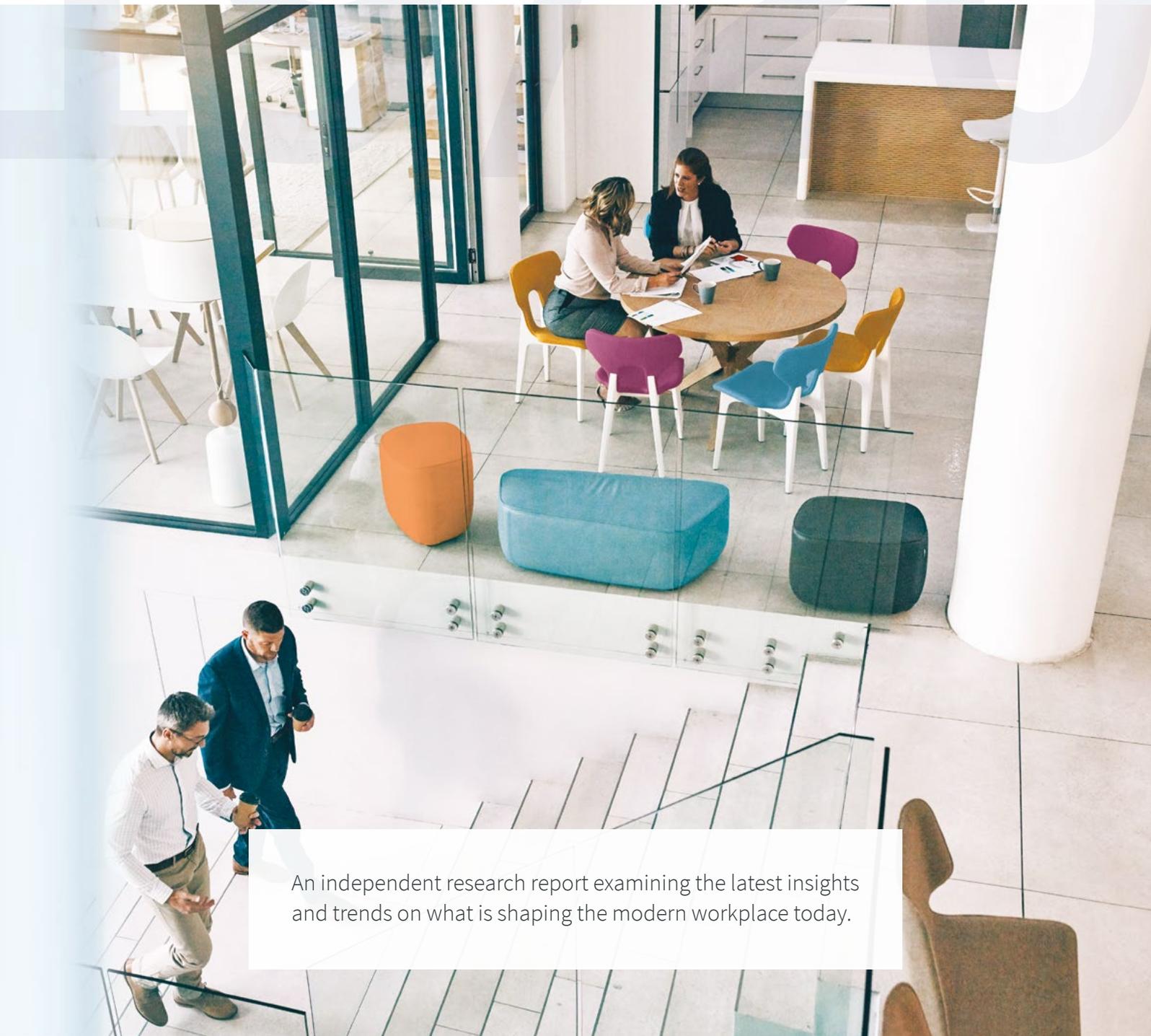


# THE MODERN WORKPLACE

PEOPLE, PLACES & TECHNOLOGY



An independent research report examining the latest insights and trends on what is shaping the modern workplace today.

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# INTRODUCTION

The workplace has undoubtedly changed more in the last two decades than in the half century before that. A new wave of technology has been introduced into the office, while mobile technology has extended this reach beyond the physical office environment.

Alongside this, a new generation of employees is at work, bringing new expectations. Millennials, those born between the early 1980s and the early 2000s are seen as more demanding workers, who expect more flexibility from their employers, more engagement in the workplace and a greater sense of purpose in their work.

This report examines the trends driving change and consider whether businesses are prepared for them. By looking at changes in flexible working and the use of office space, in particular meeting rooms. Finally, offering some suggestions about how companies can negotiate the challenges to come.

