


Shaping the future of work:

Four foundational truths





To navigate the future of work, organizations will need to be agile to adapt to changing conditions throughout 2021 and beyond. Work and lifestyle trends that were expected to take years to reach mass adoption and become deep-rooted took months over 2020 and there is now an urgency to help corporate occupiers to return to the office and navigate what might be a long, complex and demanding future of work transformation journey. JLL Work Dynamics believes there are 4 foundational truths that can help guide you.

A turning point in the history of work

In the history of work, the pandemic of 2020-2021 will be viewed as a turning point. Historical patterns of work, worker behavior and workplace engagement that had evolved over decades were disrupted and transformed and irrevocably shifted into a new direction. Offices hold a starring role in the future of work as they attract talent and help define and exemplify company brand and purpose.

The early 2020s will be marked as a defining period where a confluence and intensification of trends – the importance of the worker, healthier living and working, social and community responsibility, sustainability and environmentalism, the advance of technology, and now health security – forever changed the nature of work, triggered by a global health crisis and the massive structural societal shifts it caused. McKinsey¹ argues that *“the physical dimension of work is a new factor shaping the future of the work, brought to the fore by health and safety considerations”*.

The changes in how, where and when we work were incubating long before the COVID-19 pandemic. Working from home was not a new concept, and flexible and mobile working were features of most industries. Digital workplace enablement and the maturation of cloud-based work platforms had already demonstrated how technology could facilitate work from *everywhere* (see Figure 1).



Figure 1: JLL Work from Everywhere Model

However, in forcing many organizations to change in an accelerated global manner, the pandemic has been the ultimate change agent for all these work trends, demonstrating amply that they can work at scale. Harvard Business Review² contends that *“virtually all projections anticipate the post-pandemic workforce will be relatively more remote”*. In particular, technology has proven its enormous capability and value in enabling many organizations to continue their business in a way that would have been impossible say 20 years ago before the advent of broadband, the cloud and powerful video conferencing capabilities.

“The changing notion of work will transform real estate strategies and is already revealing key priorities and opportunities for corporate and workplace leaders alike to redefine work, workforce, and workplace success—should they choose to accept the challenge.”



—Neil Murray, CEO,
JLL Work Dynamics





“The office will remain our primary work location longer-term. Employees will have increased flexibility to work remotely part-time, but full-time remote work will be done very selectively and with approval.”

—Rob Goldstein, COO, Blackrock^{iv}

Truth 1

The office remains the center of the work ecosystem

A physical office reinforces culture, drives collaboration and innovation, enables professional growth, and brings a company's best to its clients and employees. No wonder that our 2021 JLL Workforce Preferences Barometer survey of 3,300 office workers found that 79% of the workforce aspire to be back in the office at least once a week (see Figure 2).ⁱⁱⁱ Great office environments attract talent; bring a brand to life; provide a social outlet; connect new employees to company culture; drive employee engagement and affinity; and encourage spontaneous interactions and

informal networking. The physical office provides a link to that sought-after connectivity and culture. Done correctly, collaborative and purposeful offices add extra enterprise value as social and innovation hubs.

