



ADVANCED
WORKPLACE
ASSOCIATES

I DON'T LIKE MONDAYS (OR FRIDAYS)



Research: Advanced Workplace Associates

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REPORT AUTHORS



ANDREW MAWSON

AWA MD & Founder

Andrew is one of our founding Directors. He's a leading pioneer, thinker and speaker on matters 'work and place'. He has the unusual ability to span the worlds of business strategy, organisational design, work strategy, workplace design and change management. In his consulting work he has led workplace change programs with some of the most respected organisations in the world.

Andrew has been the driver behind all of AWA's research into Knowledge Worker Productivity and led the 4 research programs that underpin all AWA's consulting work.



WILLIAM BULLER

Senior Associate & Sustainability Lead

William leads the Low Carbon Working practice within AWA. He has spent his career supporting organisations to harness technology in changing the way people work, learn and interact. More recently, he has widened his perspective to help businesses identify new ways of working so they can reduce their Carbon Emissions. William focuses on translating changes in ways of working into clear outcomes with tangible measures, advising leading organisations in the public and private sector on the digitisation of their operations, reducing office space, cutting travel and moving to paperless working.

Prior to AWA, William held senior roles with Telefonica and Cisco delivering innovation in organisations around the world.

MANAGEMENT SUMMARY

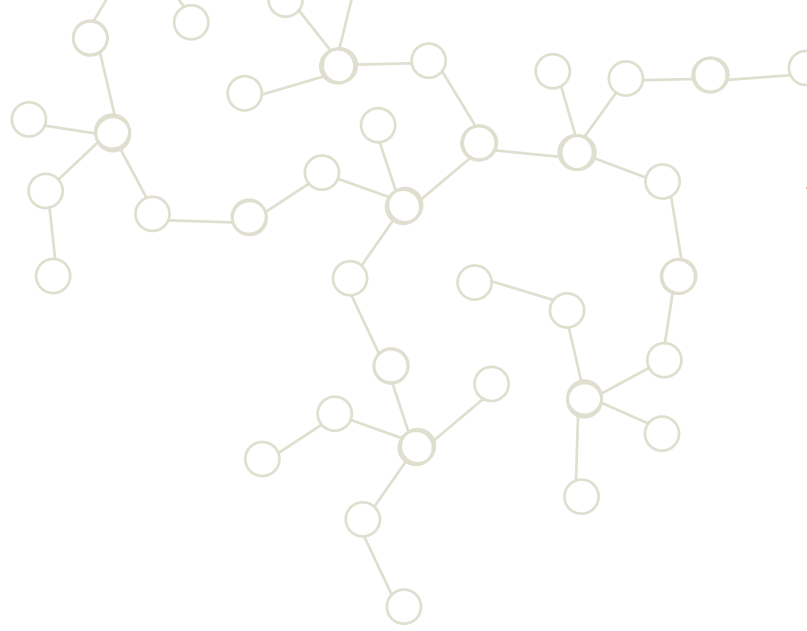
Post-pandemic, it's clear that office workers around the world will be seeking substantially greater flexibility in determining where, when and how they work. This is confirmed by Advanced Workplace Associates' client studies and many surveys undertaken since the spring.

The data shows that the average employee would like to work 2-3 days a week at home. But this averaging masks a myriad of distinct options that we predict will be adopted by specific work teams and communities going forward.

In most organisations these options will co-exist, with the potential of driving down commuting journeys and reducing the volume of office space required, all of which can reduce carbon generated by office workers by up to 26%.

However, each of these options will place very different demands on the office and its capacity. If these are not managed well, buildings will be empty on Monday and Friday (days when workers prefer to stay home to extend their weekends) while office utilisation will resemble Swiss cheese due to the pockets of empty space. Not only will this be wasteful, but it will also create lifeless offices with little atmosphere or energy. The very thing that people have registered that they need to balance their time working from home is the social connectivity and the buzz of the office.

We believe this will naturally lead to the death of the one-person-per-desk model in which people own space and will require far greater sophistication in managing office capacity such that occupancy is consolidated onto specific floors.



