

IS THIS THE END OF THE OFFICE?



NOVEMBER 2020

PAPER 2

FUTURE OF WORK DISCUSSION SERIES



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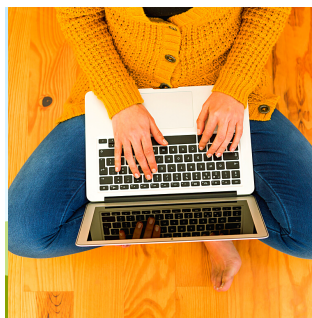


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INTRODUCTION

FUTURE OF WORK DISCUSSION SERIES



THE CORONAVIRUS CRISIS HAS BROUGHT THE “FUTURE OF WORK” TO TODAY, WITH CHANGES WE HAVE BEEN INCHING TOWARDS FOR YEARS ARRIVING OVERNIGHT.

100% Human at Work is a global collective of businesses seeking to catalyse a future of work that serves humanity and the planet.

Founded in partnership with The B Team and Virgin Unite, the initiative now counts over 450 organisations worldwide as part of the community.

In this series of papers we will look at the ways in which work has been, and is changing. We will try to understand some of the impacts the changes might have in the long run, and assess ways in which we might rethink the world of work going forward.

With so many conversations about what the ‘new normal’ might be, we want to challenge you to seek transformative change and new ways of working that create a better world.

Lockdown has changed the world of work. It has broken down the barriers and objections to remote working overnight and it has sped up the rate of automation. Alongside this, a light has been shone on the value of the care economy, we have come to understand who the essential workers are in society and the precarious reality of those in the casual workforce.

Over the past months we have been speaking with companies around the world to understand what has changed, how they are dealing with it and what the world of work might look like going forward. We see an opportunity to

understand the changes that were made, what we can learn from them and what we want to keep.

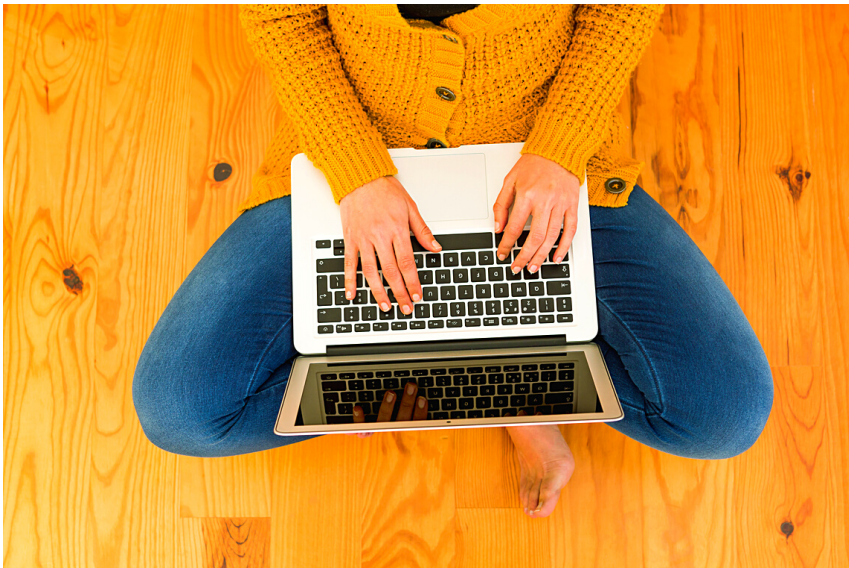
In this second discussion paper we will take a look at the future of the office.

Our aim is to spark a conversation, and we would love to hear your input and thoughts.

To find out more about the 100% Human at Work initiative, or to share your thoughts and experience around the future of the office please contact us via 100%human@virginunite.co.uk

IS THIS THE END OF THE OFFICE?

LOCKDOWN HAS MEANT A SHIFT TO WORKING FROM HOME FOR MANY PEOPLE, AND IT IS LOOKING LIKE THIS SHIFT TOWARDS MORE FLEXIBLE WORKING WILL BECOME PERMANENT BEYOND THE CURRENT CRISIS.



IT HAS BECOME VIRTUALLY IMPOSSIBLE TO ARGUE THAT HOME AND REMOTE WORKING DOES NOT WORK.

Organisations are reporting consistent levels of performance and productivity, and in some cases higher levels of job satisfaction [1].

Personal and working worlds have been significantly blended in the last few months, with children and pets interrupting conference calls no longer deemed unprofessional. Organisations have been forced to understand that their employees are human beings, with a mixture of responsibilities beyond their jobs. However, a more blended work and home life can lead to a 'never off' culture for employees, which employers need to be mindful of.

Many businesses are currently focused on creating a safe physical space for staff to return to, rightly prioritising physical health concerns. However, the largely successful shift to remote working is inevitably leading to conversations around whether we actually need to return to the office in the mid to longer term at all.