79% of the workforce aspire to be back in the office at least once a week

**Proportion of the workforce desiring to work remotely
in each place post-pandemic (at least once a week)**

Source: JLL Workforce Preferences Barometer, May 2021

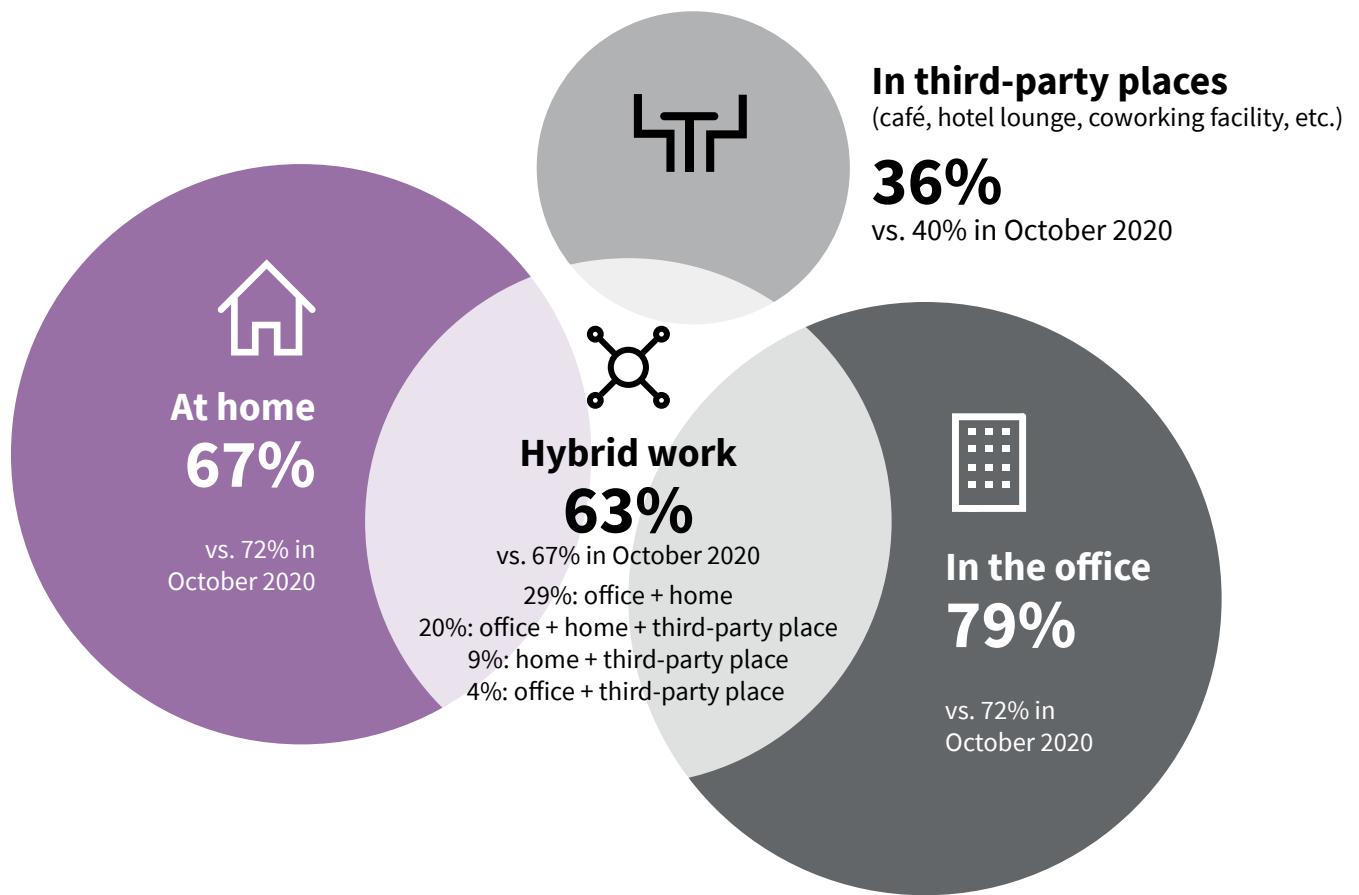


Figure 2: Workforce Preferences

Companies have learned rapidly about their capacity to be agile and flexible, as well as the need to be resilient, during the health crisis, and have adapted to the new rules and conditions of work. And new workstyles and methods of sharing and collaborating have developed quickly to attain mass familiarity and become mainstream. The vast global ‘pivot’ to distributed collaboration and cloud-based work processes and work activities via remote work and distributed cloud technology work platforms is well under way and proving to be effective and successful.

Most notably, the extreme resilience of the workforce during the pandemic has been brought sharply into focus. Its ability and agreeability to be adaptable and to maintain (and in many cases increase) productivity and performance in unusual and testing circumstances has been fundamental to the resilience of most businesses. However, many workers are feeling burned out and anxious about their future, and it is starting to impact performance.



“We have adapted to work-from-home unbelievably well...We’ve learned that we can work remote, and we can now hire and manage a company remotely.”

—Heyward Donigan, CEO, Rite-Aid[®]

We can now see signs of work-from-home fatigue. According to our study^{vi}, nearly half of employees are exhausted, feeling overwhelmed (49%) and under pressure (48%) (see Figure 3). In addition, 61% of the workforce are also craving ‘real’ human interactions with colleagues. Flexibility is becoming more and more attractive. We found that 63% of the workforce want to keep the possibility to alternate between different places of work in the future. Employees also want more certainty from their employers about what lies ahead, and they are demanding and expecting a greater equity in the new world of work. Of those employees surveyed, 55% want to be in places that

Nearly half of employees are exhausted, feeling overwhelmed (49%) and under pressure (48%)

can innovate and adapt to future crises. The future of work is likely to become increasingly worker-centric and might be tagged ‘the Golden Age of the Worker’ as human experience and human performance takes center stage.

Q: How would you describe your current state of mind at the moment?

