



Global | July 2020

Research

# COVID-19 IMPACT: offices will find a new purpose

Workforce insights on human performance



## The COVID-19 pandemic has upended work and office life, becoming a powerful catalyst for workplace change

Within a matter of weeks, the coronavirus crisis forced much of the global workforce to embrace remote working. By the end of April 2020, 71% of employees in JLL's survey worked from home because of lockdown. With the vast majority of employees (bar those providing essential services; i.e. in healthcare and public sectors) working remotely<sup>1</sup>, the pandemic has put remote working to an unprecedented and gigantic test. It has also rapidly accelerated the pace of workplace transformation that would have otherwise taken years to materialize. This sudden and extreme shift has raised many questions about the sustainability of this new way of working, particularly in terms of workplace productivity. More fundamentally, it has led many to query the role and purpose of physical offices in the future.

Our research, involving over 3,000 employees from diverse industries across the globe, demonstrates that physical offices will remain critical in ensuring organizational success in the post-pandemic world. It also highlights imperatives for optimizing remote workers' experience and enhancing human performance and productivity in the future workplace.

While it is tempting to deal solely with the immediate implications of social distancing, organizations have no choice but to prepare for the long-term impacts of the pandemic. To thrive and flourish in the future, it is essential they put human performance at the core of their real estate strategy, and that they rethink this with - and for - their employees. Rather than simply reverting to ways of the past, future-fit and responsible enterprises will seize this opportunity to reinvent the role their offices play in fostering collaboration and productivity, and in creating a better human experience for their talent.

### Three imperatives for post-pandemic offices:

- 1. Working Remotely: From surviving to thriving**
- 2. Rethinking the office as a social hub**
- 3. Providing highly personalized and human experiences**

<sup>1</sup> Not all countries had introduced lockdown measures at the time of our survey. This includes Germany, Japan, Australia and parts of China where working patterns and many businesses were still operating as normal. In the countries under lockdown, the proportion of employees going to their usual place of work was comparatively high in healthcare (34 %) and public sector (45 %)





## Tomorrow will be about defining the perfect mix

Our research reveals that in-office work and remote work are complementary when it comes to achieving human performance. Each way of working brings its own value, but neither can replace the other. In the post-pandemic workplace, combining and leveraging the best of both will become the ‘new normal’. Across that journey, the challenge for all enterprises will center on establishing the right mix and balance between the different settings and working patterns.

- **No one-size-fits-all.** This mix will have to be built taking into consideration the culture of each company and the underlying trends within its industry. It will require an in-depth understanding of a company’s talent profiles and expectations. It will also depend largely on the extent to which each role can be carried out remotely. In this quest, technology and new metrics will play a pivotal role in monitoring and adapting to emerging modes of working.
- **Hybrid model & choice.** Corporates will have to redefine their real estate footprint in order to make the best of each world: home-offices, coworking places, satellite offices and the HQ. The future footprint will be a hybrid model, leveraging

distributed and liquid spaces. It will include ‘Core & Flex’ – a combination of long and short-term engagements, as well as urban and suburban solutions.

- **Elastic workplace but single community.** As they move to an elastic workplace, companies will have to redesign the workplace experience, ensuring that collaboration is fluid between remote and on-site staff. Continuity will be needed so that employees feel part of a shared community. Managers will become coaches, promoting connection and belonging, while offices will become a destination, endorsing a social and cultural purpose.
- **Responsible enterprise.** In that quest for human performance, the focus will be put on being a responsible employer and occupier. Beyond providing a sense of safety and security, corporates will have to design a more human and engaging workplace anchored into strong values. This will be key to bridge the trust gap that emerged with COVID-19. In the post-pandemic era, this will be a differentiating factor to attract and retain a workforce in search of a better world of work.



## 1. Working Remotely: From surviving to thriving

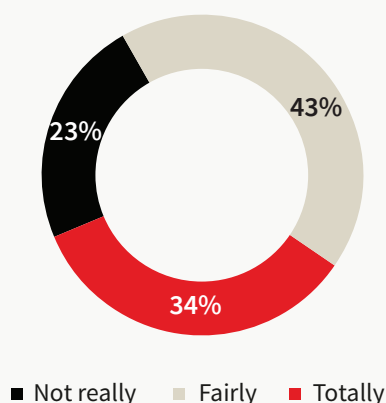
The global work-from-home experiment has given companies the opportunity to learn what hampers - and boosts - productivity among remote workers. Our survey reveals that the quality of a person's home surroundings, alongside their technology set-up, has a major impact on remote productivity.

