How Tech is Helping Companies Optimize a Hybrid Future

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Executive Letter

In a hybrid workplace, flexible work options will enable some to continue working remotely while allowing others to either work in the office or shuttle between both. Further, the post-Covid office will need to be redesigned with a focus on safety and hygiene. These are undoubtedly radical changes. But just as technology kept the world running amidst physical restrictions, it equips organizations with the tools to transition to a hybrid future. How do you successfully operationalize hybrid work? Who should be in the office and when?

How will this impact office space needs—and office design? How will it affect employee experience, occupancy rates, and real estate portfolios? These are some of the key questions facing organizations as they look to implement this workplace strategy. However, a hybrid work model isn't just simply allowing half your employees to work from home once a week and asking the other half to come into the office. To reap its many rewards, a successful hybrid work model needs to be carefully thought out, ensuring your employees can work efficiently and collaborate effectively. When done right, the benefits of a hybrid workplace extend far beyond mere convenience.

We inhabit two worlds today, the physical and the digital. As companies reopen offices, they must find ways to balance the two. History suggests that investing in one's business during a recession ensures that it will thrive when the tide turns. This is such a moment.

A hybrid work model can significantly increase your organization's productivity, position you as an employer of choice, and help you to attract and retain the best and brightest in your industry. Many companies are discovering, to the benefit of both their company and their employees, that smartly managing a workforce that divides time between the office, home, and other locations is the sweet spot.

In this report, we have explored the crucial facts and perspectives surrounding hybrid working.

Sincerely,
Dinesh Malkani
Founder & CEO
Smarten Spaces

Introduction

There is no denying that we are in an unprecedented period of transformation for the world of workplace strategy. The COVID-19 outbreak served in many ways as the exclamation point at the end of two decades of radical upheaval in how people work. All of the individual conversations and themes surrounding workplace strategy, such as remote work, open-plan offices, and workplace wellness, have coalesced into the single unified theme of hybrid working.

Hybrid work, where employees are empowered to make some of their own working arrangement decisions, seeks to provide a host of benefits while increasing overall efficiency for workers and managers alike. Hybrid draws from the best examples of open-plan offices to provide lounge-like working space and collaborative areas, and leverages technologies like wayfinding and space booking to ensure that workers always have access to the desks or conference rooms they need.

But despite the conversations surrounding hybrid work, there is still much ambiguity into what exactly hybrid offices should provide and how they should go about providing it. In this report, we provide clarity into these questions and give occupiers answers to some of their biggest hybrid questions.

Executive summary

We begin this report by focusing on the highest occupier priorities when it comes to hybrid work. In short, occupiers demand four main themes from their hybrid offices. First, flexibility as a core component of operations, both for management and employees. Second, the ability to provide employees with the spaces and tools they need to remain efficient, collaborative, productive, and successful regardless of whether they work from the office one day a week or five.

Third, occupiers demand a supportive context for improving employee wellness and reinforcing company culture. This means not only health and safety for all space users but also things like supporting mental wellbeing, fostering community, and providing healthy transit and commute availability. And finally, all of this needs to be provided in a cost effective way, especially in comparison to pre-hybrid, pre-pandemic overhead costs.

After discussing hybrid office occupier priorities, we move on to discuss the strategies and tools that help occupiers attain their hybrid goals. In that section, we will discuss the range of big-picture strategies occupiers are taking in terms of space use in their hybrid offices: different types of partially-remote workforces, staggered work shifts, and hub and spoke models.

With our discussion of major strategies out of the way, we wrap up by addressing several of the most critical considerations for occupiers thinking about going hybrid. First, how to decide on the right spatial strategy. Second, the health and cleaning considerations hybrid offices need to make. Third, we review how to use tech tools to bridge the remote-in-person divide. And finally, we provide an overview of some of the specific hybrid considerations firms in certain industries need to keep in mind.

What occupiers want from their offices

Any conversation about hybrid offices needs to start by diagnosing what occupiers actually want out of their spaces. Based on our research, we have found that the priorities for most enterprise occupiers can be divided into four main focus areas.

Flexible

Hybrid workplaces need to boost flexibility for the firms that use them. This means allowing people to do the kind of work that they want to do, how and where they want to do it. According to a PwC report, 55 percent of workers would prefer to work remotely at least three days a week, while 68 percent of executives think workers should be in the office at least three days a week. Remote and flexible working, with their emphasis on the types of space that work for people when they need them, are one way to begin seeking to address this preference gap by leveraging the full spectrum of tools, from design to management.

