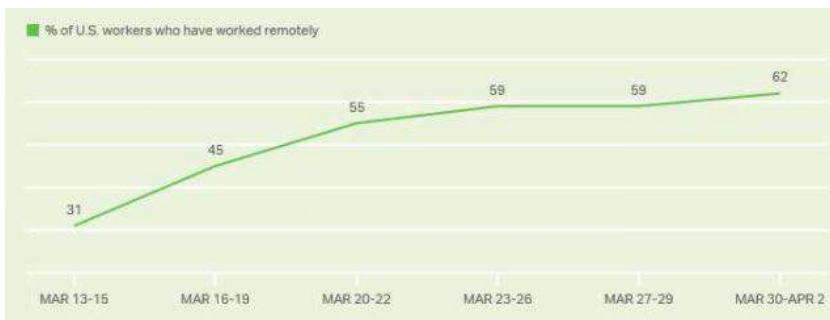


# The Future of Work: Making the Case for the Office

2 SEPTEMBER, 2020



Office work is defined for our purposes as the 37% of professions for which working from home is possible.<sup>1</sup> During the pandemic, this group accounted for 62% of all workers who were still employed<sup>2</sup>, and the instantaneous shift to working from home in mid-March cast millions of people into unfamiliar situations, setting in motion a sea change in perceptions about remote work that could never have happened without the pandemic. It has also caused business leaders to reassess their openness to remote work, while evaluating the value of their real estate holdings and a co-located workforce. The following pages will address all of these things in an effort to determine the value of both remote and co-located work.



Gallup, 2020

## If you are like me,

you are probably wondering what could possibly be written about the COVID-19 pandemic that has not already been written. It has been the top headline in every form of media since mid-March. Much of the coverage has been about the spread of the disease and the terrible death toll around the world, and humanity's valiant attempt to stop it. Those are, of course, the most important stories.

On the lighterside, innumerable articles have been written about the challenges and benefits of working from home, and if you've seen them, you might be thinking that no-one is ever going back to the office, and corporate office buildings will soon be joining shopping malls and video stores as abandoned vestiges of an earlier time. In this article, we will attempt to filter through the myriad of articles and studies to attempt to make sense of it all, and to shed light on the future of office work.

## The Case for Remote Work

A recent NYT/Morning Consult survey of 1,123 Americans who have worked at home the past few months found that 86% were satisfied working from home. In fact, only 24% of these workers wanted to go back to the office full-time.<sup>3</sup> Another survey of 2300 anonymous U.S workers from companies with 100 or more employees showed that while 56% want to work from home at least one day per week after the pandemic, 44% do not want to work remotely at all, and 70% want to spend the majority of their week in the office.<sup>4</sup> And finally, an August 2020 Nielsen poll found that 80% of workers would prefer to work for a company that allows them to work from home.

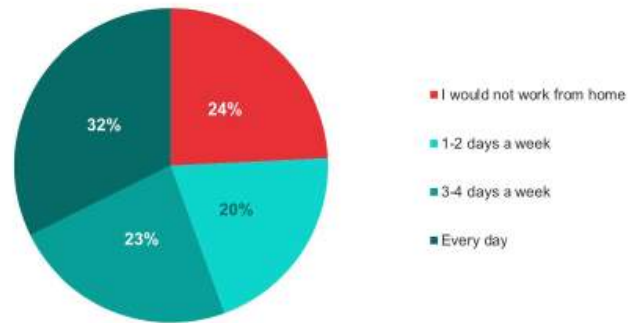
These are overwhelming statistics, seemingly pointing toward a major re-invention of what office work of the future will look like and where it will be performed. Factors cited in these polls in favor of remote work include the following:

- Elimination of the commute to the office
- Freedom and flexibility to plan their day
- Better work/life balance
- Fewer distractions

Even the ubiquitous virtual meetings have been a success, with only 31% of respondents saying they are less effective than in-person meetings, and only 14% saying they participate less in a virtual meeting.<sup>5</sup>

