero
Strategy Director at Gensler

"To try to predict the future of work, we also need to look at what is happening around us. The economy is at risk of a further recession. This will likely lead to an increase in presenteeism and I think we'll actually see more people wanting to come back into the office – they will want to get into the politics of work through fear of losing their jobs.

"Once we overcome these challenges, we'll head into phase two – but the office won't be 9am to 5pm, or 8am to 8pm as it is in the UK. We have the longest working hours in Europe and I think this will lead to more people working from home – except for younger generations and 'the box people' – those that live in small, city centre apartments and travel to work in the cramped conditions of a bus or a train. These people will need and want an office, but that office will change substantially."

While there is no doubt that how we work will change substantially, 'the death of the office' has become something of a sensationalist headline and it is **Lara Marrero**, strategy director at Gensler, that provides some much-needed perspective:

"The death of the office has been compared to the death of the high street – and we've been hearing that phrase since 1996. We're in the middle of a pendulum swing and we don't know what the new normal is. Businesses need to stop making massive changes to their infrastructure until all of this is said and done. I don't believe we'll see normalised behaviour until at least 2022."

The return to the office

In the weeks prior to Christmas we saw signs of a tentative return to the office - in the week ending 13th December 2020, the number of people working exclusively from home fell from 31% to 28%.

If the first lockdown had been shorter the changes might not have been so significant, but I do think they had been coming anyway. We were already designing our buildings for this change – we launched a £50million Pioneer project to evolve our workspace for a different type of working for this reason. The office and working from home are both key parts of every business' toolkit and we need to see the office as an opportunity to provide spaces and environments that you can't replicate at home"

Andrew Cooke
Strategic Director at Bruntwood Works

60%

Customers working across Bruntwood Works buildings were looking forward to returning to the office†

28%

Number of people working exclusively from home*

*ONS: week ending 13th December 2020

†Bruntwood Customer Survey 2020

This trend also mirrors the conversations we've had with our customers. We spoke to more than 2,000 people working across our sites in Birmingham, Cheshire, Leeds, Liverpool and Manchester after the first lockdown, and more than **60%** told us they were looking forward to a return to the office. But is this something others are witnessing too?

Addressing our expert panel, **Herb** said: *"Many have likened the coronavirus pandemic to us being in a period of wartime, and if this was a physical war then of course people wouldn't be commuting and travelling into the office. But once the war is over, they would return. So, do you have a sense that the return is going to be different this time?"*

For **Andrew**, there will be a clear shift in how the office will be used as people begin to return. He said: *"Yes, things have changed fundamentally. If the first lockdown had been shorter the changes might not have been so significant, but I do think they had been coming anyway. We were already designing our buildings for this change – we launched a £50million Pioneer project to evolve our workspace for a different type of working for this reason. The office and working from home are both key parts of every business' toolkit and we need to see the office as an opportunity to provide spaces and environments that you can't replicate at home".*

"You can't replicate collaboration and innovation, the serendipitous conversations you have from moving around an office, or the osmosis of learning within a team. For those people coming back into the office, it's all about connection, social interaction and flexibility. And of course, the inevitable hangover of health anxiety – so making sure our environments are safe and secure."

Andrew's point on connections is evidenced by the results of our customer survey. Almost a third (29%) of office workers miss their colleagues most when it comes to not being in the office, and this importance on human interaction is something **Lara** believes we also need to play close attention to - albeit from the perspective of how we spend our time. She said: *"If we look at the retail sector as a parallel industry, we had an age of efficiencies from the 1950s to early noughties and then we went into an age of experience until about 2018 – this centred on*

the double digital revolution, with many asking how we give people something extra in physical moments. But it didn't work. All this led to was a host of inauthentic experiences that were designed to pull people back into place, but that missed the most important thing for so many people - how their time is valued.

"Instead, we've moved into an age of belonging and now need to focus on creating value-based relationships with people. Brands have realised that authentic relationships matter, and we must ask ourselves if we're really taking advantage of the age of convenience? At the end of the day, the situation in the workspace industry is equivalent to the emergence of ecommerce. So, the real conversation is not about one or the other, but how remote working and being in the office can complement each other. We know what we can achieve with some more time working from home, but also the benefits we get when we're in the office. How does the workplace now pivot to accommodate workstyle and lifestyle?"

" *"The phrase 'we'll never need an office again' has gone full circle since the start of the pandemic. Many now crave being back in the office, for a range of reasons, including the social and business interaction it offers.*

Interestingly, as everyone has said, the redesign of space to provide a more social and amenity-led offering is not new – all that happened in 2020 is that landlords have repositioned workspace so social interaction and amenities concentrating on health and well being are now the focal point of the design and not an afterthought".