Productive, creative, and collaborative

A good hybrid office space, at its core, must enable more productive, creative, and collaborative behaviors for its users. Not all users may choose to engage with the office in these ways, but if the office is to succeed in its purpose and justify forgoing a remote-only plan across the entire firm, these are the three pillars each and every hybrid office must succeed.

Productive offices are ones that help their users achieve their goals. Frequently, these goals are outlined by the organization and defined by the individual. For instance, a company may set as a matter of policy or broad suggestion a preference for focus work to be done at home. Such an office need not provide a good environment for that type of focus work, but it will need to fulfill the goal of helping employees with their less focus-oriented tasks.

In general, hybrid work spaces will tend to err on the side of group work versus individual focus work. This is because these offices enable easy remote working, and while focus work is germane to remote working, collaborative group work is not. This is why hybrid offices must satisfy the creative and collaborative needs of their occupiers. In most cases this will require not just certain spatial arrangements but also tech solutions to help space users work together more effectively.

Wellness, culture, and community

Hybrid workplaces must maximize the health, safety, and wellbeing of their occupiers. This concern was magnified over the course of the COVID-19 outbreak, when occupiers everywhere became primarily concerned with protecting their employees from the virus while remaining as productive as possible. But now, health and safety is only one part of what occupiers need from their spaces. Most tenants also pursue spaces that improve the overall wellness of their staff members, including factors like mental health, fitness considerations, and community.

Hybrid workplaces need to offer spaces that enable social, collaborative work modes

Building that sense of shared culture and community is itself a major priority for flex occupiers, and it can be harder when less people are consistently in the office at the same time. For this reason, hybrid offices need to have the right tools and services to help their occupiers build culture for everyone in the organization. This could mean providing the right spaces for social events, but it could also mean utilizing technology to bring remote workers into the fold more completely. Practices like starting the day with off-topic, less serious warm up calls instead of typical Zoom meetings is one way to achieve this goal.

Cost-effective

Finally, occupiers need their spaces to be able to achieve these goals while remaining financially practical. Any office outcome is possible with enough resources, but the context for most occupiers will inevitably be a comparison to the total expenses of the original, traditional office. Hybrid workplaces must therefore either save occupiers money long-term or clearly justify the reason for their higher costs.

Research indicates that these goals are possible to attain. According to research from McKinsey, over 20 percent of the modern workforce could maintain its current level of productivity while staying remote

20%

The percentage of the workforce that could maintain its current productivity level while staying remote 3-5 days per week, according to McKinsey

three to five days a week. Many companies have no interest in going so heavily remote, due to internal management styles, cultural elements, or other factors, but the fact remains that most businesses have a chance to cut down on expenses by shifting some of their employees to a remote-first work arrangement. Even if the entire office footprint is retained, this allows firms to better utilize their space overall.

Strategies to attain the future dream office

Attaining a hybrid office that accomplishes each occupier priority while remaining cost effective takes careful planning and the right mix of tools and technologies. In this section, we will discuss what these new approaches are and what it takes to execute them successfully.

Different strategies

First, there are different workforce arrangements that can be used to orchestrate a hybrid strategy. Not every occupier wants to give their employees complete control over their working arrangements and schedule, and the different ways occupiers are using are described here.

Partially-remote workforce

Occupiers can choose to set a chunk of their workforce remote and part in person as they go hybrid. This could be either one part of the team permanently kept remote. This strategy may be a good option if organizations have a big portion of employees who may benefit from the collaborative opportunities and company resources that come along with in-person work, while also having a portion of staff who do not need to do as much collaborative work. Organizations that offer a range of services, or ones with distinct front office/back office demarcations, may be appropriate for this type of work arrangement.

Flexible remote workforce

Another option than drawing a long-term distinction between in-person and remote employees is to allow most or all employees to work remote part of the time and empower them to use their office space at other

times. This arrangement maximizes flexibility and recognizes that many employees have substantial variation in terms of their workload, benefiting from a mix of remote and in-person working styles.

