SONY

What´s the point of an office?

Discover the latest facility management science with Dr. Darja Smite

nimway

The office we once knew is gone. But many employers and employees can't decide what's next. This has led to inconsistent flexible work policies, half-empty office buildings, costly attempts at downsizing, and frustrated workforces. People scratch their heads and ask: "what is the point of our office today?"

We consulted professor Darja Smite, an expert in remote and hybrid working from Sweden's Blekinge Institute of Technology. Let's see what she has to say about the emerging role of the office.

Prof. Darja Smite has studied the efficiency of remote work for many years — long before the pandemic. During the pandemic and ever since, Prof. Smite has consulted companies in Scandinavia and set them up for success with remote and hybrid work arrangements.

Why people work from home

Remote work isn't going to disappear anytime soon. What are the reasons for its popularity? Our surveys across companies reveal that the number one reason employees want to work from home is to skip the commute. This makes sense. Once people realize they can get their job done outside the office, they are no longer willing to spend hours a day in traffic. That's why the further away people live from the office, the fewer days they spend working onsite. They save time. Either to do more work, or to spend time with family.

The second reason employees want to work remotely is that they feel more productive. Both productive in their work, but also in their personal lives. They save time by not commuting, they can concentrate more without office disturbances, they have better-equipped home offices, or they gain the time for personal routines. Finally, employees want to work from home when there are no employees at the office. An empty workplace makes everyone else feel less motivated to work onsite. After all, nobody wants to work in an office by themselves.

"Nobody wants to work in an office by themselves."

The real costs of remote work

If there are clear advantages, why do you advise some companies against remote work?
Remote work also introduces challenges. For one, home offices need to be suitably equipped. They should have comparable levels of ergonomics. Employees should have easy remote access to the services and information they need to work. Employees also need the technical support and skills to collaborate and communicate with their peers remotely. Unless they work alone, of course. But even if everyone's home office is well-equipped, remote work might not be the right choice.

Our research shows that inexperienced colleagues suffer from remote work. They are stuck with their challenges longer. They receive less mentoring than when working on-site with senior peers. Remote teams comprising a mix of senior and junior members would ultimately have hyper-productive seniors and non-productive juniors instead of a balanced team effort. It's therefore important to consider net impact on productivity—not from an individual perspective but from a team perspective. Remote work might compromise knowledge transfer.

This is concerning. Especially because our understanding of remote work still largely builds on our pre-pandemic work life. Many remote teams work well today, but they have many established social ties. New teams, on the other hand, need to pay special attention to team-building if they want to work fully remotely. In one company, we found that recent hires onboarded remotely have been resigning much more than before. And that's not that shocking. They miss out on social bonds with co-workers and don't develop that sense of belonging. Is it possible to create those bonds remotely?

Maybe. But several recent studies report that meeting new people and developing meaningful connections remotely isn't easy. Similarly, we found that an awareness of what is going on in the company decreases without spontaneous encounters at the office. When we work remotely, most of our communication is planned and scheduled. We miss out on serendipity. This weakens social networks, collaboration and co-creation. Everyone focuses on their own narrow work areas, and lose the broader context.

I'd be remiss if I didn't also add that the long-term impact of social isolation is still poorly understood. For example, some studies already report an increase in destructive addictions in the absence of positive social pressure. In this environment, how do work leaders detect and resolve issues from a distance?

Considering the costs of remote work, are people rediscovering the value of office interactions and water cooler chats?
We wondered the same thing. So we took a look at access card data across several companies to see whether people actually are returning. We started from the fall of 2021 when many restrictions were first lifted. What we see is that, in most companies, office presence isn't even close to pre-pandemic levels. The reality is that we've entered an era filled with a variety of work styles. Our surveys find that every company has employees that want to work 100% remotely, employees that want to work 100% onsite, and a range of employees that want to alter their office presence through hybrid working. These hybrid workers are the majority in most companies. Of course, satisfying everyone isn't easy.