### Remote working has major drawbacks

Just as COVID-19 has accelerated the trend for remote working, it has also exposed its limitations and productivity challenges. The pandemic forced companies to adopt new technologies at a faster rate to ensure that their critical processes and work

activities could continue remotely - aided by the vast improvements in internet connectivity and video capabilities seen in recent years. In fact, the majority of employees (77%) stated that they were equipped with the basic technology they needed to work from home. However, we also discovered that 1 in 2 employees did not feel so productive at home, suggesting that not everyone is thriving in this new reality. Many employees were not used to working from home - at least not for an extended period of time - and struggled to be as productive.

**Figure 1: Technological empowerment was key in enabling the massive switch to home-working**

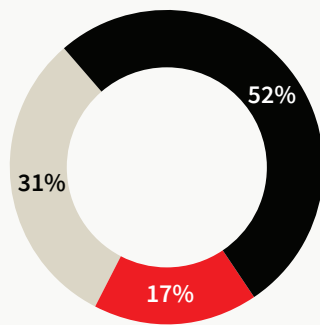


**77% of employees felt tech-ready to work remotely**

Did you have all technology resources to work from home remotely? (laptop, cybersecurity, distant collaboration tools and dedicated training, virtual documents...)

Sample: Had to work from home n=2115

**Figure 2: Gains in technology were not enough to offset the effects of working from home on productivity**



**Only 48% felt more productive at home**

- Much more productive
- Fairly more productive
- Not really

To what extent did you feel more productive when working from home (in comparison with working from the office)?  
Sample: Had to work from home n=2115

**Highest levels of productivity found among...**

|                                |     |
|--------------------------------|-----|
| Tech workers                   | 59% |
| Banking professionals          | 57% |
| Young professionals (aged <35) | 54% |
| Managers                       | 51% |
| Women                          | 50% |

**Tech empowerment emerges as a significant booster of productivity**

Employees who felt tech-ready to work remotely were three times more productive than those who did not feel properly equipped: 65% of workers with the right equipment felt more productive at home, compared to only 21% of those without.

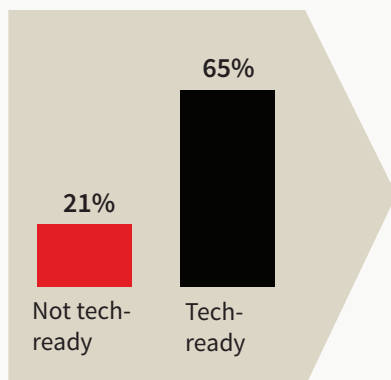
- Productivity was significantly higher among employees with access to a set of advanced tools to manage work, information and relationships at a distance. The biggest productivity gains were

found among workers equipped with immersive and business intelligence tools.

- On the contrary, readily available tools (e.g. email, smartphone, laptop) made little difference to productivity levels and were considered part of the 'basic' set-up. While equipment like this may be vital to getting work done and surviving remotely, it did not really enable employees 'to run the extra mile' in terms of performance.

**Figure 3: The right technology vastly improved employee's productivity while working at home**

**Percentage who feel productive according to their technology readiness level**



Productivity is **3x higher** among tech-ready employees

Q25 To What extent did you feel more productive when working from home (in comparison with working from the office)?  
Sample: Had to work from home n=2115

**Largest gains in productivity due to these technologies:**

|                        |      |
|------------------------|------|
| Immersive (VR, AR, MR) | +14% |
| Business Intelligence  | +13% |
| Project Management     | +11% |
| CRM                    | +10% |
| L&D                    | +9%  |
| Social networks        | +7%  |

## Quality of the home environment was crucial in people's ability to function remotely

Like technology, the quality of a person's home environment also has a major impact on their ability to be productive while working remotely. Indeed, huge inequalities and disparities in living standards exist within society and the workforce, which even the best technology cannot overcome. Our survey reveals that adapting to the sudden switch to remote working has presented challenges for everyone, but it has been especially hard for those living in environments that are not conducive to getting work done.