If organisations optimise their use of office space and realign working practices and policies to enable greater virtuality, the Carbon Dividend for the UK could be a 10.5 million tonne reduction in CO2 emissions, the equivalent of 7 million return flights from London to New York, or a 3% reduction in the UK's total CO2 emissions.

In this report we explore what these options are and what the implications of their co-existence will mean to organisations and the management of the office after the pandemic.

Different team work models



Office Based

*'I **need** to be in the office most days to comply with regulatory requirements, always on serendipity, to facilitate learning, accessing equipment, fast moving complexity'*



Office Centric

'We want you in the office three days a week'

NEW MODELS OF TEAM WORKING

More people are seeking flexibility in where, when and how they work, enabled by broadband, cheap computing devices and collaborative technologies. Less than a year ago, few of us regularly used Zoom, Microsoft Teams, Facebook Workplace or Slack. Now those, and many more applications, are increasingly making it possible for whole teams and communities to access files, communicate, drop in unannounced and have video chats at the drop of a hat.

On average people are registering their desire to work from home 2-3 days a week once the pandemic has been vanquished by effective vaccines. But this average masks a number of nuanced subtle options which we believe will become prevalent over the coming months and years.

There are four main team work models.

Office Based

In this model organisations require employees to come to an office each day to work due to one or more business demands that can't be met while working at home.

Regulation: Many activities in public and private sectors are governed by regulations that require activities to be undertaken in a secure environment. During the pandemic organisations will have found short term workarounds, but many of these may be deemed unsustainable in a Post Covid world, requiring people doing those jobs to show up at an office each day.

Access to equipment and facilities: Roles that require access to equipment and facilities for all or part of the working week that cannot be accessed in the home. As the world goes progressively digital these will decrease. However, in the short term there is a need for employees in some sectors to access laboratories, manufacturing facilities and other items of sophisticated equipment.

Fast Moving Complexity: For activities that depend on the fusion of knowledge between specialists, in rapidly changing situations where outcomes have high value or high cost of failure, we recognise that face-to-face, in-the-same-place working provides the most effective outcomes. These might include dealing floors, control rooms, air traffic control, network management and other environments where the stakes are high.

High Value Creativity: Where the activities of an organisation generate very high value outcomes that rely heavily on 'always on' serendipity,

Harmonisation



Home Hybrid

*'We work at home all of the time but our team **comes into the office** every Thursday'*



Home Centric

*'We work at home all of the time but come into the office when **we need to** for the odd meeting'*



such as research and some aspects of system/ software engineering.

Learning: Where junior staff learn from senior staff by sitting with them, observing and coaching in flight and where there is no desire to explore an alternative e.g., legal and accountancy firms.

Office Centric

In this model the leader has deemed that team activities are best served by being centered around the office but where some increased flexibility is afforded or where attendance every day is not a necessity. This model may be prevalent where leaders are reluctant to change their own style of working, but recognise that others may wish to work away from the office at least some of time.

