

Do you still need
an office?



VISTAGE



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In 2020, some 36% of the employed population worked from home at some point during the year - an expected increase compared with 2019. The majority of office workers who did work remotely did so effectively and productively, which has raised questions around whether businesses need to retain office space - and if so, what that office space should look like.

Clearly, a continued focus on remote working can have multiple benefits: reducing the overheads associated with commercial property, as well as providing the opportunity to recruit a wider range of remote talent. However, a hybrid strategy is not without its obstacles, requiring additional investment in some areas, as well as a greater focus on legal obligations and employee welfare and wellbeing.

In this report, we take a look at what the office space of the future could look like, and what considerations businesses will need to take into account when planning for ongoing hybrid working environments.

Office space is here to stay

Our research has found that just 26% of businesses are considering an entirely remote work setting, with 17% likely to remain office-based, and 57% considering a hybrid of the two. It seems that most businesses will retain their office space, in one way or another, but there are many considerations that these businesses will have to make.

- What will the office of the (near) future look like?
- How can productivity and connectivity be maintained with a hybrid setup?
- How can a workforce comprising both remote and office-based workers be led effectively?
- How can employee wellbeing be maintained during 2021?

We've pulled together a panel of experts from the Vistage member and speaker community to help you answer these questions and find the right solution for your business.

■ **Phil Muir**, Director of Consultancy and Design at workspace consultancy and fit-out company Space Solutions.

■ **Jonathan Naylor**, MD of construction firm Concept Construction.

■ **Marie Owen**, CEO of media production service company LS Productions

■ **Helen Dyke**, Senior Associate Solicitor at Irwin Mitchell.

■ **César Gamio**, workplace wellbeing consultant, life coach and speaker.



What will the office of the future look like?

There is no one-size-fits-all when it comes to office space going forward. 65% of the businesses we surveyed plan to retain office space, with an even split between those downsizing and those keeping their office the same size.

Businesses are making some big decisions:

- With the possibility of a remote-office hybrid working arrangement, would a smaller space suffice?
- Could a new space outside of the city or town centre reduce overheads and make workers feel more confident in coming into the office?
- Is now a chance to create a more sustainable working space, and does the environment need to become more agile, instead of having dedicated desk space for each member of the team?

The leadership team should decide on their vision, based on a number of factors including headcount, work patterns, levels of mobility, the types of space that are used, and activities and their outputs.

However, this process should be bottom-up as well as top-down. Using staff surveys and by profiling your staff to understand their different working styles, you can create an office environment that is suitable for everyone.



Offices should support interaction, collaboration and workplace wellbeing

Jonathan Naylor, MD, Concept Construction and Phil Muir, Director of Consultancy and Design, Space Solutions

Many businesses are looking to address the mental health issues caused by COVID-19 by redesigning their office.

The aim is to encourage human interaction, which is vital for those who may not have had any face-to-face contact with others for a few days. Bigger breakout areas, booth seating and soft seating give people the chance to get away from their desks and talk.

Businesses are installing pool tables to give workers a break and as a more informal meeting area. There is also a great deal of investment in better video calling facilities, as well as what we are calling “Zoom rooms” designed specifically for video calls.

Companies are asking how they can make their offices feel less corporate and more like a home. As a result, many are using softer colours in their design, as well as plenty of greenery in the form of both freestanding plants and moss walls.



How do you embed a flexible working culture?

A strong company culture is vital in this new world of work. The decision to return to the office – or not – is the perfect time to reaffirm your workplace culture and establish whether anything needs to be changed as a result of shifts in working hours or locations.

Doing so will help galvanise those employees who are returning to the office, as well as ensuring that those who are working remotely continue to feel connected to the business.

Some businesses may find that their culture has been knitted together by team members being together, and potentially driven by just one or two individuals. This may have caused problems when working remotely.

A solid company culture should be able to be delivered by every single team member autonomously, regardless of who they are physically with and where they are working.



Communication, connection and constant feedback creates a strong workplace culture

Marie Owen, CEO, LS Productions

Communication is key to a great flexible working culture. We have a daily status huddle ensuring the entire team connects every morning, and allows leadership to check in on staff workloads and wellbeing.

We also run more fun, business-wide events regularly – things like quizzes and cocktails. Smaller team moments like ‘cup of tea hour’ encourage people to get together without management.

These have all come about from asking employees what works for them. The key is not to make assumptions or to rely on your own judgment of what the culture should be like now. You should gain an understanding from your team as to how that culture can be delivered and achieved.



How flexible should your workforce be?

Given the flexibility and commitment shown by employees over the last year, there are few reasons not to allow flexible working in standard office setups.