Technology is enabling changes in working practices, and in many cases, driving them too. Cloud computing, for example, enables companies to make their data available anywhere in the world. In which case, is it necessary for every employee to come to a large, expensive office every day? Video chat means that a whole team doesn't have to be in the same place to have a meeting, which expands the possibilities for who can be on a team. Why not have an international team that has a 'face-to-face' catch-up every day, at a time that works for every time zone?

Other technology is encroaching into the office in subtle ways; speakers are now 'smart' and can set appointments or look up information online; sensors track the flow of people through the office and monitor the actual usage time of each desk and meeting room; and computers no longer have to be immobile desktops – lightweight laptops free staff to change where in the office they work depending on whether they need to liaise with others or focus quietly.

The challenge for companies, facilities managers and corporate real estate specialists is to incorporate all of this technology in ways that enables the business to be most effective, whilst also keeping costs reasonable. In the background, is the need to have some sense of how technology might change in the future and ensure that can it be incorporated if necessary.

This report draws from a quantitative survey of 750 business leaders in six regions: the UK, the USA, France, Germany, Australia and Singapore. 65 of these interviews were with CTOs (Chief Technology Officer), while 223 were with C-suite executives and 209 were with what we have termed 'workspace managers' (a combination of facilities, real estate, office and front of house management). The remaining 253 interviews were with senior executives.

This was followed by a qualitative stage, in which six in-depth interviews were conducted with senior executives in five regions: the UK, the US, Germany, Singapore and Australia. These interviews covered a range of job titles – Chief Information Officer (CIO), Operations Director, Chief Technology Officer (CTO), Head of IT, Head of Facilities Management and Office and Facilities Manager – and a range of company sizes, from under 100 employees to a company with a staff of more than 10000.