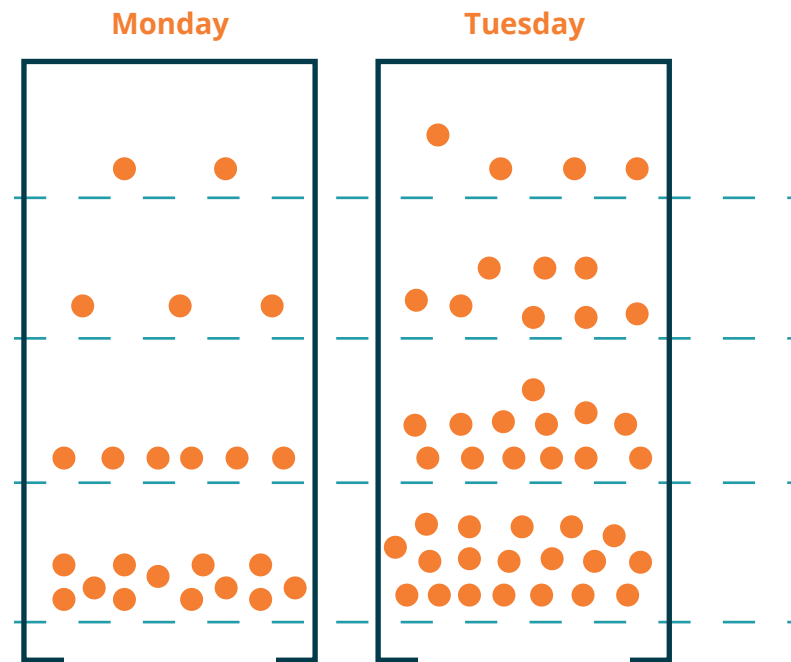
Home-centric Hybrid

This model is where a team or community have determined that they can do most work tasks at home, focusing on their own work and linking with others using collaboration tools such as Teams or Zoom, but recognise a strong social and business need to come together on a regular basis. In this model everyone works at home most of the time, but all employees show up at the office on the same day, maybe once a week or twice a month.

Home Centric

In this model a team or community work from home very effectively and occasionally come into a corporate office to use space to meet a client or colleague.

Office attendance post-Covid

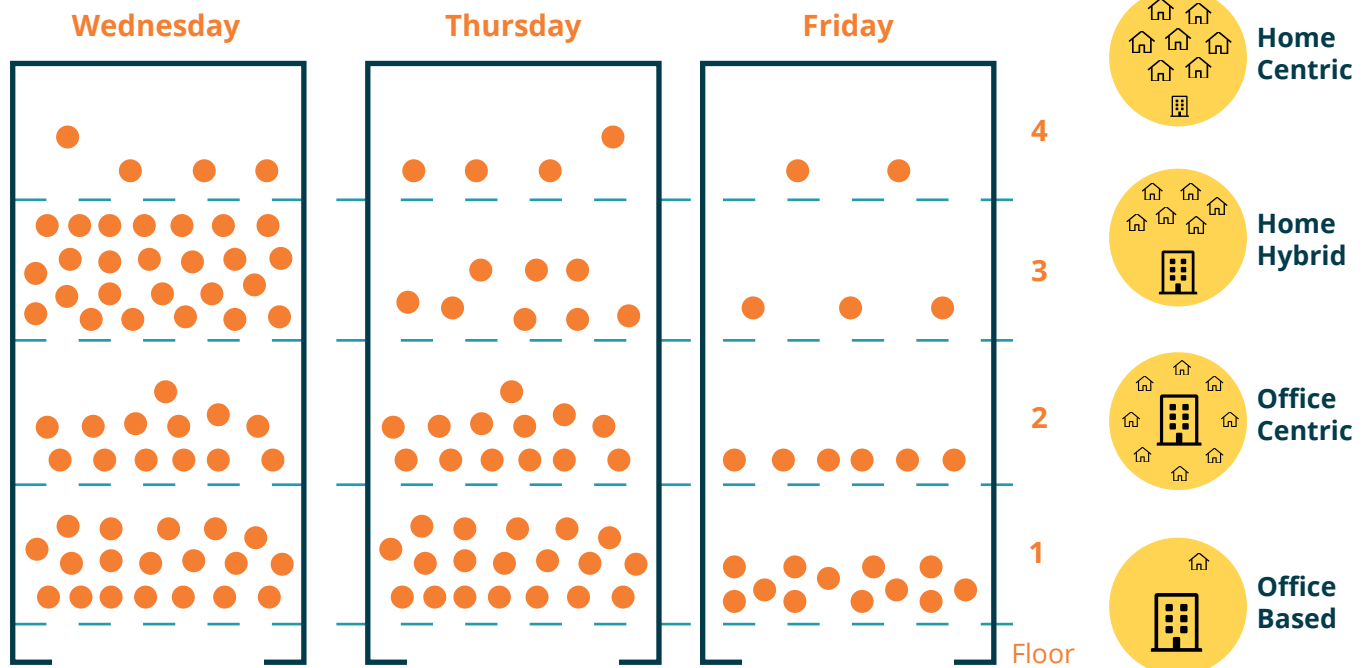


MANAGING THE OFFICE POST PANDEMIC

While there is general agreement that most office-based organisations will need less office space going forward as a result of a greater desire for home working, the impact of all these primary new models of team working co-existing is less understood.