Partially remote arrangements can also benefit some occupiers by allowing them to pay different salary levels based on the location of workers. While it is up to the decision of the company to know whether this kind of policy would be a good idea, some companies are cert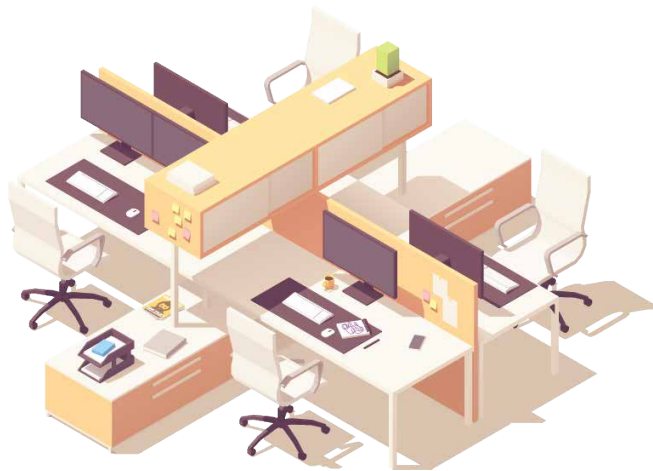ainly going in this direction. According to research from the global advisory firm Willis Towers Watson, 61 percent of employers said they would be paying full salaries to their remote workers in 2021, while 26 percent said they would base pay levels on location.

Work shifts

Work shifts, where some employees came in on some days and others came in on other days, were a fairly common response to the danger posed by the outbreak in the earlier months

Work shifts can make small offices serve larger bodies of space users.

of the pandemic. By limiting the number of people in the office at any one time, the risk of transmission was decreased, and any possible outbreaks were easier to detect and contact trace if they did occur.

Although this strategy certainly emerged as a pandemic response, it may hold merit for some occupiers even in a post-COVID environment, particularly if the office space itself is on the small side and needs a clear policy to give everyone the space they need. But firms should be careful to ensure that work shifts have positive impacts on their workforces. This requires careful documentation and analysis of which individuals and which teams should be working at the same time. Even then, upper management may not have clarity into the impromptu teams and partnerships that form within their offices. Technology can play an important role in informing decisions around shift work but there is also a qualitative aspect that requires frequent surveys and interviews

with workers to be able to understand the full scope of these impacts.

Choosing a strategy

While many businesses have by now likely come to some conclusions on which sort of work style works for them due to the impacts of COVID-19, occupiers can use various tools to help determine whether they might be well-served by moving to this sort of arrangement. A mixture of surveys to gauge the actual opinions of staff, careful performance monitoring from team to team, and usage data for building services and spaces, collected from a reservation system will help occupiers gain a comprehensive understanding of what works and what doesn't for the long term and not just the current COVID-impacted reality.

Hub and spoke model

Hub and spoke represents a particular arrangement of offices alongside home offices and satellite workplaces. It can be used with any of the above strategies. This model has a centrally located headquarters hub with a range of regional spaces that employees can commute to more easily. These spaces may include company-specific offices, co-working spaces, home offices, or even informal work venues like coffee shops and libraries as augments to the central hub. Hub and spoke lends itself well to

hybrid arrangements by ensuring that employees have a range of spaces to choose from for the work they need to complete. It also offers a reduced commute for workers that may not live close to a central office location.

A hub and spoke office strategy has a lot to offer organizations but the approach introduces a lot of complications. Each office needs to be connected to a centralized booking system in order for workers to have the flexibility to work from all locations. Getting team members together can be more difficult as well since there is less of a chance that employees will be at the same location when the need to work together arises. To help facilitate employee interaction in the hub and spoke model, booking systems need to not only display which desks and spaces are available but who else is using the space as well.

In addition to deciding on how many offices should be provided and where they should be distributed, occupiers also have a number of different choices when it comes to what goes on within their physical spaces. We will discuss these next.

The spatial element

In addition to the question of in-person vs remote work, hybrid plans leave room for different spatial arrangements within the workspace itself. The

first option here is to stay with the type of spaces that were used before the hybrid transition. It is impossible to say, without contextual information, whether this is a good or bad strategy. If employees were satisfied with their space and were able to achieve optimal productivity given the spaces they had available to them, occupier companies shouldn't feel a need to change for the sake of changing, or just because they're seeing headlines espousing the benefits of changing up the office layout. As we mentioned earlier, there are many ways to achieve a hybrid workplace and these spaces need not look any one way or the other.