Three quarters of adults who can work remotely say they would like to do so at least 1-2 days a week once the pandemic is under control

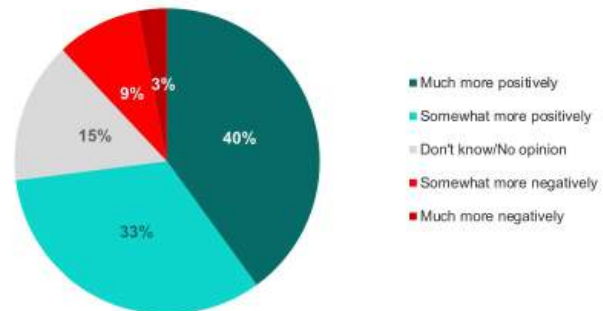
After work from home measures have ended and the COVID-19 pandemic is under control, how many days a week would you ideally like to work from home?



Morning Consult

The pandemic has caused most adults who are able to work remotely to view the prospect of remote work more positively

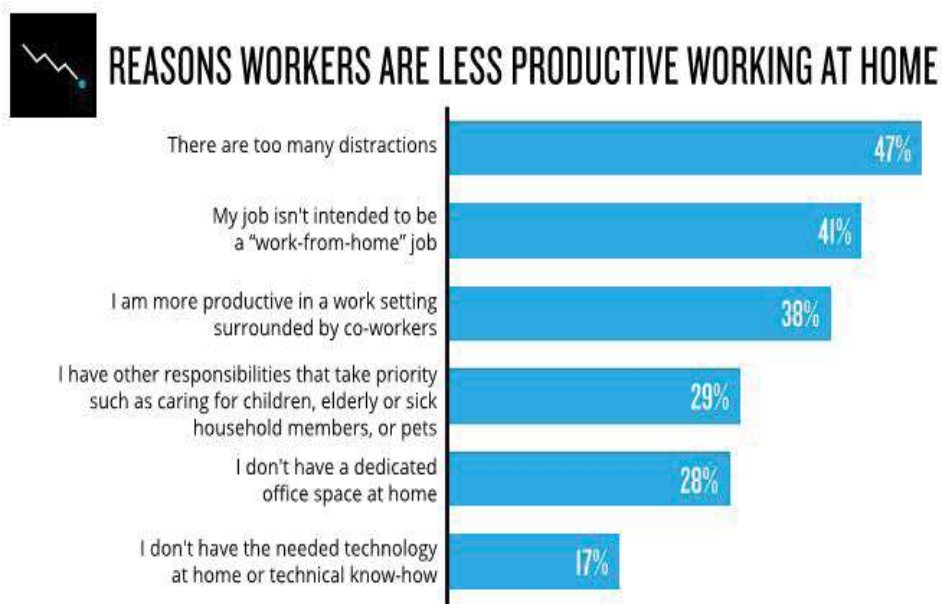
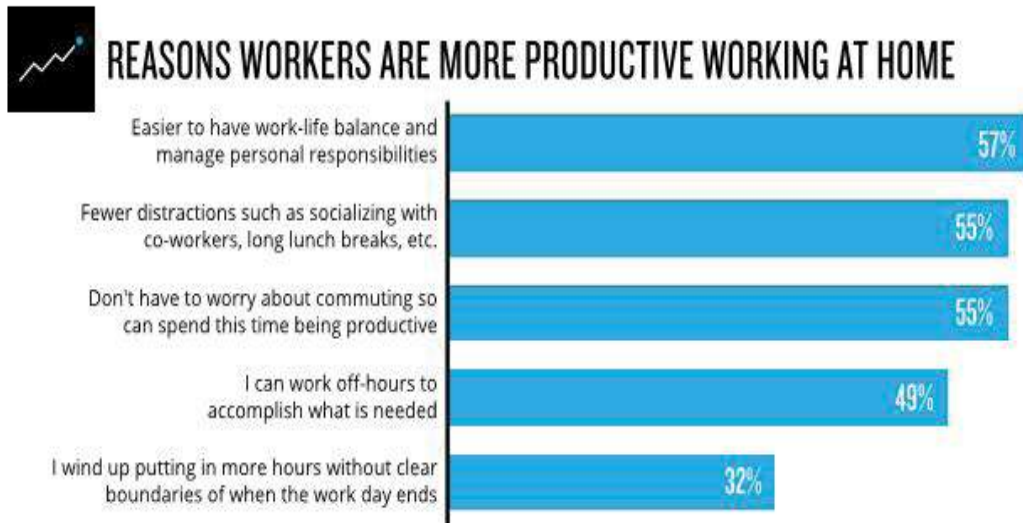
Considering the COVID-19 pandemic and thinking about your own experiences and what you know of the experiences of others, do you feel more positively or negatively about people working from home?