Legally, employees can request to work flexibly after 26 weeks of employment, though employers are not required to grant this request. The onus is on the employer to deal with each request in a reasonable manner. Refusal can only legally be made on eight specific business grounds, as set out in the legislation.

In this situation, business leaders must ask themselves why they wish to turn down a flexible working request, what evidence they have that it won't work, and whether the individual's working circumstances have changed.



With trust, the right management and a few legal considerations, businesses can commit to entirely flexible working

Helen Dyke, Senior Associate, Irwin Mitchell

Irwin Mitchell has adopted a “flexible by choice” approach. The 3,000 employees can complete their work when and where they like, as long as they consistently hit deadlines and fulfil client requirements.

Feedback gathered from both employees and clients – who were happy with the firm’s performance while staff worked remotely in 2020 – supported this decision. The research revealed that the majority of staff would prefer a hybrid approach to working.

Our existing office spaces will remain, although at 50% capacity, and staff will still be encouraged to attend meetings in person when possible.

To ensure flexible working runs smoothly, businesses need to think about:

- Confidentiality and data protection
- Health and safety risk assessments
- Remote performance management
- Employee engagement and wellbeing



How do you lead a hybrid or remote workforce?

Leaders need to gather honest and regular feedback to ensure employee needs are being met.

- Staff surveys are easy to implement, and can be run at regular intervals to understand how employee needs are changing over time and whether existing issues are being resolved.
- CEOs and executive teams can run check-ins to make themselves more visible and accessible. This will allow employees to ask questions and ensure transparency.

It is important to make sure managers are properly trained to look after a remote or flexible workforce. Hybrid management styles require them to be more outcome-oriented – focusing on the tasks that need to be completed. Technical training for tools such as Slack and Zoom may also be useful.



Leading a hybrid workforce requires trust and new ways of thinking about work

Helen Dyke, Senior Associate, Irwin Mitchell

The pandemic has proven that employees can be trusted to perform when working remotely. Just because an individual is not in an office where they can be supervised by a manager doesn't mean that they're not doing their job. Management culture and the way businesses monitor performance is changing.

Performance management has to be based on trusting your staff. If you don't have that trust, or if that trust is broken, you may see ramifications at work, personally or even legally.





How do you ensure wellbeing at work in 2021?

In mid-July 2020, a survey by Perkbox of over 13,000 employees revealed that 93% faced new wellbeing challenges during 2020. As a result of the pandemic, employees felt less connected to their company and colleagues, suffered from increased loneliness and a sense of isolation, and had greater financial concerns. 73% of employees also said that COVID-19 has negatively impacted their mental health.

While some of these challenges may reduce post-lockdown, a year fraught with family pressures, health anxiety, job insecurity and isolation will have seriously impacted most employees.

Going forward, employee wellbeing must be a high priority, and businesses must create a culture where mental health concerns can be properly addressed.

A challenge for business leaders and their employees is to understand how to spot signs of deteriorating mental health in the workplace. These can fall under five different categories:

- **Emotional:** A loss of sense of humour, increased irritability, uncharacteristic losses of confidence, a sensitivity to criticism.
- **Cognitive:** Problems with decision-making, an inability to concentrate, more mistakes than normal - an unexplained decline in work performance.
- **Behavioural:** Acting out of character, becoming more introverted or extroverted, unexplained absence or lateness, taking longer breaks or no breaks at all.
- **Physical:** Rapid weight loss or gain, less attention paid to personal appearance, regular colds or headaches.
- **Business:** Changes in productivity levels or motivation, increased staff turnover, increased absenteeism.

How can staff wellbeing issues be tackled?

César Gamio, workplace wellbeing consultant, life coach and speaker

There are several different components that feed into creating wellbeing at work, all of which need to be tackled going forward.

Belief in management

Bad management is one of the main reasons an employee will quit. Managers of remote teams will need additional training in how to promote wellbeing in a hybrid team.

They'll need to address elements like time spent working – making it clear that 'good performance' doesn't mean sending emails at all hours to prove work is being done. As mentioned before, good performance will need to be outcome-based.

Fairness

This includes elements like pay, diversity and promotion. These may need to be handled in new ways in hybrid working setups.



Pride

If an employee finds meaning and purpose in what they do in their role and that their own values are aligned with those of the company, then workplace wellbeing is easier to achieve.

Employee resilience

Employers have a duty of care to their staff to be active in helping individuals to be more resilient. By promoting ways in which employees can increase their physical, mental, emotional and financial resilience, employers will not only demonstrate that they care, but will help their team members to feel more valued and to get the most out of their day-to-day role.

**When making major business changes -
such as the shift to a more permanent flexible working
approach - the advice of your peers can be vital.**

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