# DIGITAL TRANSFORMATION AND THE WORKSPACE

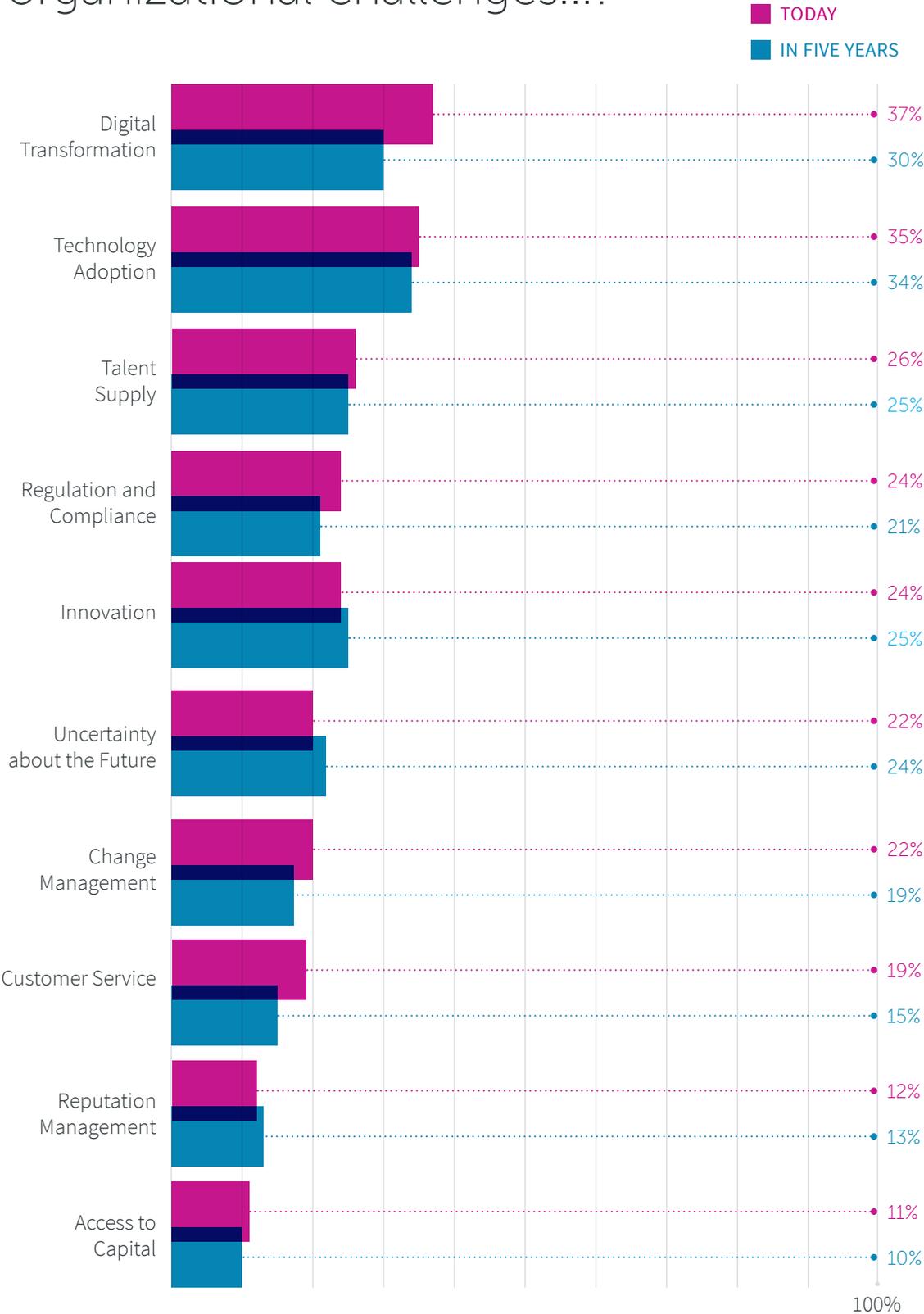
## ORGANIZATIONAL CHALLENGES

The two biggest challenges facing organizations in the next 12 months are digital transformation and the adoption of new technology. These factors, cited by 37 percent of respondents and 35 percent, respectively, overshadow the other challenges listed, which are talent supply (26 percent), regulation and compliance (24 percent) and innovation (24 percent) see figure 1.

Digital transformation is on every business's agenda. Some have been on the journey for longer than others but tasks such as moving analogue processes onto digital platforms, connecting previously isolated applications to one another and being able to do more with data, take time to complete. Often, completing one digital transformation project simply prepares the ground for another, so it isn't surprising that many businesses feel that this is their main challenge. Adoption of new technology goes hand-in-hand with digital transformation, though the two are not mutually dependent.

CURRENT ORGANIZATIONAL CHALLENGES

What do you see as your biggest organizational challenges...?



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“

...they use PCs and software to make calls with pop-ups that give them client information. Everything is already very integrated.

”

For one of our qualitative interviewees, working in a young company meant that the business could be “digital at the core”. They added: “Even our sales guys don’t have desk phones – they use PCs and software to make calls with pop-ups that give them client information. Everything is already very integrated.”

Priorities vary by country. Participants in Singapore were more likely than those in other markets to mention digital transformation (55 percent). In the UK, ‘uncertainty about the future’ is seen as the biggest challenge (36 percent – compared with 22 percent for the survey as a whole), though this is likely to be influenced by the fact that the survey was carried out in the midst of ongoing uncertainty over “Brexit” – the UK’s departure from the European Union.

French business leaders were typical in giving digital transformation as their main organizational concern (34 percent) but they were singularly unconcerned by uncertainty about the future, with just nine percent raising it. In Germany, talent supply was seen as the main challenge (38 percent).

Over the next five years businesses expect technology adoption to be a bigger issue than digital transformation (see figure 1), suggesting that some are confident that they will have completed their digital transformation process by then or that they expect the pace of technological innovation to increase, or both.

## DIGITIZING THE WORKSPACE

When it comes to challenges specifically affecting the workspace, now and in the next five years, the biggest concern is workspace digitization – integrating technology into all areas (see figure 2). This is a broad area that encompasses everything from having the right computers available so that employees can get their jobs done to integrating meeting room booking software, smart speakers and workspace utilization sensors so that the space runs as seamlessly as possible.

For three-fifths of those surveyed (60 percent), integrating technology into all areas was one of their two biggest workspace challenges. People in Singapore (69 percent) were most likely to say this. Digitization was also predicted to be the greatest workspace challenge in five years' time (50 percent) in every region except Australia, but has dropped 10% in that time as adoption increases.