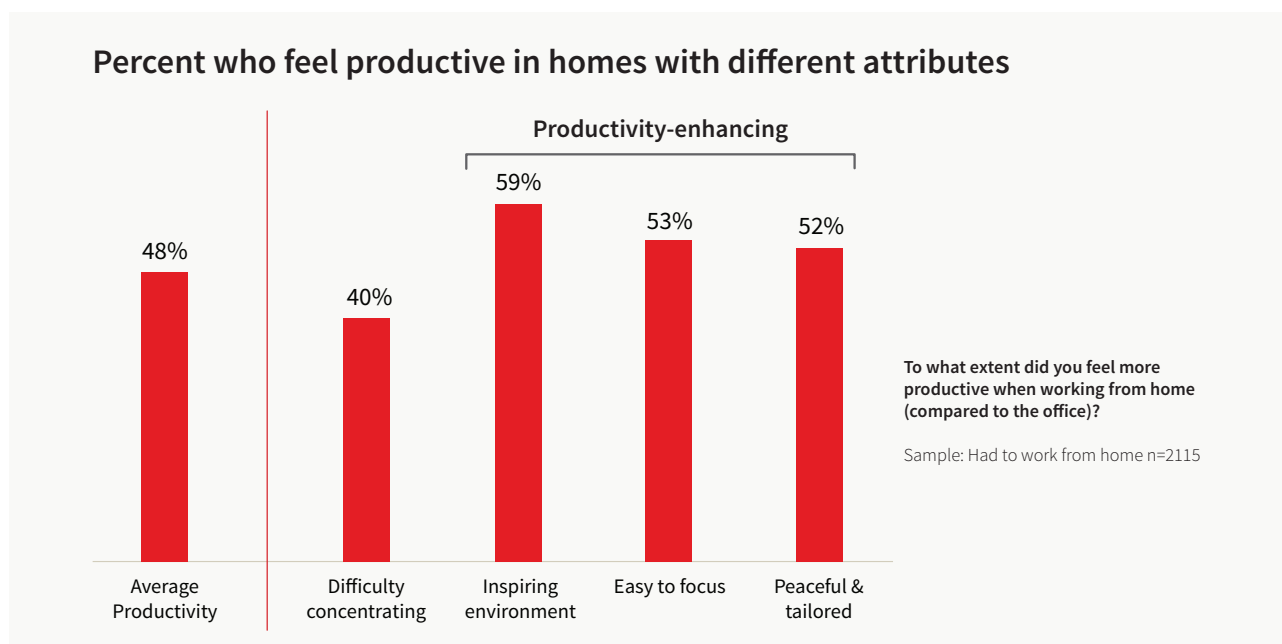
- The lack of a professional environment was felt by 1 in 3 employees and was the second most important reason for missing the office.

- 1 in 5 missed an ergonomic workstation.

This was more common among young professionals (under 35), often living in urban areas and less able to afford accommodation with the space and amenities vital for successful home-working. On the other hand, those employees able to enjoy a more peaceful, inspiring and quieter home-setting felt substantially more productive.

- Productivity reached higher levels among people with access to an inspiring home environment (59%), a peaceful atmosphere (50%) or somewhere easy to focus (53%).
- By contrast, productivity was considerably lower among employees who found it difficult to concentrate at home (40%).

**Figure 4: Productivity was heavily impacted by the suitability of employees' homes**



## Young Professionals

More than the other generations, employees under 35 lacked a comfortable working environment and missed the following:

- An environment where they can focus;
- An ergonomic workstation;
- The ability to work in different spaces.



### Employers' new responsibilities

These findings demonstrate how employers' responsibilities to provide a good work environment have now extended to new territories. In an increasingly distributed and diverse workplace, it will be their role to level the playing field and equalize working conditions - in the office of course, but also outside the company's walls:

- In the future, companies will need to help their employees create more effective home-working environments; for example, through financing an ergonomic workstation or a double screen.
- Companies will also need to consider providing access to alternative places of work. This may include coworking spaces or satellite locations near where employees live. Not only will this ease the burden of the daily commute, but it will also offer them a change of scene and a vital anchor in an increasingly digital world. This will be key to helping re-establish the boundaries between employees' personal and professional lives, which is a common challenge for home-workers as indicated by 29% of employees surveyed.