David Porter
Partner at Knight Frank

Herb added: *"In an ideal world, you could work wherever you want, whenever you want. But, of course, a physical office isn't an Uber. If you want to reap the benefits of a physical office you need to invest into making that space productive. While the pandemic has made us realise we're able to survive in a world demanding remote working, it's also perhaps made many of us appreciate the benefits of a great shared professional space."*

For **David Porter**, partner at real estate consultancy Knight Frank, the direction of workspace design has not changed - its development has just accelerated:

"The phrase 'we'll never need an office again' has gone full circle since the start of the pandemic.

Many now crave being back in the office, for a range of reasons, including the social and business interaction it offers.

"Interestingly, as everyone has said, the redesign of space to provide a more social and amenity-led offering is not new – all that's happened in 2020 is that landlords repositioned workspace so social interaction and amenities concentrating on health and well being are now the focal point of the design and not an afterthought".

" *In an ideal world, you could work wherever you want, whenever you want. But, of course, a physical office isn't an Uber. If you want to reap the benefits of a physical office you need to invest into making that space productive. While the pandemic has made us realise we're able to survive in a world demanding remote working, it's also perhaps made many of us appreciate the benefits of a great shared professional space.*

Herb Kim
Curator of TEDxManchester

The impact on work and people

While there is much to be said on how the office should be designed and used in the future, it is also important to look at the impact of a physical workspace, or lack of one, on those who use it.

David argues the office is a necessity, particularly for Millennials and Gen Zers - the age groups missing the office the most, according to our customer survey.

He said: *"For me the office provides the environment for younger people starting their career to develop by learning from others they work alongside. This cannot be replicated if they work mainly from home and ultimately they will miss out. There is no doubt flexible remote working is here to stay in a balanced way and rightly so. But we know that productivity has reduced from people working from home 24/7."*

For **Carolyn Hicks**, a director at Deloitte and member of the firm's Consulting practice, specialising in human capital, businesses also need to think about the work their people are doing, not just the space they're doing it in.

She said: *"Business leaders must ask themselves if the work they are doing makes their business meaningful, adds value to their customers and is delivered productively. This conversation about work is just as important as the space people work from."*
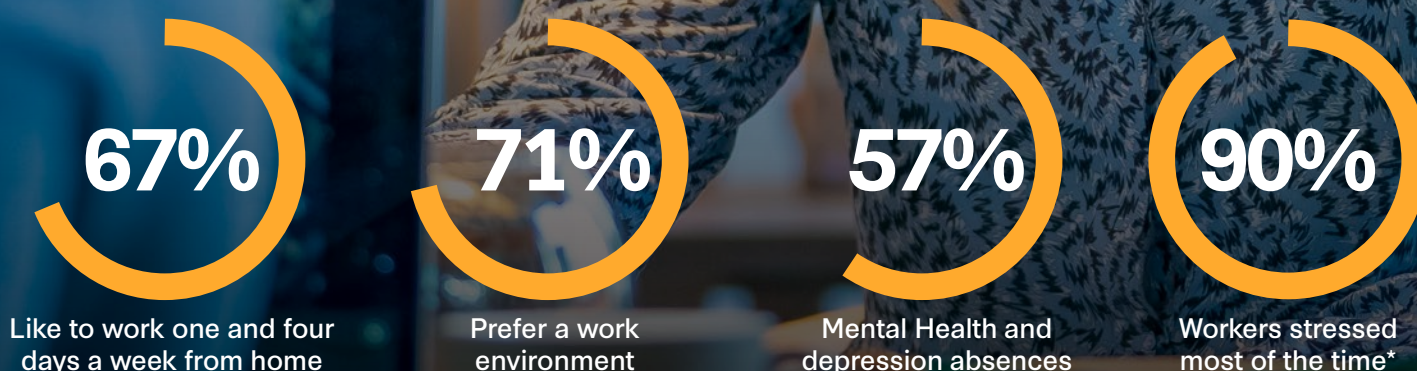
> **"**
>
> *For younger people, they also tend to be more productive as long as they can have an individual to link in to. While that doesn't have to be a physical connection, we know interaction is still really important – 71% of people prefer an open work environment because they want to be with people, and this is despite the current health situation."*
>
> **Lara Marrero**
> Strategy Director at Gensler

Employee engagement

Another theme that continues to emerge in the discussion is the importance of employee engagement - and the need for business leaders to ask their employees what they want from their workspace. **Lara said:** *"Every year we conduct a workplace survey in the UK, and we know people want this hybrid model – 67% of people would ideally work between one and four days a week from home. This puts a lot more onus and responsibility on the line manager, which really impacts how we work rather than where we work.*

"For younger people, they also tend to be more productive as long as they can have an individual to link in to. While that doesn't have to be a physical connection, we know interaction is still really important – 71% of people prefer an open work environment because they want to be with people, and this is despite the current health situation."