Source: JLL Workforce Preferences Barometer, May 2021

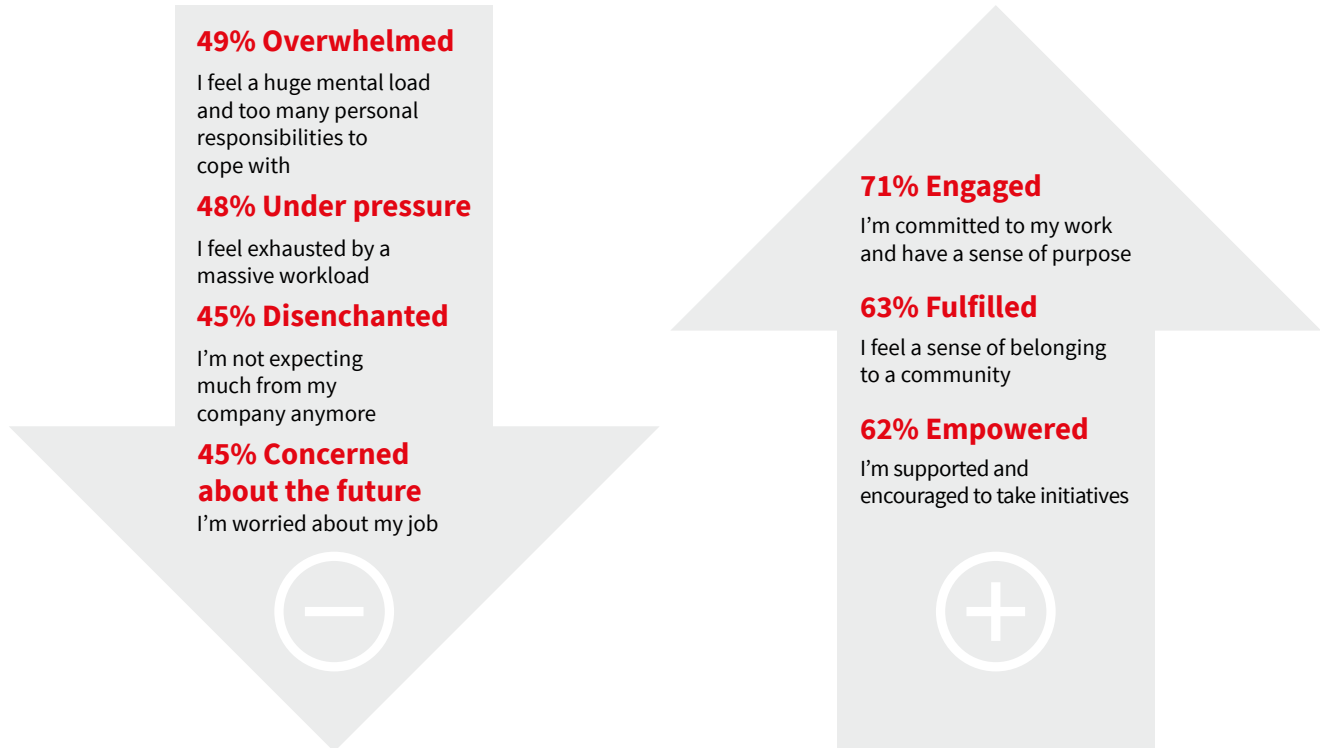


Figure 3: Mood Barometer

As we reach the post-pandemic early stages of a return to normalcy - or what might be termed 'a new normal' - remote work is fully accepted and operational at a large scale, and leaders and managers have a new mindset and have stepped up and adapted to virtual management. Our study found that 88% of the workforce would like more flexible working hours in the future, compared with 71% a year ago^{vii}. McKinsey^{viii} argues that *"COVID-19 has highlighted the importance of physical proximity as a factor shaping the future of work"*. The workforce has demonstrated that it is capable of collaborating remotely through advanced collaboration platforms, and businesses have shifted their cultures to embrace full remote-work operations as a model of resilience through hybrid work - a mix of in-office, at home and/or third-party work.

A hybrid workplace describes an organizational business model that accommodates flexibility for the workforce to be physically present in a corporate office or to work remotely (from home—or third places—all enabled by technology). As the definition of the workplace changes, organizations will need to rethink the support services needed to empower people to do their best work regardless of location. The workplace is changing from being a single location (the office) to a network of locations (the office, the remote including flex spaces, and the virtual).



“Moving forward, it is our goal to offer as much flexibility as possible to support individual workstyles, while balancing business needs and ensuring we live our culture. ...we recognize there is no one-size-fits-all solution given the variety of roles, work requirements and business needs we have at Microsoft.”