Morning Consult



But just as all people are not the same, the factors that influence their perception of remote work are not the same. The presence of children, pets and/or other adults in the home can affect a person’s desire to work there, as can the availability of adequate technology and the home office environment.



The Nielsen Company

Employers have also found remote work to have been a success they would not have predicted. Tech companies such as Twitter and Facebook have announced a willingness to let everyone work remotely, while companies like Nationwide Insurance have announced the permanent closure of offices around the country, switching those workers to a work from home model. Closer to home, companies such as West Bend Mutual Insurance and Delta Dental of Wisconsin have also reported highly successful transitions to remote work, although neither intends to adopt it as a long-term solution. The reasons will be explored in the next section.

*“If our employees are in a role and situation that enables them to work from home and they want to continue to do so forever, we will make that happen. If not, our offices will be their warm and welcoming selves, with some additional precautions, when we feel it’s safe to return.”*

-Jennifer Christie, VP, People, Twitter

## The Case for the Office

Pre-COVID corporate experiments with work from home models have not fared well. In 2013, both Yahoo! and HP ended their remote working experiments, with Yahoo! CEO Marissa Meyer saying, “We need to be one Yahoo!, and that starts with physically being together,” having the “interactions and experiences that are only possible” face-to-face, such as “hallway and cafeteria discussions, meeting new people, and impromptu team meetings.”<sup>7</sup>

Since that time, as internet connections improved and laptops and smart phones proliferated, employers have resisted allowing employees to work from home, citing:

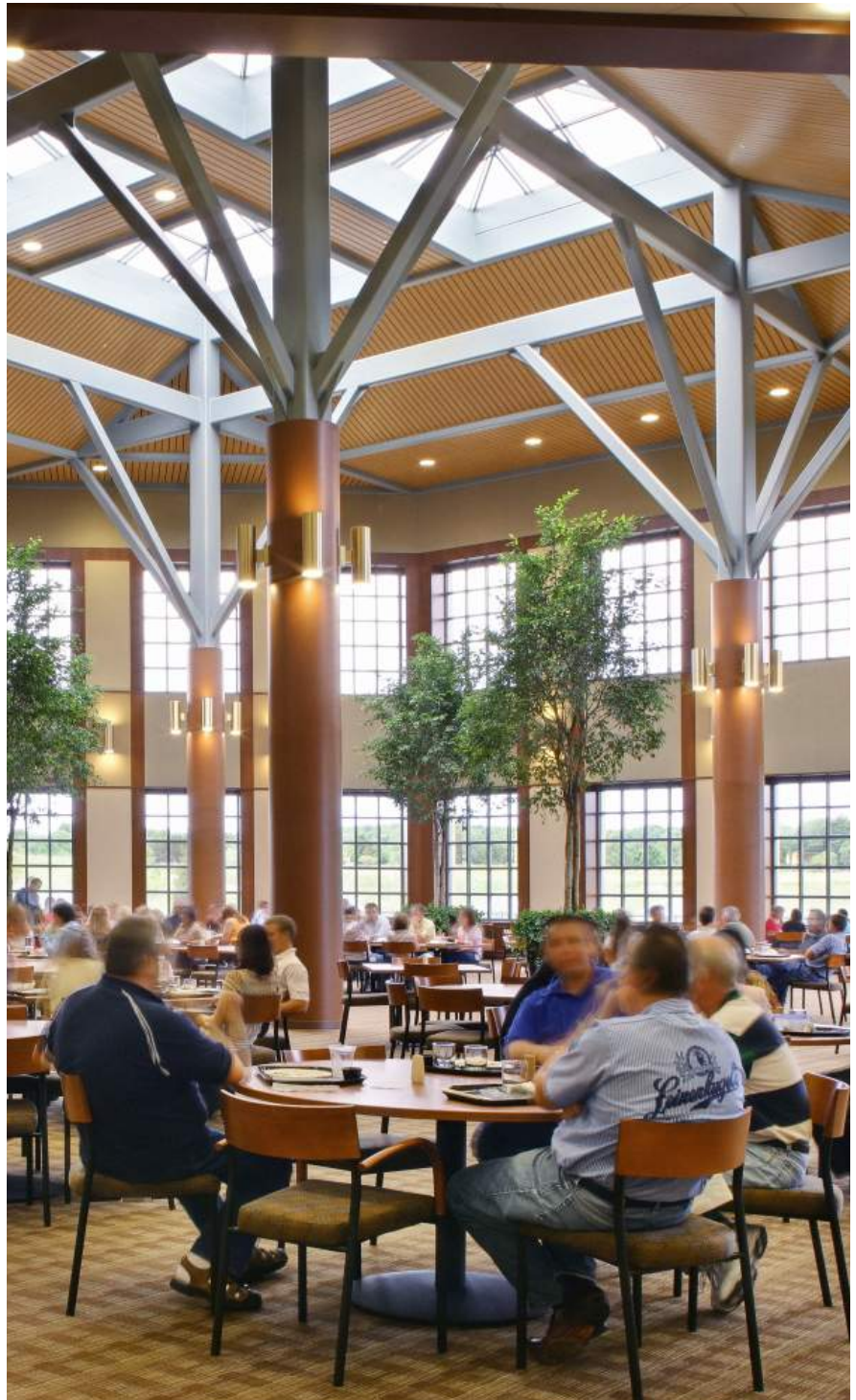
- The difficulty to monitor employee productivity
- The need for face-to-face meetings with clients and co-workers
- The belief that chance meetings with colleagues can drive creativity and innovation. (See Marisa Meyers, above.)

PRA surveyed some of our recent corporate clients and asked them their thoughts on the success of working remotely, whether they intended to continue or expand the practice after the pandemic, and what advantages they see in returning to the office.

All of them reported highly successful transitions to remote work, and all of them still have most of their staff working from home. They all are also looking forward to the day when they can return their workers to the office at or near pre-COVID levels, allowing for some expansion of remote work.

The reasons these business leaders wanted to return their staff to the office were unanimous:

**CULTURE**  
**COLLABORATION**  
**TRAINING**



## CULTURE

Doug Ballweg, CEO of Delta Dental of Wisconsin said, “Company culture is my number one concern if employees don’t return to the office. It will be extremely difficult to maintain the culture of collaboration and teamwork if a significant majority are remote.”

This concern is reinforced in a recent article in the McKinsey Quarterly that described the case of a company that had unwittingly developed an “us and them” culture with small groups working in multiple remote locations, and a larger group working together in Chicago. When the pandemic hit and everyone was sent home, the remote workers were mostly excluded from the primary decisions and projects due to the stronger social ties and trust of the Chicago team.<sup>8</sup>