A recent Global Workplace Analytics report in the US showed an average saving of \$11,000 per part-time role that is converted from physical to virtual [2], so there is definitely a financial incentive for companies to have a rethink. Alongside this, before coronavirus there was growing evidence that remote working can make employees feel happier, more trusted and more loyal towards their companies [3], with up to 77% of employees reporting increased productivity [4].

A NEW VISION

BUSINESSES WE HAVE SPOKEN TO AREN'T RUSHING TO ONE EXTREME OR THE OTHER, THEY ARE FOCUSED ON DEVELOPING A MORE BLENDED APPROACH.



Most organisations we have engaged with recently are focused on increasing the options for flexible and remote work, whilst keeping the general concept of an office but in a reimagined form.

We have seen plans for offices that are more like clubhouses, with spaces for staff to come together to collaborate and exchange ideas, with deep work happening remotely.

With predictions of a migration from larger cities starting to emerge in some places, some organisations are looking at extending remote working and creating regional hubs where staff can meet and spend time, losing the idea of a head office in a major city.

A PwC survey of US CFOs suggested that 54% plan to make remote work a permanent option [5].

Some announcements by organisations so far include:

- Barclays reviewing their need for large offices, foreseeing significant changes to their location strategy including flexible working becoming the norm, and potentially a de-centralised approach with local branches becoming satellite offices [6]
- Knight Frank taking a human-centered approach to reoccupancy, and looking at different workspace models [7]
- Many large companies announcing that most employees can continue working from home until the end of the year, including Google, Facebook, and Royal Bank of Scotland [8]
- Twitter announcing that most employees can work from home forever [9]



UNINTENDED CONSEQUENCES

CONSIDERING UNINTENDED CONSEQUENCES WILL BE A CRITICAL SUCCESS FACTOR AS WE THINK ABOUT THE FUTURE OF THE OFFICE



There are certainly strong arguments that home working and a more flexible approach to work have positive impacts.

Many no longer face a daily commute, giving them more family and personal time and keeping them off crowded public transport.

The last few months have shown that with modified hours those with childcare and other caring responsibilities are still able to work. The opportunity to work more flexibly and remotely can also enable those with mobility issues or other disabilities greater access to job opportunities.

In the past we have encountered organisations denying employees promotions to management roles if they are either part time or work remotely - it is definitely now clear that being a manager does not require full time presence in an office.

However, before we rush to ditch the office it is important to think about the broader impacts of going remote, and potential unexpected or unintended consequences of a move towards greater remote working:

- Despite being more tech savvy, recent research has suggested that **younger workers** may be struggling with remote working more than older workers - feeling disconnected and missing being around their teams. One factor impacting this may be the loss of the day to day learning that happens naturally in the office, which is particularly critical for those earlier in their careers [10].
- Home working has the potential to have a negative impact on **social mobility**. Whilst home working is often a benefit for those with home offices and high speed internet, it could make work virtually impossible for those sharing crowded living spaces with others, without adequate internet. In many ways the office provides a level playing field in which everyone can do their best work.

A recent US survey by WayUp found that 48% of **Hispanic/Latino and Black/African American** graduates fear increased home working as they lack access to high bandwidth internet and live in confined or distracting environments [11].
- Whilst there may be positives for **gender equality**, research and thought pieces are highlighting the often uneven distribution of childcare responsibilities when people are working at home, with women far more likely to have their work impacted. Alongside this, the economic impact of the pandemic is already hitting industries in which women are over represented [12].
- It is important to remember that the office is also a safety zone for some. Three weeks into the UK's lockdown, calls to the National **Domestic Abuse** helpline were 49 per cent higher than normal. It is vital to consider how employers support team members who may not have a safe home environment [13].
- Home working is easier for **introverts than extroverts** and for those more engaged with their jobs, both factors that may impact the effectiveness of remote working for some [14].

QUESTIONS TO ASK

WHILST GREATER LEVELS OF REMOTE WORKING SEEM INEVITABLE, MANY OFFICES ARE NOW GOING THROUGH THE PROCESS OF REOPENING. CURRENTLY BUSINESSES WE ARE SPEAKING TO ARE ASSUMING THERE WILL BE A MIXED MODEL GOING FORWARD, WITH MORE REMOTE WORKERS BUT STILL HAVING A ROLE FOR AN OFFICE.

HERE ARE A FEW AREAS YOU MIGHT NEED TO THINK ABOUT AS YOU NAVIGATE THIS SHIFT:



SUPPORTING EMPLOYEES WITH ANXIETY AROUND REENTRY

As previously mentioned, many companies are focused on the physical return to work (including the commute) and the safety challenges presented.

This is of vital importance, however it is equally important to think about employees' emotional and psychological health. Most of us are feeling anxiety and uncertainty right now, and some employees are rightly worried about what a return to the office might look and feel like.

Any successful move to bring employees back to the workplace needs to address employee anxiety and support people through the process of returning. Whilst Employee Assistance Programmes will play a part in this, there is also a need to consider other support available in-house on a day-to-day basis, building awareness and sensitivity and ensuring employee concerns are dealt with.