*—Kathleen Hogan, CPO, Microsoft**

Truth 2

Hybrid work has a durable presence

Most companies already embraced mobility or flexibility ahead of the pandemic. Hybrid models have typically been the starting point for return-to-office, ahead of local guidelines allowing for full capacity. Some recent employee surveys suggest employees want to spend less time working from offices than in the past, while many CEOs expect their employees to be back in the office with increasing regularity. This is a gap – sentiment will continue to fluctuate, and data on this topic is evolving. Flexible work and hybrid office environments provide greater employee workplace

63% of the workforce is ready to switch to a hybrid way of working, mixing different work locations, while 8% want to work exclusively at home and 26% exclusively from the office

choice, but fully remote models are unlikely to satisfy all needs and styles. Whatever “hybrid” means in the future, we believe offices will become more tech-enabled to inspire employees and customers who occupy them, and to reach and connect remote or hybrid workers seamlessly. According to our survey^x, 63% of the workforce is ready to switch to a hybrid way of working, mixing different work locations, while 8% want to work exclusively at home and 26% exclusively from the office.



Shifting priorities and striving for a better world

The corporate occupier world is therefore in a transition phase, where companies need to listen to and lean into workforce preferences and address the long-term coexistence of their business with the virus and its consequences. Progress with the vaccination is strong and a return to the office and to a large degree of ‘freedom’ are expected, but not to the way that things were before the pandemic. It has taken 30 years and major disruptions through multiple crisis for the future of work to arrive.

It is clear that few organizations will return to pre-pandemic ways of working. The trends that have reached mass adoption years ahead of schedule have not only proven themselves to be better for business and workers, but also good for society and the environment.

“I don’t fear any slowness as we work to distribute our workforce now... As we look forward, we’re reaching a talent pool that expects a lot more remote work.”

—Jack Dorsey, CEO, Twitter.^{xi}

Another certainty is that the impacts of the pandemic will live with us for many years, as will the new ‘learning culture’ and ‘learning mindset’ that organizations have adopted. 2020 was a step change in work’s evolution forced by the mass-scale adoption of remote working. Boston Consulting Group^{xii} asserts that “Covid-19 is hastening the transition to on-demand workforce models” forcing companies to “remake their culture, rethink the employee value proposition, redefine work into discrete components, reassess capabilities within the organization, and rewire organizational policies and processes”. Author Akhtar Badshah^{xiii} contends that ‘purpose mindset’ is the light to overcome this extraordinary pandemic year.

The most vocal about the need to transform the organizational mindset is Satya Nadella, CEO of Microsoft, who recently stated that *“anything is possible for a company when its culture is about listening, learning and harnessing individual passions and talents to the company’s mission.”*^{xiv} One Fortune 500 corporate client of JLL shared that they will use the learnings of their global remote work experience to evolve how they work in order to build the business and increase productivity while strengthening an agile, empowered and accountable culture through a ‘growth’ mindset.

Markedly, large tech companies^{xv} are eager to return to the office. IBM expects 80% of the workforce to be in the office at least three days a week. Amazon has announced that its plan is to return to an office-centric culture as their baseline, as it believes it will enable them to invent, collaborate, and learn together most effectively. Some of the loudest voices in the corporate world^{xvi} are “rallying to get employees back in offices”, particularly within the finance industry, and are suggesting “the long-term role of remote work has been overstated”. The corporate mindset will need to shift and mature to accompany the transformation around hybrid work.

On a societal level, the pandemic has magnified and accelerated how new ways of working can enable better outcomes. The need for a healthier, fairer and more sustainable world with responsible and caring communities, businesses and governments will only gain greater momentum. This will be driven by changing social and economic values among younger generations (X, Y and Z) and their demands for greater environmental and social justice and a redressing of inequities and inequalities. Consumers, investors and employees will want greater change and all of these stakeholders will become much more demanding of corporate as well as governmental efforts to build ‘a better world of work’.



Truth 3

Health, wellness and safety are – and will continue to be – of high importance to employees

As well as their values, people's priorities are shifting. More than a year into the pandemic, worker expectations continue to emphasize the importance of health and wellness. According to our study,^{xvii} 58% of employees consider health and well-being programs to be the key element that will make their employer unique in the long run. The crisis, maybe counterintuitively, has offered an unexpected opportunity to boost many quality-of-life aspects, with employees using saved commuting time to focus on leisure, well-being and the family.