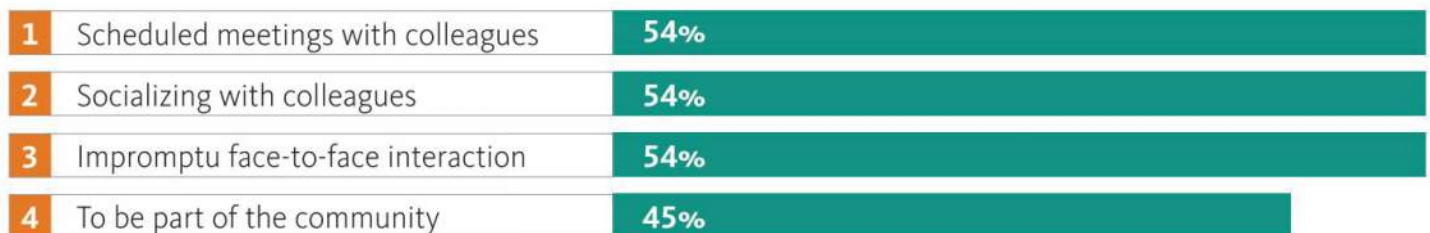
*I’m concerned about, “the impact (remote work) has on leaders and others in the organization who choose to be in the office. Having a large remote workforce will change the communication and management model. This will be an additional requirement placed on those who don’t work remotely and may create additional work and animosity..”*

-Doug Ballweg, CEO, Delta Dental of Wisconsin



## COLLABORATION

Collaboration may be the most frequently used word in the corporate lexicon. The quest for it has led to some of the more controversial innovations in corporate design, such as the elimination of offices and the lowering or elimination of cubicle partitions. In fact, 70% of the workers in one survey want to spend the majority of their week in the office, but they want more space to reduce the density, noise and distractions that have plagued these more collaborative environments. Yet workers also appreciate the benefits of being with their colleagues, citing it in the top 4 reasons for returning to the office.

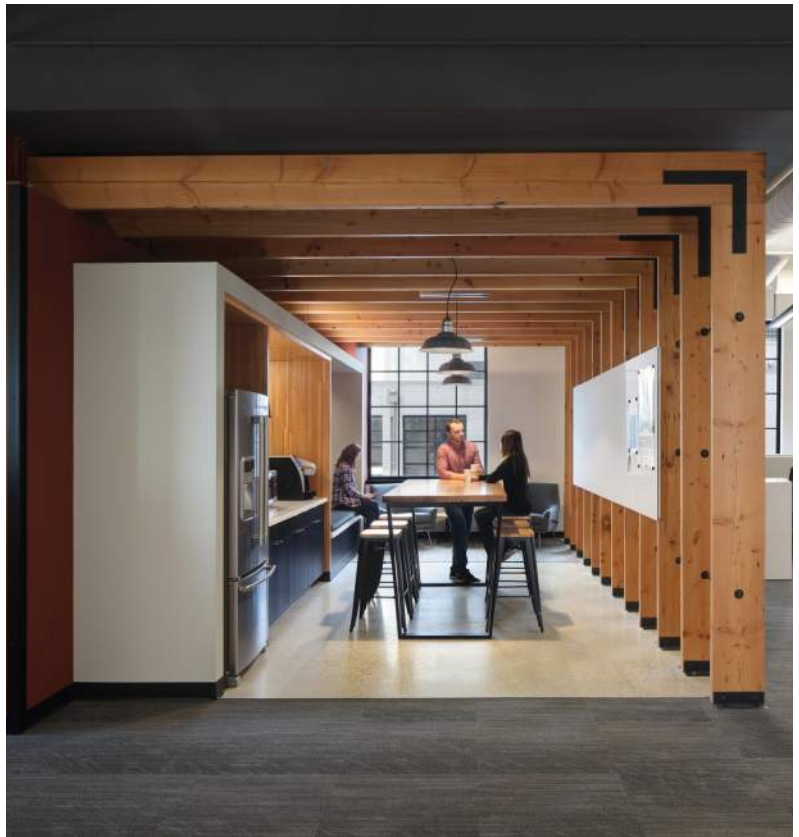


US Work from Home Survey - Gensler

And the corporate world has not given up on collaboration either; rather, we have learned to design collaborative environments that also recognize and support the need for focused work by increasing the number and types of environments employees can work. Randy Stark, Dir. Of Internal Services at West Bend Mutual Insurance explained why the office is the best place for collaboration to happen:

*“We believe that collaboration happens best when people are in the same physical location. While scheduled video conferences have some value, they are no substitute for impromptu face to face interactions.”*

-Randy Stark, Dir. Of Internal Services at West Bend Mutual Insurance



## TRAINING

All of the business leaders we polled expressed the belief that the training of workers can be done more effectively in-person. Randy Stark of West Bend Mutual Insurance said, “New personnel just starting their insurance careers really need face to face experience with senior staff to train effectively.”

This belief is shared by the trainees as well, who often lean on their neighbors to help them learn their job over the course of a day and can learn from merely observing and over-hearing conversations. This cannot happen remotely. Susan Fronk, CEO of MRA, a management association that specializes in training business leaders explained that while “response to the virtual experience has been extremely positive”,



*“We look forward to fully returning back to work and the collaboration that in-person energy brings. But for now we remain flexible to do what is best for our members and our own employees to remain safe, healthy and productive.”*

## Attraction and Retention

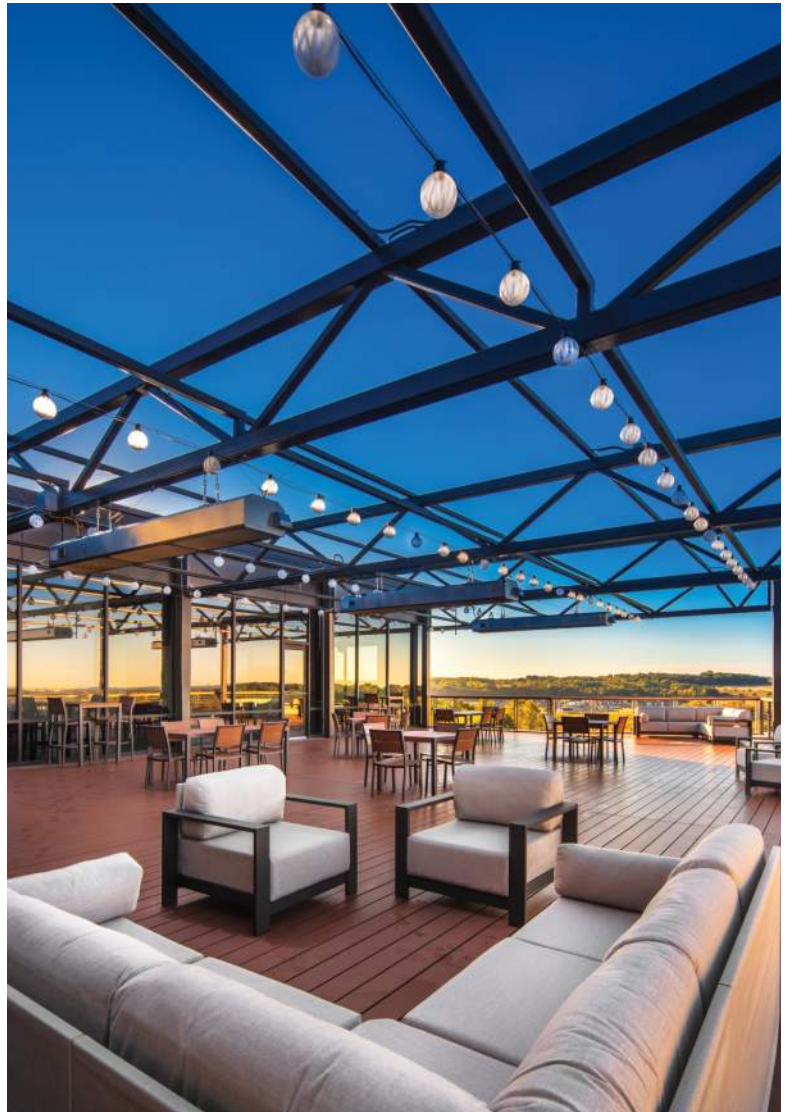
While none of the leaders we polled mentioned the competition for talent as a reason for getting people back to the office, the war for talent still rages: by 2030, the financial, technology, media and business services sectors should expect a shortage of 2.2 million skilled workers.<sup>9</sup>