A new landscape of work policies

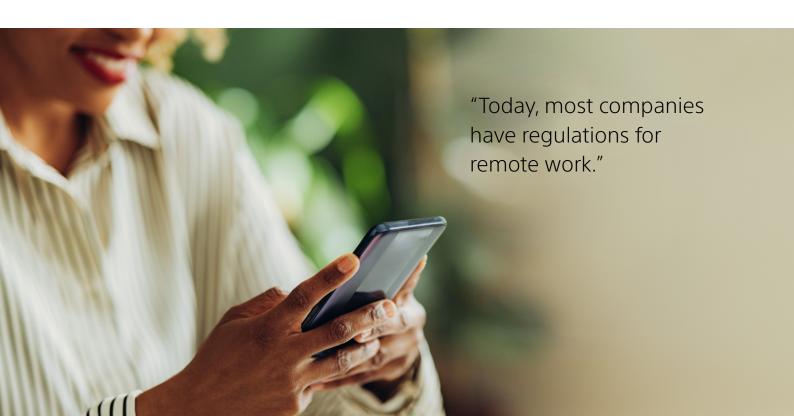**How do companies address all these new work styles? What are the current trends?** Another key question. To answer it, we studied around 30 different corporate policies with respect to flexible work and office presence. Here are the three most important trends.

The first trend is that the pandemic absolutely pushed companies to adopt flexibility at the workplace. Today, most companies have regulations for remote work. Some companies introduced special contracts. A few even started hiring from a distance. Interestingly, half of the companies we studied had no centralized, company-level decision on remote work. They leave those decisions up to local managers or even individual teams. The other half have set company-level limits to remote work or requirements for office presence. For example, mandatory onsite days.

The second trend is more recent. Some companies are now reemphasizing office presence, as the downsides to remote work start to surface. They are swapping out initially flexible recommendations for strict regulations. They hope to promote group values, increase engagement and team performance. These company leaders want to promote "We over I" and "We go before Ego". Around the world, there is a spotlight on practices for luring employees back and methods of increasing office presence. Of course, culture makes a big difference here. For instance, unlike some US-based companies, Scandinavian managers don't typically apply coercive tactics to return employees to the office.

The third and final trend we saw was that economic considerations are informing many companies' work policies and office transformations. Since office presence remains low (around 30-50%), expensive rental contracts, free parking lots, and car charging stations have become targets for cost-cutting initiatives. These decisions will likely put companies down one of two paths that are difficult to turn around. If they cut down on office space, it will be easier for them to embrace remote-first or remote-encouraged. For those companies that keep their office spaces and make their office space suitable and attractive for onsite work, they'll head for a future that is office-first.

"Today, most companies have regulations for remote work."

What employees really want

Remote-first and office-first are two radically different strategies. Which do employees want?
Many companies are surprised when they survey their employees. Not everybody wants to work remotely. In nearly every company, there are people (as few as 3% and as many as 58%) who prefer to work in the office. Of course, these are just individual preferences. Companies must balance these preferences with the requirements of the work tasks—to ensure well-functioning teams, an effective and efficient workflow, to keep up with quality standards, and stimulate innovation.

If your company can strike a good balance for office occupancy, you'll also have to understand what your employees want when they are at the office: their reason for presence. We asked employees in eight companies why they choose to work onsite. We learned that connection and community are key, across the board. Most employees want to interact and socialize with each other. Another common reason is to partake in various perks. These could include food and drinks, a physical office environment that is superior to the one at home, or the office location.

Beyond that, many come to the office because of planned duties and appointments, or because they feel more productive, stimulated, organized, or focused.

So, socialization is key. What does this mean for office spaces?
A lot of companies are creating large socialization zones and replacing workstations with sofas and plants. However, our research does not support this approach entirely. We have studied this topic in detail. It is easy to misinterpret what employees mean when they say "social interaction" is a main motivation for coming to the office. Interacting with others does not just mean spending time socializing. It also means working together, solving problems together, creating value together. That's why socialization does not come at the expense of the work, and in fact is best done at the work desk, at a whiteboard, or in a meeting room.

It's ironic. During the pandemic, we tried to mimic the office environment at home. Now, offices are trying to mimic the home environment in the office. But our observations in multiple companies show that the sofa areas often remain empty, while meeting rooms and workstations are in high demand. When the number of workstations is driven by the weekly average office occupancy, there is often a shortage of stations on the popular workdays. We met employees who complained about having to commute to the office just to find that they don't have a place to work. So "socialization renovations", which are meant to increase office presence, often result in the opposite.

"We learned that connection and community are key, across the board."

How offices attract employees

All this considered, what would an employee-centric office look like today?
Offices designed to stimulate innovation and impress potential job candidates have been around for a while. You know the ones. Modern architecture, plenty of socialization zones, entertainment opportunities, free snacks and drinks, advanced coffee machines, or even coffee served by an in-house master barista. However, today this might not be enough. Even companies in larger towns with the fanciest offices struggle with office presence.