For organisations that operate with employees owning their own desks or offices, we predict that offices will be like the Marie Celeste, with large pockets of space unused on specific days. To explore the point, the diagram below illustrates how each of the models described earlier will use office space. For simplicity we have assumed a four-storey building where each floor is occupied by workers or a similar model.

if traditional models of office occupancy are used



Office Based – Floor 1

Office Based staff will be in the office most days, as they were before the pandemic. However, before the pandemic we would typically observe desk utilisation levels of 50%-60% across a week with much lower numbers on Monday and Friday. Low utilisation is due to sickness, holidays, training and staff in meetings.

Office Centric – Floor 2

Office Centric workers will be in the office less than their Office Based colleagues and if these employees are provided with their own desk, we expect desk utilisation levels for them to be between 35% and 45%, with a more pronounced reduction on a Monday and Friday unless there is some management intervention to enable a more even balance.

Home Hybrid – Floor 3

Home Hybrid teams will come into the office once in a while, and in addition, the team will come in on the same day to facilitate collaboration - perhaps once a week on a Tuesday, Wednesday or Thursday. So, when these workers are in the office they will be in formal or social meetings to take advantage of their access to team mates. If they are provided with 'owned' desks, as our illustration shows, offices will be empty for four days out of five.

Home Centric – Floor 4

Home Centric Workers will use the office on an occasional basis. Their primary use of space will be to meet colleagues, clients or other business partners. When they are not involved in these activities they will be doing more focused work to get on with daily tasks. If organisations provide these workers with an 'owned' desk in the office, the space will be empty for months at a time.

THE IMPLICATIONS

Assigning communities associated with each of the four floor models is overly simplistic. However, it makes a clear point: overall building utilisation will be exceptionally low if organisations continue with the old ownership-based model of office working where every employee has a desk or office of their own.

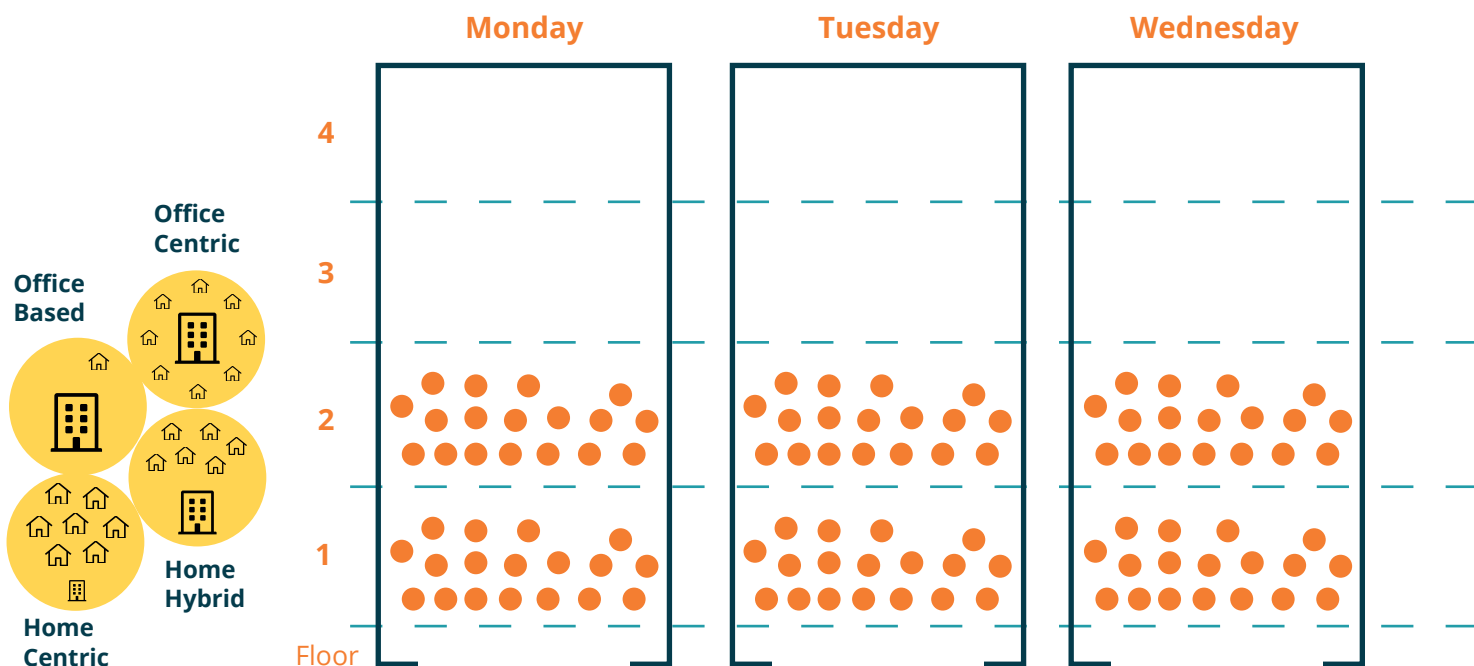
Assigning distinct floors to each of the four team working models is of course overly simplistic. In reality teams adopting of different team work models will occupy space alongside other teams based on their need to work together or for access to specific facilities. When all these teams, with their different occupancy patterns co-exist in this way using traditional 'one person to one desk' models buildings resemble Swiss cheese, with pockets of emptiness rendering space energy-less, dead and without buzz.