On the other hand, if occupier space planners identified that the resources and layout of the office was insufficient to meet employee needs before the coronavirus shut down working in person, the other option is to take the hybrid transition phase as a chance to move to a different type of layout and interior design. A refreshed layout like this could be described by calling attention to its social elements. With hybrid employees doing focus work at home, the office can be tailored more specifically to include spaces for collaborative tasks and freeform, impromptu work sessions. These spaces are consequently well articulated, with a range of public and shared spaces that fit for these various work tasks.

Cleaning and safety

Even in a vaccinated world, keeping the adaptations necessary to ensure occupier safety must be a cornerstone of hybrid strategies in order to fulfill wellness goals. There are three main reasons for this. For one thing, most experts agree that COVID-19 will never really go away, meaning it will always linger on as a potential risk to people congregating in enclosed spaces. As a second reason, the memory of COVID-19, and the disruption it caused, will not go away any time soon. This means that many employees will continue to be concerned with coronavirus safety even after the risk is practically small. And finally, many of the adaptations that COVID-19 caused workplaces to undertake are simply objectively good things for spaces in general, even without the specter of the coronavirus looming large.

This doesn't mean that transparent dividers and occupancy caps are good things, but that other adaptations, often behavioral or technological ones, can have long-term positive impacts. Think about things like upgraded HVAC and air filtration systems, touchless access tools, and occupancy sensors for the spaces within a building. Each of these systems, which have become critical during the course of the outbreak, will continue to add value well into the future.

Bridging the remote-in-person gap

One important component of any hybrid office plan is how to manage a suddenly more geographically diverse workplace. When everyone is in the office together, managers have it easy since people can be personally "checked up" on and in-person meetings make tracking project progress efficient. Meanwhile, when everyone is remote, it can be easy to simply ensure that everyone is on the same Zoom check-in call for their team every so often, but when employees are spread between remote and in-person, keeping track of them becomes harder.

The solutions for this challenge tend to require a mix of purposeful practices, such as the right blend of formal and informal, business and casual meetings throughout the week to keep everyone connected, and tech solutions that can enable easier communication both up and down and across the organization. Relevant tech components here include systems that provide reservations for rooms to level the playing field for remote and in-person workers when planning on-site meetings, wayfinding tools to help remote workers feel more aware of their office space, and community-spurring ideas like Donut for Slack, which randomly pairs people within the organization for casual one-on-one chats. We will describe these tech tools more in depth here.

Scheduling tools

Scheduling tools are some of the most useful ones out there for most occupiers. Since hybrid workplaces typically have a multitude of different space types, like hot desks, breakout rooms, and conference rooms, having a method to easily find and reserve these different spaces can be very useful.

Scheduling tools are critical to ensure access to spaces like conference rooms.

These tools operate in several ways. Some function simply, with employees able to make reservations for a space in any open time slot. Others include predictive or automated functions to help people get the spaces they need when they need them. Often, space managers will have the ability to allow or disallow individual occupiers access to certain rooms based on a provisioned access level, and some of these tools will allow space users to reserve other resources, like parking spots or services alongside room space. All of the data from these systems frequently feeds into dashboards or other visualization tools for managers.

These systems can help improve efficiency by providing insight into occupier needs. By being able to see at a glance that a certain type of space is much busier than others, property owners can iterate their offerings and provide more appropriate amenities to match the needs of their occupier communities. For instance, perhaps one conference room is experiencing much more use than another. Occupier managers can take that data to consider what exactly it is that drives that utilization. Perhaps the table is just a few seats larger, the projector is a little easier to use, or the room receives less spillover noise from the suite next door.

Scheduling tools can also help firms be more

strategic with their staffing decisions. Consider the implications of viewing the data on who is meeting whom. By being able to visualize a pattern of sales and marketing staff meeting in the big conference room on Thursday, assigned seating or in-person schedules can be adjusted to allow people in those roles to more easily work together instead of grouping people in other arrangements. Or perhaps teams across multiple functional areas all tend to schedule late-Friday meetings. This could be indicative of lower managers trying to keep their employees engaged before the end of the week. That information could allow upper management to institute a planned Friday call, or adjust firmwide culture and expectations to sync up with the needs and preferences of their staff members.