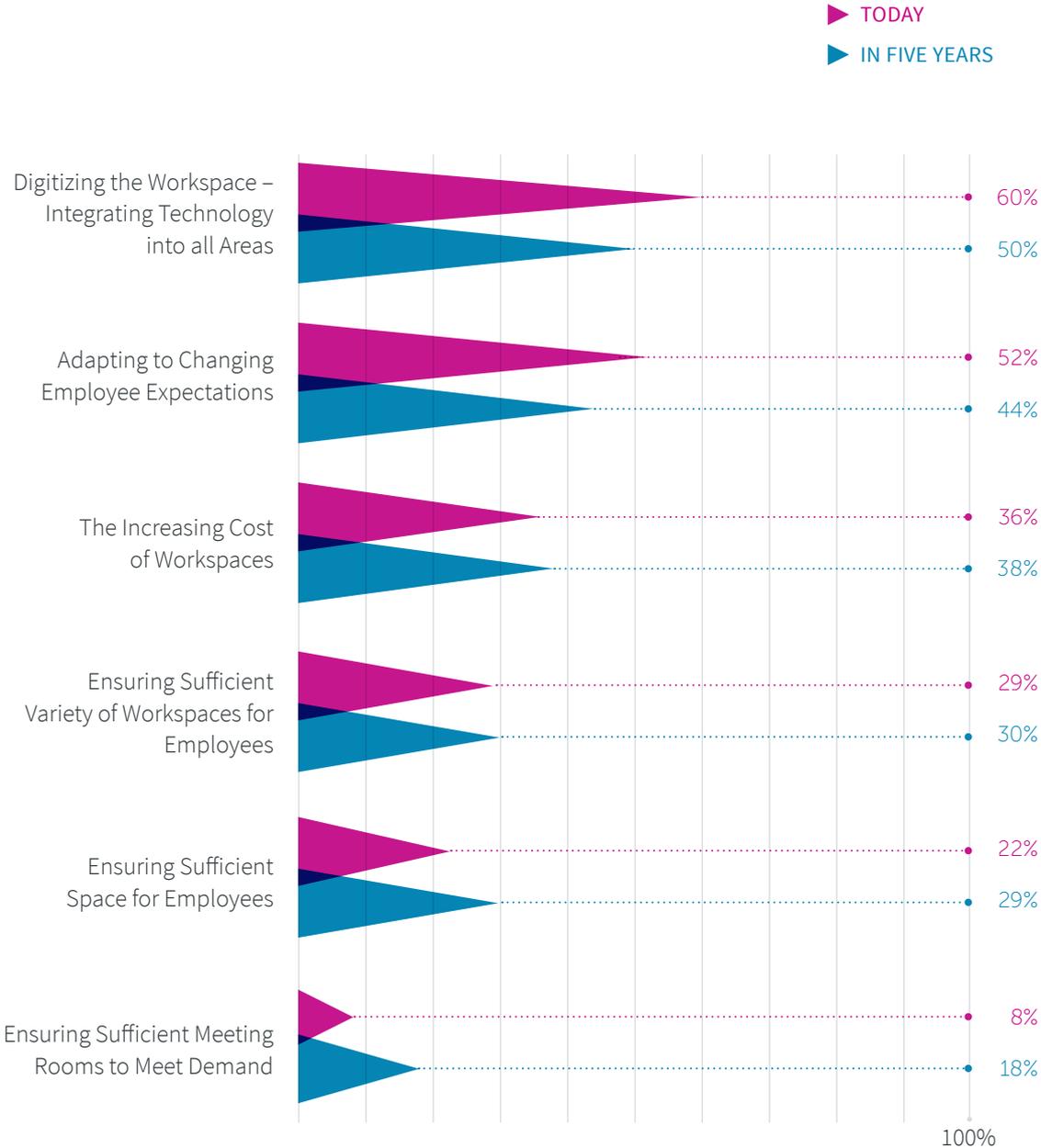
Given that digital transformation – the integration of digital technology into all areas of an organization – is seen as a key challenge, it's unsurprising that the vast majority of business leaders emphasize the importance of transforming their digital infrastructure.

The definition of digital transformation varies from one company to another. In the qualitative interviews some respondents said the phrase was just “buzz words”, while others said the term had begun to acquire meaning. “I think of it as the collection of tools, styles of working and communication within an organization,” said an interviewee in Singapore.



WORKSPACE CHALLENGES

What do you see as the biggest workspace challenges facing your organization...?



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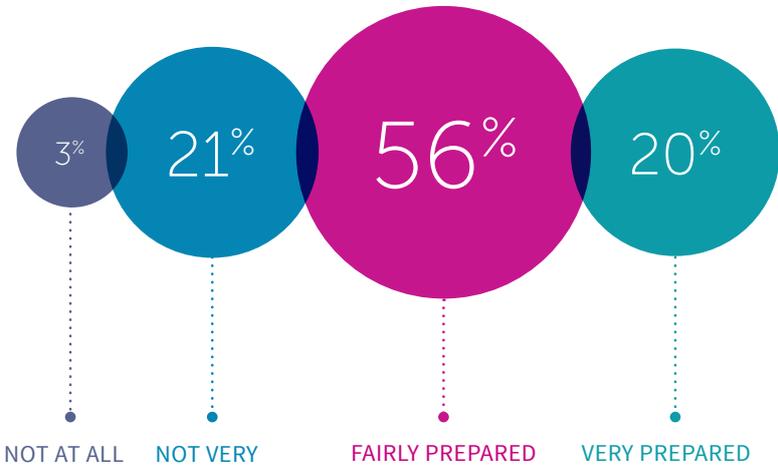
However, despite this widespread awareness of its pivotal role, just a fifth of business leaders said that their organization is 'very prepared' for digital transformation (see figure 3). The proportion is much lower in the UK (13 percent). A quarter of organizations overall say they are unprepared for digital transformation, with an even higher proportion of German respondents saying so (34 percent). This is a clear indication of where change has to happen.