Employees will expect – if not demand – that companies will provide for both their physical health and safety and mental well-being when they are in the office. Of those we surveyed, work-life balance (59%) has overtaken securing a comfortable salary (55%) among workers' priorities post-pandemic.^{xviii} Currently, nearly half of U.S. workers are experiencing pandemic-induced mental health issues, likely exacerbated or caused by virtual burnout and social isolation.^{xix} 73% of workers want to work from places that offer a destination for human connection, coupled with a safe, healthy lifestyle. These findings, and others, suggest wellness initiatives should be holistic.

The upheavals to normalcy caused by the pandemic are only likely to continue throughout society as we move forward. Above all, organizations will need to have flexibility and be resilient to facilitate their ongoing transformation in a constantly changing world.



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Business and real estate will need to ready themselves, not just to respond and adapt to a constant state of flux but also to take the lead in changing things for the better, from decarbonizing the planet to caring more for their employees. A post-pandemic world will remain a VUCA^{xx} world (Volatile, Uncertain, Complex and Ambiguous). COVID-19 continues to cause changes every day that are unpredictable and fast-moving and affecting all aspects of our life in very complex ways. There is no corporate roadmap to follow to manage the momentous challenges brought about by the pandemic. Organizations will need to head the recovery in a responsible and agile way, empowering the workforce wherever they work.



Truth 4

The net impact on space usage and footprints will be relatively minor

As added degrees of certainty begin to make planning for the future of work more achievable, there is a growing urgency to help corporate occupiers navigate what might be a long, complex and demanding transformation journey. What we are experiencing right now has been long in the making.

The crisis has and is accelerating the transformation of work at an incredible pace, and we can already envisage a future where organizations are characterized by a dispersed, digitally-enabled, liquid workforce that requires workplaces with flexible footprints to accommodate work from anywhere.

Many companies, advanced in their thinking, are already deploying 'hybrid' workplace solutions that will enhance employee flexibility and boost human performance while optimizing their real estate portfolios. While some companies have adopted a 'wait and see' stance, still trying to understand what the future of work will mean for their organization and what level of transformation they will need. We expect guidelines in most markets will allow for between 75 to 100 percent capacity by the end 2021. Some companies will ask their employees to return to spaces that look, feel and operate quite similarly to pre-pandemic times. Other companies may consider designs and fit-outs that create more

open and collaborative spaces. Still others may need smaller footprints due to an increase in remote work and a decrease in assigned desks. There may be a wide range of individual outcomes across markets, industries and assets, but we believe any space reductions will be broadly offset by growth from job creation, de-densification and the addition of collaboration space, making the aggregate impact minimal.

However, the hybrid solution is just one workplace solution and just one element within the transformation journey. While there may be common approaches, every organization will have to develop its own 'future of work' model determined by multiple factors. What we know is that hybrid is scalable and changeable over time and can fit into most organizational models, providing enough flexibility to adapt to the demands of the workforce while reinforcing organizational resilience during times of fluctuating market demands and crises.

A key factor in every corporate transformation will be keeping employee demands 'front of mind' to achieve change. Aside from the brand, culture and value of the organization, the talent strategy and level of dispersion of the workforce will greatly influence the final hybrid model. It will define the robustness of the technology platform needed and the distribution of workplaces required to meet the preferences of the workforce, wherever it works.



While there is no one-size-fits-all answer to what the future of work will look like, these foundational truths can help guide your organization regardless of its expectations of how often employees should be physically present:

1. The office remains the center of the work ecosystem.
2. Hybrid work has a durable presence.
3. Health, wellness and safety are – and will continue to be – of high importance to employees.
4. The net impact on space usage and footprints will be relatively minor.

This paper is part of a new series on the future of work. Please watch for additional pieces to follow on topics including sustainability, hybrid, health & well-being, experience, design, and technology.

In the meantime, learn more at jll.com/FutureofWork, and contact us to better understand how you can apply these truths to your organization.

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About JLL Work Dynamics

JLL Work Dynamics partners with leading organizations, across industry sectors, creating environments that achieve a more human-centric, resilient, and responsible approach to shaping a better world of work. With more than 45,000 local and global specialists, the team enables clients to enhance the performance of their portfolios and people to realize their ambitions of a more sustainable built environment. Through technology-enabled solutions JLL Work Dynamics creates safe and inspiring spaces around the world for people to collaborate, innovate, and drive meaningful change, anywhere that work is performed. JLL Work Dynamics manages more than 1.6B square feet of real estate and has averted more than 112,700 metric tons of CO₂e by advising clients on renewable energy projects. For more information visit jll.com/FutureofWork.

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