Sir Cary adds: *"The benefits of a hybrid model are clear. People who can work flexibly – not remotely – have fewer sick days and they're more productive. But, in the UK we fall foul to line managers. Most are promoted on technical ability, not their people skills, and this can have a big impact on teams. In 2019, 57% of sickness absences were related to mental health and depression, and until we tackle the line management issue this problem won't go away, even if we have the hybrid model."*

Against a pre-pandemic backdrop of stress in the workplace - a study in 2019 found **90%*** of workers are stressed most of the time - and one in three people attributing national lockdowns to burnout because they're working more hours at home, Herb asks: *"Has this year and a cycle of lockdowns accelerated the people problem?"*

Lara said: *"We need to spend more time coaching line managers on soft skills. In lockdown I didn't leave the house for three months and I was depressed. But I communicated this to my team and that vulnerability helped communications. We've all been in each other's homes, we've all worked through this together, so the idea about being able to have open and honest conversations about topics that used to be taboo is really refreshing. This is the reason we're supposed to talk, and if you want to be a leader right now you must remember that."*

Katy is also an advocate for authentic leadership when it comes to discussing mental health and the support available. **She said:** *"We've always been really open about mental health support and made it available to all our people. This year we've also noticed people re-evaluating what they want from their lives, so we've put in place counselling and development coaches for those that want extra support. The main thing we need to do as leaders though is listen and we've created a culture committee to ask exactly what our people want. As a leader, it's scary to open that up as there may be things you don't want to hear, but it's so important.*

"We're also looking at new ways of encouraging people to come in and experience the office in a different way. As part of that we're re-evaluating how we use our space for the benefit of our people – including subletting rooms to personal trainers and development coaches."

67%
Like to work one and four days a week from home

71%
Prefer a work environment

57%
Mental Health and depression absences

90%
Workers stressed most of the time*

www.hrdconnect.com/2019/02/08/new-studies-find-that-90-of-the-uk-workers-are-stressed-most-of-the-time

Innovation

The coronavirus pandemic and the switch to remote working has had a clear impact on people and, for some, their productivity, but what about creativity? In a recent speech, Andy Haldane, chief economist at the Bank of England suggested the decline in face-to-face interactions as a result of working from home was stifling creativity.

Speaking to our expert panel, **Herb** asked: *"Has remote working stifled the ability of your teams to innovate and taken away that watercooler moment?"*

For **Lara,** creativity is integral to her business. She said: *"We over programmed opportunities to innovate and be creative very early on in the pandemic. We found ways to share creative opportunities and by over communicating we had more seeds to grow from. There are tools that allow us to bring people together, and I actually think many people have really valued this time to be with their own thoughts without being interrupted."*

While a lot can be said for the benefits of technology in enabling people to collaborate virtually, **Katy** makes a strong case for bringing people together physically to drive forward new ideas: *"While we've had an opportunity to hear from different populations than we would do in the office through the power of technology, I just don't think you can be creative on a Zoom call. The most innovative and creative moments happen due to spontaneity – from those conversations you weren't expecting to have.*

"I've also realised how much not being together has impacted new ideas. We've struggled – being such a close-knit office and dealing with people's different waves of anxiety has really impacted creativity. I don't want it to be as forced as it has been over video."

This sentiment is echoed by **David**. He said: *"We struggled at first and it felt forced. But we became a lot more comfortable as people got more familiar with the technology. The majority of our business is done face-to-face, and while we've found a work-a-round for the time being, physical interaction and engagement cannot be replicated through technology."*

Ultimately, the arguments put forward by our panel support the hybrid working model, and as **Andrew** says: *"Innovation comes from a deviation from the norm and multiple voices – so we need to find ways to foster that by blending physical and digital."*

"

I've also realised how much not being together has impacted new ideas. We've struggled – being such a close-knit office and dealing with people's different waves of anxiety has really impacted creativity. I don't want it to be as forced as it has been over video."

Katy Leeson
Managing Director of Social Chain UK

Window to the future

It is clear from the arguments put forward by our panel that the office certainly isn't dead, but there is no doubt hat workspace will evolve.

That blend is so important. We need convenience and efficiency – spaces where work and lifestyle can come together."