There is clearly still work to do but over half of business leaders say they feel 'fairly prepared' for the challenges of digital transformation.

CTOs surveyed were very confident in their preparations for digital transformation, with 86 percent saying that they are prepared. A similar proportion – 82 percent – of C-suite executives said the same. However, workspace managers are significantly less convinced of this, as only two thirds (67 percent) described their organizations as prepared for digital transformation and a third said that they are unprepared. The question for companies to ask is whether their senior staff are over-confident or just not adequately communicating their readiness to the rest of the organization.

DIGITAL TRANSFORMATION

How prepared for digital transformation – the integration of digital technology into all areas of a business – is your company now?



See appendix: Table 5

FIGURE 3



“

I think of it as the collection of tools, styles of working and communication within an organization.

”

Anonymous, interviewee, Singapore

# IMPLEMENTING NEW TECHNOLOGY

Cloud computing is widely viewed as the most important technology for the workplace over the next 12 months. This fits with the challenges highlighted earlier in the report, as cloud technology is generally a key component of digital transformation. Companies are also focusing on the Internet of Things (IoT), big data and automation technology. Technologies that respondents said matter least are virtual and augmented reality, as well as biometrics, though that doesn't mean they won't grow in importance in the future.

Over the next five years, cloud computing will remain the most important technology, but our respondents expect automation and big data to grow in importance and overtake the IoT. This could suggest that respondents view the IoT as a one-time project that, once implemented, will not need significant attention.

In the qualitative interviews, respondents were more cynical about the Cloud. One said: "I roll my eyes a bit when people try to sell me the Cloud, although I do see the advantages." For others, the Cloud was simply something that would be adopted over time but more of an everyday improvement to working methods than a transformative change.

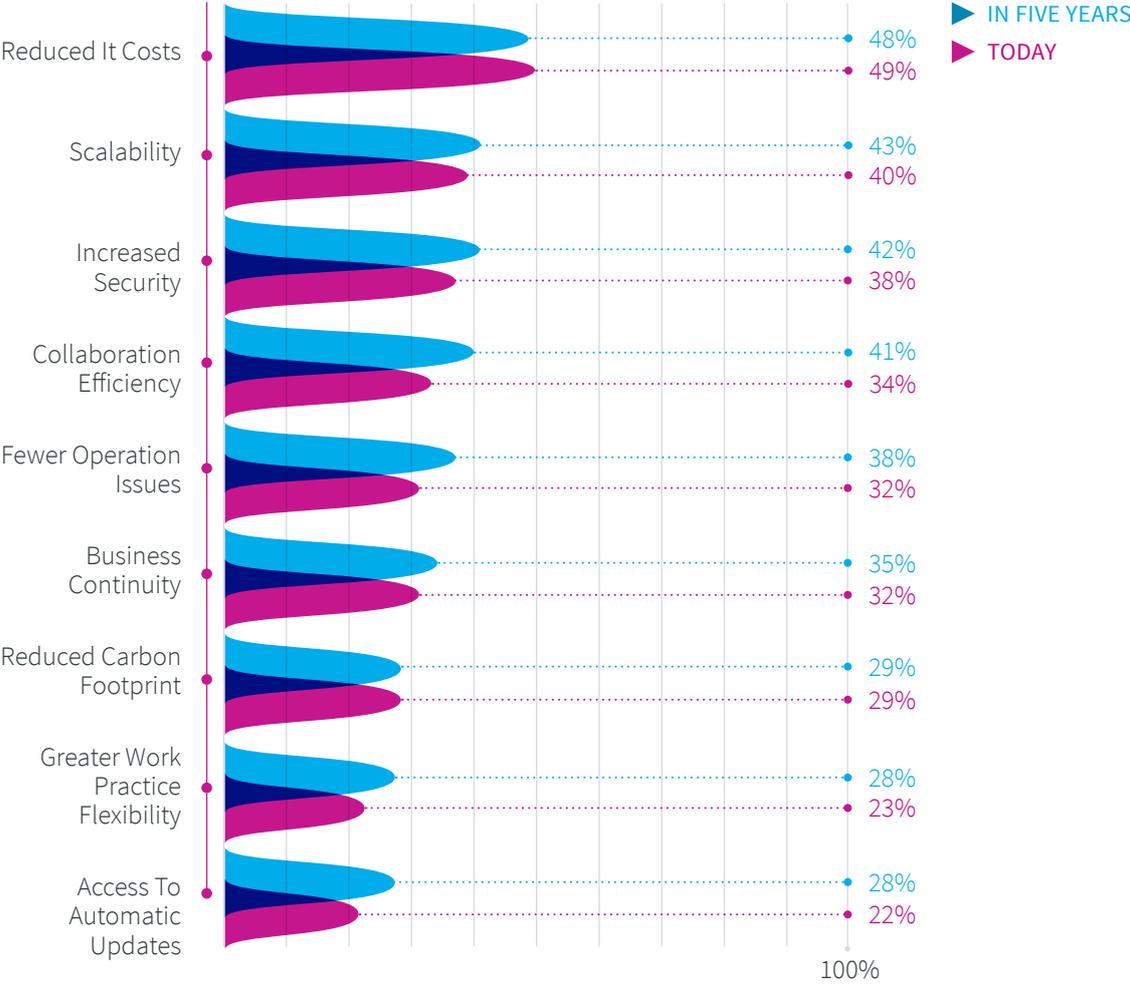
The importance of cloud computing is due to its potential to reduce IT costs, increase security and improve collaboration efficiency. Businesses expect to see those benefits over the short – and the long – term, which makes for a compelling proposition.