Creating an office for hybrid work might take rethinking more fundamental ideas about your office. For instance, since commute time is a statistically significant predictor of office presence, some companies reconsider office location. Other companies plan to experiment with multiple satellite offices to shorten the commute time for employees living in different parts of the city. Long before the pandemic I personally worked for a company that wanted to boost loyalty and engagement. So they bought a complex of buildings with both office spaces and apartments. They then offered employees attractive rental contracts, and included benefits like childcare. I believe innovative solutions like this will become popular with companies that depend on close onsite collaboration.

Will office renovations and transformations attract employees back?
Investing in your office space and office location are great steps to attract employees. But it usually isn't enough. What other options do you have?

One obvious way is to introduce mandatory onsite days. However, forced office presence is an unpopular approach. Most company attempts to return to full-time office work are received with huge criticism from employees and threats to quit. Although we don't see an equally strong pushback at Scandinavian companies, we don't recommend forcing office presence.

Companies that truly depend on office presence should instead focus on developing and fostering a shared vision. For instance, emphasizing the "We over I" culture of mutual collaboration and support, community building, or social activities. A shared vision should be based on a good understanding of what the individuals and teams really need to perform their best, and should be supported throughout the company.

But forming a coherent vision of their office doesn't seem to be so easy. We see many examples of companies emphasizing onsite collaboration and co-presence, while at the same time downsizing the office space and cancelling free parking zones. Similarly, we see companies that emphasize flexibility and let employees relocate, while still continuing to act as if they were an office-based company. These sorts of disjointed efforts only lead to confusion.

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Create your ideal workplace

How can companies develop an office that works for them?

I believe surveying employees is a great place to start. As a researcher, I must add here that it's not enough to just run any survey. Survey instruments must be well-designed, answer the right questions and have high enough response rates to provide representative answers.
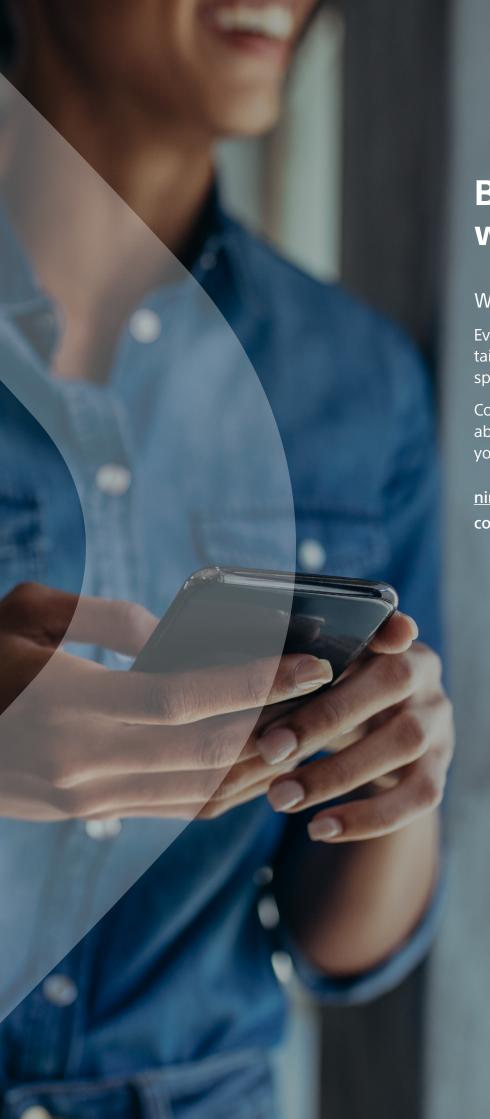
But there are more tools available today to help companies optimize their office spaces. With data. More and more companies are introducing technology that measures space occupancy. This helps them discover precisely what works and what does not work. For example, it is possible to understand whether the number of desks and meeting rooms is suffi-cient or whether the new socialization areas are actually being used. It is even possible to test different furniture arrangements. A company we work with, for example, have found that bar tables with bar stools without backs are hardly ever used. Same went for meeting rooms without windows.

We live in unprecedented times and not many companies know what to do. That's why another key message is that it's important to experiment and be flexible to adapting your strategy. Through our research, we have cre-ated a network of companies that share their experiences and concerns. This helps us all learn. We encourage others to join and share their experiences.

Nimway from Sony

Nimway is a smart office solution designed to empower brilliant workplace decisions for companies and employees. Powered by state-of-the-art occupancy sensors and positioning technology, Nimway assists the office with true real-time data to support accurate office optimization, empower employee collabora-tion, and enrich workplace experience.

Brilliant workplace

Want to know more?

Every Nimway installation is tailored to suit your organization's specific requirements and needs.

Contact us for more information about how Nimway can improve your workplace experience.

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