In a Harvard Business Review article on helping employees manage re-entry anxiety, Sarah Clayton and Anthea Hoyle identify key things employers can do to help, including prioritising employee wellbeing, reassuring employees they will be put first, communicating well, training leaders, managers and others to have the emotional skills to lead and support teams through uncertain times, and continuing to offer as much flexibility as possible [15].

Interestingly, whilst we are seeing a drive from many governments to bring people back to the office (when and where there aren't further waves of infections), many CEOs are taking their own approach and being more cautious, to reassure and protect their workers [16].

QUESTIONS TO ASK



KEEPING THE COMPANY TOGETHER WHILST APART

During lockdown employees have been in the same situation as one another, it has been a big change to work remotely but everyone has been in it together. In fact many companies are reporting that their employees feel more connected to the organisation and each other than ever before.

Over the last few months employers have been forced to think more deliberately about how to communicate and connect. It will be important to continue getting this right when some people are in an office together and others are working remotely.

Will businesses be able to keep up this level of engagement, and will remote workers feel less connected when some of their colleagues are in the office? How will your business ensure that you don't revert to old habits where those who are present in the office are more 'seen' and exposed to more opportunities?

PAY

As we have previously discussed, some organisations are moving to a permanent work from home set up for those that want it. We have also discussed a greater desire to live outside major cities. If work does not tie you to a central office location, feasible options for relocation greatly expand.

Earlier this year Facebook announced that they would adjust salaries for employees based on location, which will mean pay cuts for many moving to cheaper areas. Whilst pay has traditionally been adjusted to reflect location, this has been linked to the need to be physically present at an office in that location. Facebook's announcement has drawn criticism, with many arguing that a move like this would result in fewer people opting to work remotely [17]. If people are doing the same role and adding the same value to the business, should they be paid less? No doubt this is something organisations will need to grapple with over the coming months.

It will also be vital to think through issues of equal pay, talent attraction and retention of top performers in the new set-up. Crucially, any decisions around approaches to compensation should support the delivery of organisational goals and not run counter to them. It is going to be vital for employers to be clear with employees from the outset, as trust and fairness have surfaced as lenses through which employers are being judged since the start of the pandemic.



QUESTIONS TO ASK



CULTURE, COMMS AND LEARNING

Formality in the workplace has long been dissipating and Covid-19 has accelerated this - it becomes harder to be formal when you have seen children interrupting meetings, or errant kittens destroying furniture in the background.

All organisations are dealing with an unprecedented situation and trying to navigate new ways of doing things every day.

As a result of both of the above, we are hearing that many employers have taken the approach to increase the frequency and variety of internal communications, with a real focus on transparency and authenticity.

However, we also know that interactions have at the same time become more transactional - we've lost those water cooler moments, the chance encounter in the stairwell where a new idea is discussed, the overheard conversation that helps connect the dots.

Linked to this, we are hearing anecdotally that teams feel less able to support one another and jump in at busy times, as being physically separated means fewer opportunities to pick up on team members who really need a helping hand.

In the 70:20:10 model of learning, only 10% of organisational learning comes from formal interventions. It is difficult to quantify just how much informal learning is being lost.

In making decisions about remote working going forward it is vital that we assess the extent to which organisational culture and learning opportunities might be lost, and mitigate against that.

It will also be crucial to keep communicating very deliberately with our teams, focusing on regular, open and honest communication, particularly where we have a mixture of in-office and remote workers.

Employers will need new ways for employees to give constant feedback to the organisation, and how we assess performance will need to focus on outputs where previously this would have often been influenced by hours worked and availability.

In a world of increased remote working, line managers will be critical. They will need to be available to answer questions, remove roadblocks and pick-up on the emotional wellbeing of their reportees. Organisations will need to ensure all managers are supporting and enabling remote workers, and be proactive in working through any challenges.





QUESTIONS TO ASK



TECHNOLOGICAL SOLUTIONS

Increasingly and understandably companies are looking for technological solutions to support their remote workforce. These range from learning and development solutions to performance management tools, employee engagement platforms and others.

These will clearly be critical tools, but it will be important to assess the right ones for your organisation through the lens of your values and purpose, to ensure they are the right fit and will support your values and ethos rather than undermine them.

THANK YOU FOR TAKING THE TIME TO READ THIS DISCUSSION PAPER. WE WOULD LOVE TO HEAR ANY THOUGHTS OR IDEAS YOU HAVE ON THIS SUBJECT.

OUR FIRST DISCUSSION PAPER, ON TACKLING THE ROOT CAUSES OF MENTAL HEALTH ISSUES IN THE WORKPLACE, IS [HERE](#), AND WE WILL BE ISSUING FURTHER DISCUSSION PAPERS IN THE COMING MONTHS. IN THE MEANTIME PLEASE FEEL FREE TO GET IN TOUCH VIA 100%HUMAN@VIRGINUNITE.CO.UK.



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