For a few businesses, the potential for the Cloud to reduce their carbon footprint is a driver, but this is not a common reason for adoption. There are two ways to interpret this finding: either respondents do not view environmental concerns as a priority for their digital transformation and modernization of their office space, or they do not see cloud computing as delivering significant benefits in this area.

For CTOs, cloud computing was seen as the most important technology over the next 12 months (51 percent) and 54 percent said that it was 'very important' to the success of their company. The key benefit they expect to see is IT cost savings (49 percent), followed by scalability (40 percent) and security (38 percent) (see figure 4). Over the next five years, they see scalability as the key benefit (43 percent), followed by collaboration (41 percent) and fewer operational problems (35 percent).

BENEFITS OF CLOUD COMPUTING FROM THE CTO

What benefits of cloud computing are you aiming to achieve...?



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Another area of technological change that is relevant to the themes of both digital transformation and the physical transformation of the workspace is smart building technology. This includes things like wireless internet, which is not yet the ubiquitous technology that some readers might expect – just half of offices have it.

Other popular smart building features include energy efficiency measures, networked appliances in the workspace and remote monitoring. Intelligent meeting room booking systems are used by about a quarter of businesses, while desk sensors are becoming increasingly commonplace.

Finally, just over half of participants say that they have smart building initiatives to introduce new technology into their workplaces. The most common initiatives were HVAC (heating, ventilation, and air conditioning) systems, mentioned by 18 percent of those with initiatives underway.

“

I think it's good for our people if we are seen to be innovative and forward thinking in our business and in our workspaces. This is especially important to our trainees and younger staff who have always lived with technology and expect to have the right digital tools to collaborate.

”

Anonymous, Facilities Manager, Australia





# ADAPTING THE PHYSICAL WORKSPACE FOR EFFICIENCY

## PHYSICAL WORKSPACE CHALLENGES

Outside of technology, the next greatest challenge cited by respondents was adapting the workspace to changing employer expectations. This covers things like the need for more flexible working, as well as the desire to use space more efficiently with costs rising. Just over half of business leaders worldwide (52 percent) (see figure 2) cited it as a challenge, while in the USA it was seen as being even more significant than workspace digitization, with 62 percent of respondents mentioning it.

Employers are concerned about the increasing cost of workspaces, as well as the need to provide a variety of workspaces for employees and have sufficient space for everyone. These challenges are part of the reason why many companies are interested in adapting the physical workspace, both to make it more cost effective and more employee friendly.

Some of the qualitative respondents emphasized the increase in open-plan office space as being a crucial recent adaptation. It was seen as a development that was good for boosting links between teams, driving collaboration and becoming more space efficient.

## WHY INVEST IN A WORKPLACE OF THE FUTURE?

What are the greatest potential benefits for your organization of investing in developing a workplace of the future?



However, it was not without downsides. “A lot of people get distracted by colleagues chatting,” said a respondent in Germany. “There always seems to be someone talking.” Such issues make it even more important to have quiet spaces in the office that can be used by employees who need to concentrate.