The tools we use to attract talent will need to respond to the evolution of the pandemic if companies are to successfully differentiate themselves. For example, pre-COVID amenities like fitness rooms, yoga classes and communal food service and dining areas are currently of little value, as the public continues to steer clear of indoor activities, especially at gyms and restaurants. But it's debatable whether these amenities were ever of real value to employees. In one recent survey, only 29% of respondents cited access to amenities as reasons to return to the office.<sup>4</sup> Benefits, salary, flexibility and challenging work rated high on workers priorities pre-COVID, and the ability to work remotely might be added to that list as workers have experienced its life changing benefits. In fact, one survey found that 80% of respondents prefer to work for a company that allows them to work from home at least part time.<sup>6</sup>

It's hard to imagine how businesses that are not household names could differentiate themselves over time to current and potential employees if the employee would be looking at the same 4 walls of their home no matter who they worked for or where the company was located. Competing on salary, benefits and challenging work would seem to be a good start, and one that might produce visions of a financial bonanza for workers. For businesses, a work model easily adaptable to remote work could open up a bigger pool of recruits, allowing them to find talent that might otherwise not move to the city the business is located. The danger for workers in this scenario is businesses searching ever farther for recruits in areas with much lower costs of living and salary expectations than US workers. Factory workers will attest to the dangers of opening that door.

*"The biggest concerns and the questions that I get (from business leaders) are around attraction, retention of talent, culture, the culture of innovation, collaboration."*

- Sanjay Rishi, Americas CEO, Corporate Solutions at the real estate firm JLL



## CONCLUSION

The evidence seems clear: Remote working has been surprisingly successful for a majority of workers. So much so that only 46% prefer to work in the office.<sup>6</sup> What cannot be known yet are the long-term effects of remote working on the workers and the businesses that employ them. Future studies will ask some of these questions:

- 1 Is it possible that the satisfaction and productivity people experience working from home is the product of the social capital built up through countless hours of water-cooler conversations, meetings, and social engagements before the onset of the crisis?
- 2 Will corporate cultures and communities erode over time without physical interaction?
- 3 Will planned and unplanned moments of collaboration become impaired?
- 4 Will there be less mentorship and talent development?
- 5 Has working from home succeeded only because it is viewed as temporary, not permanent?

Many researchers believe the answer to all of these questions is yes. Most business leaders feel the same way, fearing that the culture they have carefully cultivated, the collaboration they have strived for, and the mentoring and training they feel is essential to their employees' success will all suffer if face to face interaction is greatly diminished.

Before COVID-19, the office was the cultural center of the company and functioned as a catalyst of its success. We can only conclude it will return to that role post-pandemic, albeit with business leaders more open to employees working remotely occasionally.



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## ABOUT PLUNKETT RAYSICH ARCHITECTS, LLP.

PRA is an award-winning Architectural and Interior Design firm dedicated to delivering innovative design solutions. We specialize in projects that comprise the essence of communities—where you live, work, play, learn, worship and retire. We are passionate about turning our clients’ aspirations into reality.

The firm consists of 80 staff led by 10 principals, with offices in Milwaukee, WI; Madison, WI and Sarasota, FL. Our staff is organized into a studio/team format to focus resources, experience and creative synergy on client projects. We work together in teams across offices and studios to deliver excellent results for our clients.

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Michael is a Senior Designer and Partner in the Corporate Studio. With over 35 years of national and international design experience, Michael has a rare breadth of knowledge. He has specialized in building and space design for a variety of clients throughout his career, always bringing a unique blend of creativity and expertise to the needs of each client he serves.