From an environmental and economic standpoint, this is also highly inefficient because organisations will light and cool space which is barely used.

Pre-pandemic, in many offices around the world we saw a significantly lower attendance on a Monday and Friday due to people choosing to take a 'shoulder day' off or work at home. We expect this trend to be magnified, with greater flexibility for workers leading to even greater peaks on Tuesday, Wednesday and Thursday, and even lower attendance on Mondays and Fridays.

The consequence is that if organisations have a desire to provide space to meet these peaks, they will inevitably need more space than they would have done if they were able to smooth the total demand more evenly across a week, as shown in the diagram below.

Office attendance post-Covid using activity based working



CONSOLIDATING DEMAND

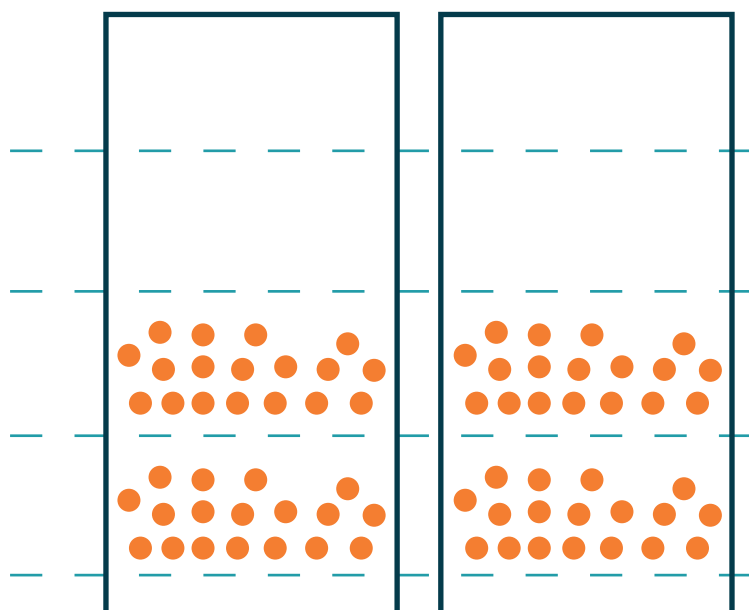
Our illustration, on page 6, shows what will happen if organisations maintain a one-person-per-desk ownership model. In pre-Covid times many organisations were moving to an activity-based model in which workers could be more mobile within the office and given a rich variety of places to work. Anchor points served as spaces for the team to get together when they were in the office. Now, for many teams and organisations it seems that this simple model will become a necessity in order to give office workers what they need while minimising the demand on space.