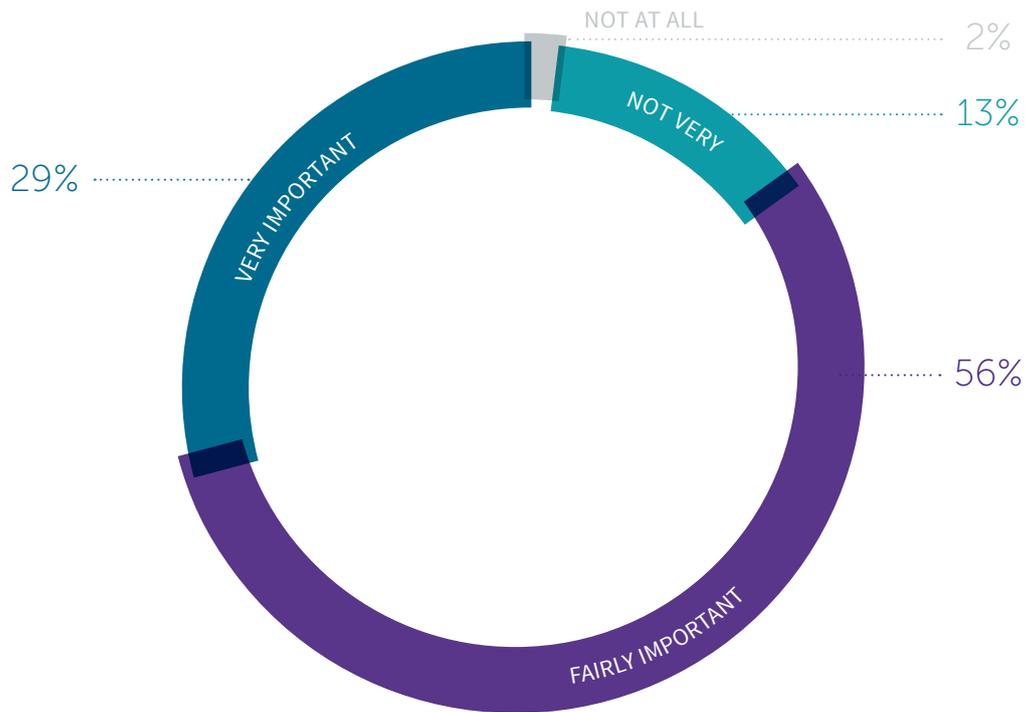
Other issues raised from an open-plan environment were the need to declutter, because there was less personal storage space, as well as the problem of people eating smelly food at their desk.

Few employers expressed concern about having sufficient meeting rooms, though those in the UK, where office space is expensive, were more likely to than those in Germany, where the market is cheaper.

Most organizations believe they are prepared to create the workplace of the future, though a significant minority still feel unprepared. The scramble to digitize should not distract companies from the importance of transforming the physical workspace.

## TRANSFORMING YOUR PHYSICAL WORKSPACES

How important is transforming your physical workspaces to the success of your organization?



There are numerous benefits to investing in a modern workspace, that meets the needs of both employers and staff. In particular, business leaders said that workspace transformation will deliver increased productivity (37 percent), innovation (26 percent), reduced costs (25 percent) and increased flexibility and agility (24 percent) (see figure 5).

With that in mind, it's not surprising that 85 percent of business leaders say that transforming physical workspaces is 'very' or 'fairly' important (see figure 6).

For physical transformation, CTOs and C-suite executives were confident that everything is under control. However, workspace managers, who are more likely to have to implement these changes, are much less confident that their organization was prepared. This suggests that there is a communication issue, with those at the top perhaps unaware of areas in which they are not prepared.

## USING THE WORKSPACE EFFICIENTLY

Efficient utilization of the workspace is vital from a cost point of view. In some of the world's most expensive cities, each desk carries a cost of tens of thousands of dollars per year, so it is vital to have flexible spaces, in which there are fewer desks per person and more scope for working remotely or in different parts of the office. Evidence suggests that more flexible workspaces improve employee collaboration and in turn, productivity.

A Facilities Manager in the USA told us: "We want more collaborative spaces, ideally with whiteboards, and equipped with iPads and other tools that allow people to get together and work quickly and effectively."

When asked to rank seven workspace developments in order of importance for their organization, the clear favorite for business leaders was 'taking advantage of new technology to use space more effectively, for example to track workspace occupation and usage'. This was considered the most important of the seven options by respondents in the UK, the USA and Singapore (see figure 7).