Andrew Cooke
Strategic Director at Bruntwood Works

Here, **Herb** ascertains what that could look like. He said: *"For me, the thought of being chained to one desk at home or in the office, and having no variety, is fairly overwhelming. We've all had decades of experience in an office and I'd argue work in 1980 isn't that different to how it is today – yes, we've become increasingly digitised, but not much else has changed. When we talk about enabling flexible working, how do we think the workplace might change in the future?"*

Regardless of what we see develop over the next few months, **Carolyn** suggests we must be prepared for further change: *"We're closing some of our smaller offices and moving to a model of flexible office space. People will always have the option to go into a physical workspace, but we also know that whatever we start with won't look the same in six months. There is also a huge focus on wellbeing. When the overlay of the pandemic goes, I suspect we'll go back to some kind of normality with a blend of physical and remote working."*

This is a view shared by **David.** He adds: *"This is exactly what we're experiencing, and there is a big focus on mentoring to better support people. We're also seeing an acceleration of the core and flex model – so many more businesses are looking at a central head office with greater flexibility for their people through home working or a series of smaller, regional offices. This will introduce greater autonomy and the two separate worlds of home and work will adapt accordingly."*

For **Sir Cary**, it's not only where we work that will change, but how we work. **He said**: *"Before Covid we all led frenetic lives and now things are changing, drastically and quickly. We've had reflection time, a year of our own personal problems and time spent missing others. I really hope those in positions of responsibility start to take notice – people should come back together, and I believe they will. There will just be a question of how frequently as so many of us are used to working 60 to 70-hour weeks and this reset has almost become a dawn of wellbeing. It's made us reflect on work and life."*

Lara agrees that change is needed, but in order to deliver this change in a sustainable way she suggests we need to look further afield: *"If we want to make a systemic change we need to look beyond the workspace to the urban fabric of towns and cities in general. We are the architects of our own misfortune when it comes to the death of the high street and if you look at the future of workstyle, we know we are empowered by the devices that are in our hands.*

"I would ask why our lives are so segregated – there is a preconception that we should live here, work there and play elsewhere. This is not how we want to spend our time. We need to look at how we blend workspace and lifespace – leveraging the concept of a CSD, a central social district. We need to bring people together for more than just business and we need to open the door for people to create their own balanced lifestyles."

Andrew adds: *"That blend is so important. We need convenience and efficiency – spaces where work and lifestyle can come together."*

As **Lara** concludes, *"Ultimately, place matters. We still need that campfire moment. Whether we're a customer, a landlord, an architect or a psychologist – it's our responsibility to create spaces where people can develop and be happy."*

Key Takeways:
Navigating the new world of work

In hearing much from this expert panel, it is clear there is much to be considered when we look to the year ahead and contemplate what changes need to be made to our workspaces for the benefit of businesses and it's employees.

These are our key takeouts:

Relationships

Relationships matter, and the office provides the foundations for many of the best working relationships to be built.

Flexibility

Flexibility is key. There will always be a need for an office, but that need will change over time and business will evolve to offer people a blend of office and home working.

The Office

The office is the home of collaboration, and bringing people together it drives idea generation and supports important development opportunities.
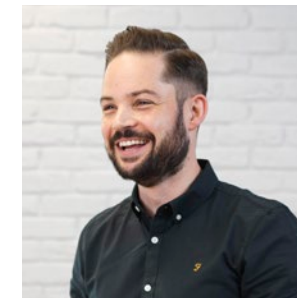
Generations

Different generations have different needs, and this is where the importance of strong leadership and line management comes into play.

Place matters

Place matters. We need to blend workspace and lifespace to bring people together for more than just business.
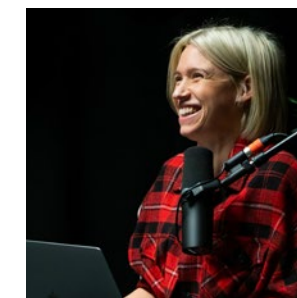
Advice from our experts:

"Listen and communicate.

Have two-way conversations with your colleagues and customers"

Andrew Cooke

"Ask, listen, implement.

Think about the future generation of your company"

Kate Leeson

"In terms of ideas, thoughts and new initiatives – the gloves are off, there are no rules now"

David Porter

"Understand your perspective isn't the only one. And remember that the purpose of a place is more important than ever."

Lara Marrero

"Look after those who need looking after and be kind"

Sir Cary Cooper

"Set your own boundaries. Some people are on a faster hamster wheel than they were before"

Carolyn Hicks

"Use this extraordinarily unusual period to consider and implement changes you've been putting of"

Herb Kim

bruntwood
Works

bruntwood/works.co.uk

BruntwoodWorks