To optimise the performance of individuals, teams and assets, however, we may need new systems that dynamically schedule space on a daily basis, giving teams access to specific facilities and environments in line with their needs. In this model employees are told via an App or a large screen in reception where their team is located for the day. On the next day the same workers may find that they are in a different location within the building.

and dynamic scheduling

Thursday

Friday



CARBON DIVIDEND

A recent announcement by Rishi Sunak, the Chancellor of the Exchequer, revealed that large companies and financial institutions in the UK will have to come clean about their exposure to climate risks within five years as part of a tougher regime to get to Net Zero by 2050.

Although reporting is important, businesses must actively increase the actions they take to cut emissions in the way they work as well as what they produce and buy.

Looking forward, if these new working arrangements materialise post-Covid, it may be that substantial reductions in Carbon emissions can be achieved more easily than previously thought.

More working from home will cut the number of daily commutes. Surprisingly large amounts of business travel can be replaced by video conference meetings. A lower demand for office space will lead to reduced energy consumption. Finally, a more distributed and digital way of working requires less print, paper, food, cleaning and other consumables.

These all contribute to lower carbon emissions and support the journey to Net Zero.

Global businesses have the most potential for savings - for example a London based professional services firm would expect to see a reduction of carbon emissions from nearly 9.4 to around 6.2 tonnes CO2 per person, representing a net reduction of nearly a third, simply as a consequence of the changes in ways of working.

If these sorts of reductions were seen more widely, the impact could be significant. If we look at the City of London, around 350,000 people are employed in financial, professional and business services.

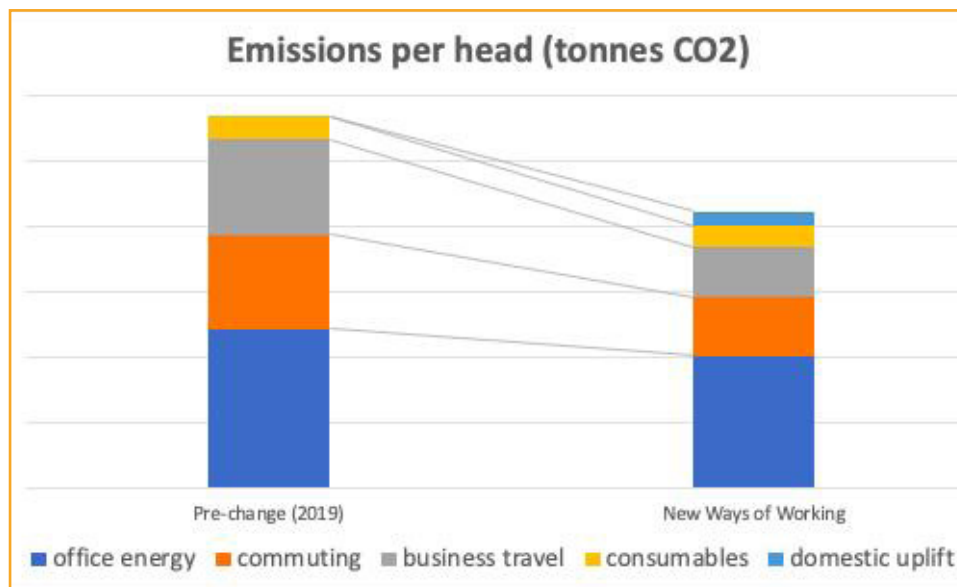
According to the Office for National Statistics, there are 7.22 million knowledge-based office staff employed in the UK. AWA calculations, based on client assessments, is that new flexible working arrangements would save CO2 in four ways: office heating and lighting, commuting (with many workers outside the M25 still driving to work), business travel and cutting consumables, such as printing and paper. In total, CO2 emissions could be reduced from an average of 5.69 tonnes per worker in 2019 to 4.23 tonnes, amounting to a reduction of 26%.

This would represent a 10.5 million tonnes reduction in CO2. This is the equivalent of 7 million return flights from London to New York or driving a standard car 72.4 million miles (nearly half way to the moon).

In total, intelligent, flexible working arrangements could cut the UK's CO2 emissions by 3%.

So, in addition to the cost savings and individual convenience from more flexible ways of working, these changes can help businesses set and meet much more aggressive carbon emission reduction targets than they have now.

What the future might look like



As illustrated by this graph, reductions in carbon emissions from new ways of working come mostly from less business travel and commuting.