## 2. Rethinking the office as a social hub

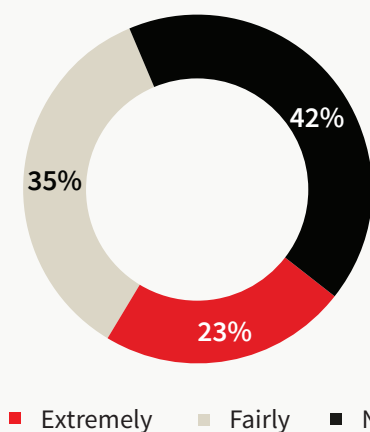
Lockdown has highlighted the central role of workplaces and office life, especially in the knowledge economy. Our research shows that, now and in the future, an organization's success and ability to innovate will still largely depend on face-to-face interaction, in-person collaboration and serendipity. What's more, most people either can't, or don't want to, work entirely remotely. Therefore, the office will remain an irreplaceable source of human connection and inspiration and a place where conditions are ripe for innovation.

### **Almost two-thirds of employees missed their office**

Indeed, our survey discloses that most employees (6 in 10) missed their office substantially during lockdown. This plays out differently across

demographics and industries. Tech workers (69%) showed a greater longing to return to the office, probably reflecting the exciting workplace quirks and amenities that the tech industry has become known for. A higher proportion of young professionals also missed their office (65%) compared to other generations. They felt less supported by their managers and struggled to contribute in the same way that they have previously. These findings demonstrate that both in-office and remote work, and in-person as well as digital interactions, must form complementary components of the future workplace.

**Exhibit 5: The majority of employees missed working in the office**



**58% of the employees have missed their office substantially**

**To what extent did you miss working from the office?**

Sample: Had to work from home n=2115

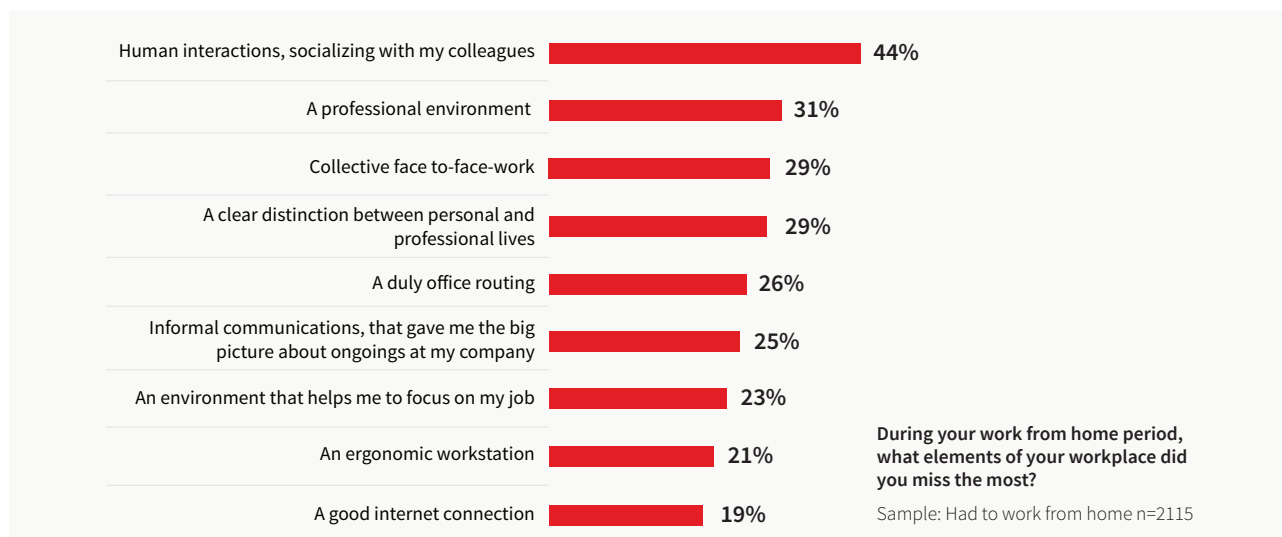


## Employees missed human interactions the most

The top reason for missing the office, cited by 44% of employees, was the social connections. It is the human side of offices that people have missed above all. Virtual tools have done an excellent job in ensuring work still happens fairly productively, but they were not able to fully replace the human interactions that come from being in the office. Employees surveyed

said they missed face-to-face work (29%) and informal communications (25%). This highlights the limits to an increasingly 'touchless' world while demonstrating that a substantial part of work and our relationships cannot be maintained purely remotely. As social animals we need physical places where we can relate to others, share ideas and feel part of a living, breathing community.