Workplace tools

Communication is also a frequent sticking point for flexible working, since different people can be located in different places throughout a building, campus, or even across a portfolio. Ensuring that people have the right communication options available at all times is consequently a necessary priority for occupiers looking to add flexibility to their working arrangements. Workplace applications are one way to provide this functionality for space users.

Before thinking about purpose-built workplace tools, managers within occupier firms should consider what is already used. Many workers are already comfortable with email, Zoom calls, and Slack, and in some cases these tools may be relevant as useful though less polished alternatives to a purpose-built workplace communication application. Additionally, many high-quality office buildings feature tenant experience apps that are often geared to facilitating better workplace outcomes as well. It is critical that occupier managers connect with their landlords to see whether an existing or planned tenant experience app could be enough to fill the workplace app needs of their firm. Even if a tenant app is not on the roadmap at the time, landlords may be willing to consider investing in one if enough occupier firms make their voices known. Leveraging a landlord's tenant experience system might be enough to prevent some firms from needing to choose their own workplace-specific application.

If nothing is available from the landlord, and if general purpose tools like Slack fail to enable the type of productive and collaborative user activities and habits that hybrid workplaces revolve around, firms may need to choose their own tool.

There are a large number of workplace apps available out there, and there is something to be said for options that help bring people back to the community of the workplace, with all the spontaneous, creative interactions that it implies. Microsoft, in their 2021 Work Trend Index, found that teams were more siloed and had less opportunity for idea cross-pollination in the remote-first world of late 2020 and into 2021. One specific finding was that Microsoft Teams users saw 5 percent less group channel communication between April 2020 and February 2021, while also seeing two-person or small group chats increasing by 87 percent over the same time frame.

Workplace communication tools should consequently fulfill several criteria to warrant adoption by a firm transitioning to a hybrid office plan. First, they must be tied to the office, not exist apart from it. This doesn't mean that the tool should be useless for off-site employees, but it does mean that the tool should be connected to the office in tangible, practical ways. It should allow managers to tie it to specific rooms and spaces within the office, for instance. It should empower managers to connect with their employees but also allow employees to connect with each other within the application, in order to plan work activities without the need for direct supervision.

Differences in hybrid strategy by industry and firm

In addition to company size, different industries often

imply different perspectives on hybrid strategy. For instance, professional and financial services firms often have deep-rooted cultures of in-person work which may make any attempt to go more remote difficult. Other businesses, such as law firms, often work with a lot of confidential information that predisposes them toward in-person spaces, where meeting rooms can be kept secure and soundproof, and IT kept more secure.

Yet other businesses, like those involved in manufacturing, often include an industrial space component alongside their office footprint. These businesses may be able to send office workers home or to a hub and spoke model, but the manufacturing operation will remain fixed in place. This limits the opportunity for space planners to dive too quickly into alternate hybrid plans.

To a large extent, barring those special cases where privacy or confidentiality are particularly important, a big part of the

Confidential information can necessitate certain layouts.

hybrid strategy may come down to the impetus of individual team managers and the employees themselves. One way to apply this could be based on task. According to business anthropologist Martha Bird at ADP's Innovation Lab, "It's about taking the time to really understand your own personal tasks and then actually prioritizing them relative to these two spaces. Generally, I think administrative tasks such as checking email, scheduling meetings, and planning for upcoming work can be done at home." While high-level occupier space planners can set the context for these decisions to be made, in many cases space use decisions will likely remain largely the choice of individual managers and the employees under them.

Conclusion

Hybrid work is now at the top of mind for many occupiers whether they have specific goals or are simply looking for new workplace approaches in the wake of the disruption from COVID-19. But regardless of their goals going in, many of the same themes emerge in terms of needs and goals.

In this report, we have explored the most important facts and perspectives surrounding hybrid work. At this point in the 2020s, it is not necessary to redefine hybrid work but it is critical to identify what occupiers want out of their spaces. We started our report by discussing the most critical elements occupiers look for when considering switching to a hybrid office, and then explored the tech, tools, and strategies that help them achieve those very goals.

There is no one-size-fits-all solution to hybrid work, but best practices are best practices regardless of firm size or industry type. With the right forethought, any occupier large or small will be able to dodge the challenges of the hybrid transformation and provide their employees safe, effective spaces that work for them, not the other way around.

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