Office energy savings are partly offset by increases in domestic energy use.

*It is estimated that **working from home 2 to 3 days a week will raise domestic energy use** by an average 7.5%. The exact uplift depends on the energy efficiency of the house, the occupancy arrangements and the season.*

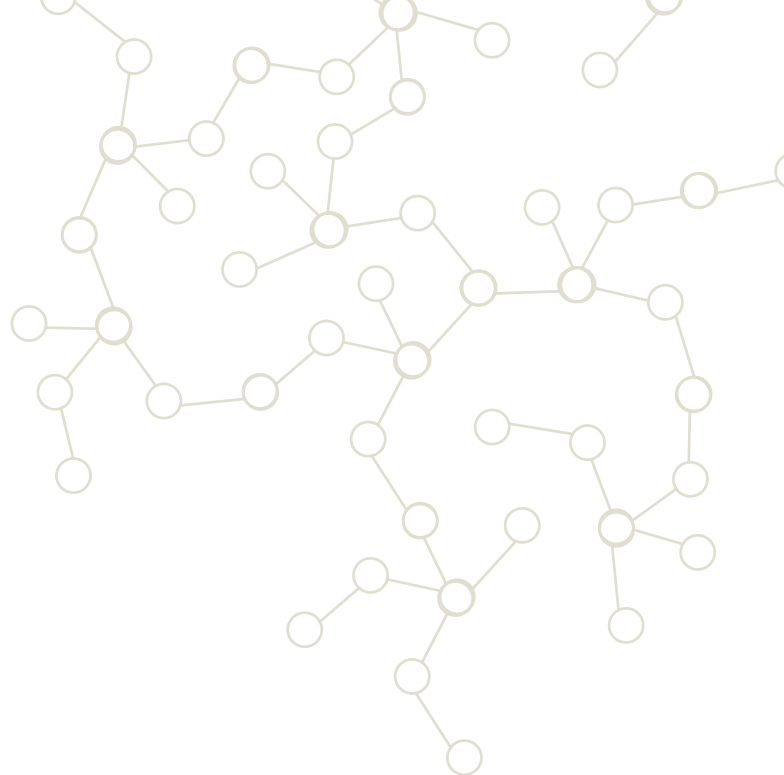
CONCLUSION

The pandemic has opened the eyes of many people and business leaders to new models of operation, working and thinking. But to have open eyes is not enough. It will take innovative, bold and courageous leaders to lead their organisations forward to the new world using evidence and science.

Organisations that are willing to invest in the transition will reap the rewards in a multitude of ways, including lower running costs, greater productivity, reducing their carbon footprint, increasing their recruitment range, supporting the diversity of employee needs and enabling greater resilience. Virtuality changes everything but it doesn't come for nothing.

Unless organisations consider moving to more activity-based models of working in the office, many will find that there are pockets of dead space. Consolidating occupancy onto fewer floors will be necessary to ensure the office buzz that workers have craved will actually be delivered.

Given the greater level of flexibility that most organisations will afford their people post-Covid, proactive management of office attendance will ensure that offices are not left empty on Monday and Fridays. This may mean making the office a destination on a Monday or Friday, with incentives such as celebrity chefs being deployed to attract staff to attend. One solution is to agree core days and rotas with specific teams and business units to flatten demand for office space. Differential charging may also serve as an incentive by making it cheaper for business units to use space on a Monday or Friday.



In situations where demand is volatile and unpredictable on a daily and seasonal basis we expect organisations to utilise new software systems that dynamically schedule the use of space so that teams are advised where in the building they will be located on a specific day.

To take full value from the Covid dividend leaders will have to think innovatively, overhaul processes, practices and procedures, re-invent organisational culture, upskill leaders and communities of workers and re-think infrastructure and its management. And don't for one minute think that all leaders in all organisations are relishing the opportunity to virtualise, they are not. Plenty of people in senior positions would rather just go back to a pre-Covid world of commuting, hierarchy and presence. So, as well as overhauling the way their organisations work, those with an appetite for change will need to consider how they overcome the legacy thinkers in their organisations.

That said, we think the future is bright, the future is digital, efficient and low carbon.



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