**Figure 6: Employees missed the human interactions within the office**



## Offices revealed to be critical to anchor corporate culture

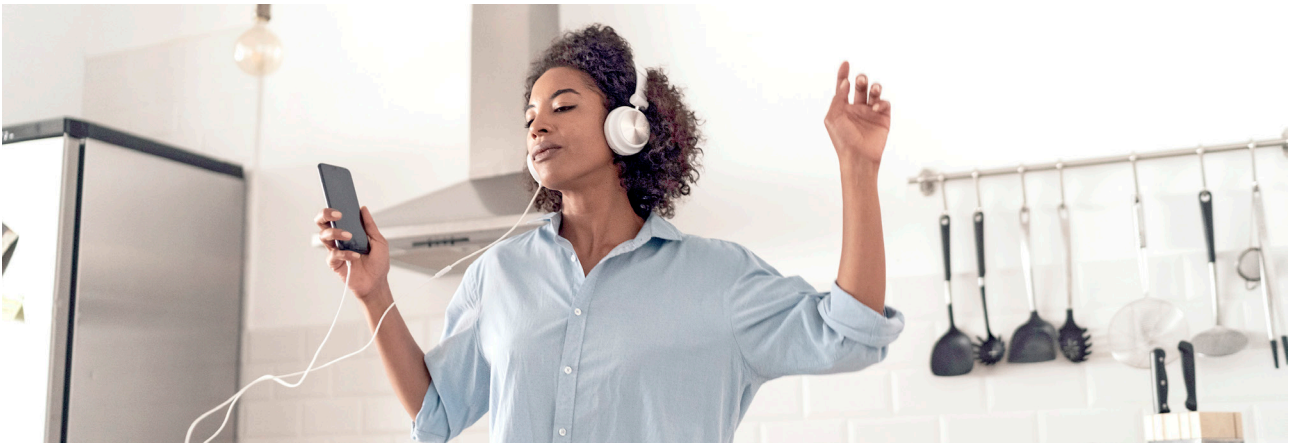
Interestingly, our survey disclosed a strong correlation between the strength of workplace culture and the degree to which employees missed their usual place of work. Employees who felt anchored into a strong workplace culture (viewing colleagues as a second family or feeling a high sense of purpose and meaning) missed the office more than the rest.

This data tells us that even for organizations that had established a tightknit community, technological advances were not able to replace the rich and dynamic human interactions that occur in real life and 'off-screen'. This underlines the value of convivial and spontaneous moments that happen so easily in an office but remain infrequent in the digital world. Moving forward, offices will need to adopt this broader purpose - because without a physical anchor there is a

real danger that corporate cultures and communities will erode over time, with grave consequences for workforce performance and satisfaction.

In this sense our research demonstrates that the rise of remote working will not be the death of the offices, but rather an opportunity to redefine its purpose. Post-pandemic, physical workplaces will be more important than ever, but will simply embrace a different role and purpose than they once had. They will be reinvented to leverage the best of in-person and remote work.

In the future, fewer employees are likely to go to the office purely to carry out individual tasks. Offices must therefore evolve into places that foster social capital, culture and co-creation. Workplaces will become social hubs that create value through community and collective experiences, rather than through aggregating individual contributions - that's where the value-add of offices will lie looking ahead.



### 3. Providing highly personalized and human experiences

Although the widespread and sudden shift to remote working has not been without its challenges, for many employees it has also had its advantages and led to changes they have desired for some time. While working from home, employees felt more in control of their daily lives and time. Liberated from long commutes, many enjoyed having more freedom, autonomy and trust, as employers had no choice but to embrace new ways of working in the unprecedented circumstances brought on by the pandemic.

When asked what they enjoyed most about working from home:

- 49% cited less or no commute
- 45% more flexible hours
- 31% greater work-life balance
- 20% performance based on results or output, rather than physical presence in the office or the hours they work

In the end, working from home offered employees greater opportunity to meet their work and life commitments. This is true even for middle-aged workers (between 35 and 50) who are typically

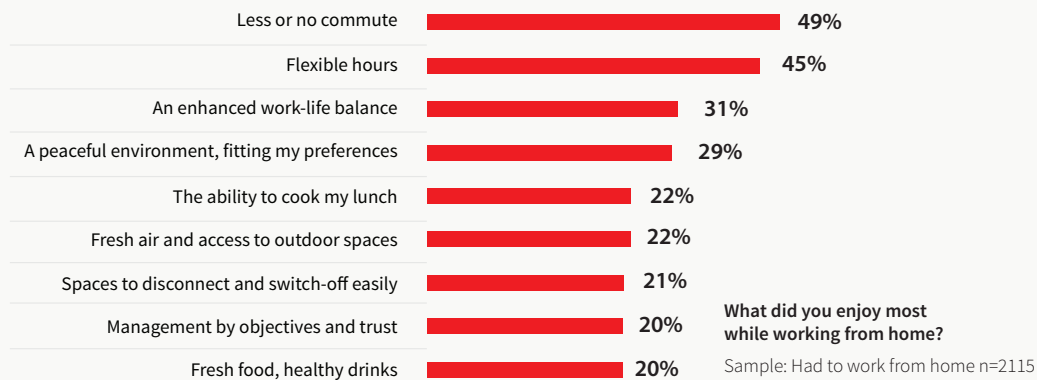
parents: these employees said they enjoyed the greater flexibility of balancing their personal and professional lives over other age groups, even though juggling work and schooling was exceptionally difficult.

#### **Flexibility and empowerment will become the new imperatives**

In the post-pandemic world of work, organizations should prepare for a permanent rise in employee expectations. Many workers will not want to lose the new rights and freedoms they have experienced during lockdown, and the crisis will accelerate the need to provide talent with greater flexibility, autonomy and remote-working options. Organizations will need to make decisions about which tasks and activities can be carried out remotely, and to what degree.

The most likely scenario is that many roles will require some combination of remote and in-office work. This could be a winning proposition for both employers and employees, with profound effects on workers' quality of life and on the employers' ability to access new pools of talent with fewer locational constraints.

**Figure 7: Employees enjoyed the flexibility but also the human touches of their home environments**



### Offices will give people invaluable structure and will have to incorporate human touches

Our survey also revealed how office life helps bring structure to our day. Many employees struggled with working and living in the same space. As work and home life became merged into one unit, people found it harder to establish healthy routines without a dedicated workspace and set working hours, and to 'switch off'. Interestingly, the better work-life balance enjoyed by some did not come without its costs. In fact, over one-quarter of employees (29%) missed the distinction between their work and personal lives, as well as the daily routine that comes from working in an office (26%). Over time this can seriously impact employees' well-being, and in extreme cases can result in burn-out.

To attract employees back to the office, workplaces will need to import some of the home comforts they've become used to during lockdown. Our survey shows that employees have enjoyed many of the human and personal touches that are more typical of home settings. 1 in 3 employees enjoyed a peaceful

atmosphere tailored to their needs, while 1 in 4 appreciated being able to do more home-cooking or to go outside or into another room within their home to relax or seek inspiration.

In the future, workplaces must become more human-centered. This might mean introducing more relaxed dress codes and soft furnishings to make spaces cozier. Companies will need to offer more personalized spaces and services that can be bespoke to peoples' preferences - whether it is sustainability, wellness or technology solutions. More than ever, health and well-being amenities will be key.

In the end, standardization will give way to greater humanization of space. Variety and choice will be paramount, but so will opportunities to switch off - which can be hard to do when working from home. To justify its existence, the physical office will evolve into a place that increases the feel-good factor and is a deep source of inspiration. Those organizations that get it right will create a better experience for talent and improve collaboration and human performance.

#### Methodology: major survey spanning 3,000 employees globally

- Online survey conducted at the end of April 2020
- 10 countries
- Spanning all industries
- 70% employed by multinationals; 30% by small to medium-size enterprises
- 58% male; 42% female
- Aged 18 - 65+
- 50% managers; 50% individual contributors





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