“

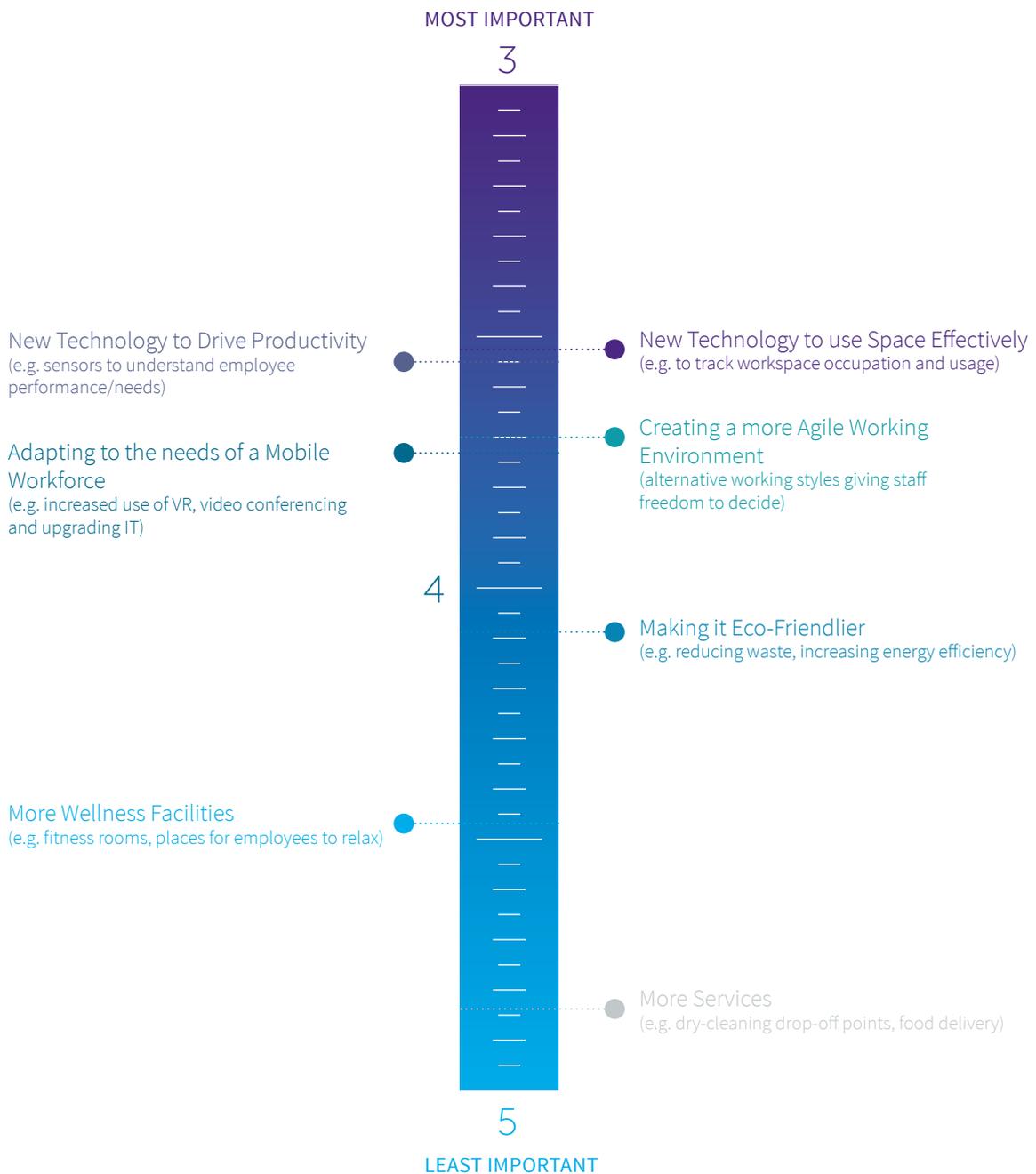
We want more collaborative spaces... that allow people to get together and work quickly and effectively.

”



WORKSPACE PRIORITIES RANKED 1 - 7

Which workspace developments should your organization prioritize in the coming years?



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The second most important development overall was ‘taking advantage of new technology to drive productivity, for example using micro-sensors to better understand employee performance and needs’. This, too, appealed to participants across all markets, but was seen as slightly less important to those in France where it was ranked only fourth.

The third-ranked priority overall was ‘creating a more agile working environment (with different areas that suit alternative styles of working and gives staff freedom to decide where they work)’, which held greatest appeal to those in Australia and Singapore.

‘Adapting to the needs of an increasingly mobile or contingent workforce (e.g. increased use of VR, video conferencing and upgrading IT)’ is a mid-ranking priority in all countries – perhaps reflecting the fact that it is seen to be important but is already being addressed by current technology.

There is also little to separate the countries on the fifth-ranked priority, making workspaces ‘eco-friendlier (e.g. reducing waste, increasing energy efficiency)’, as well as those in sixth and seventh place - more wellness facilities and more services.

It’s worth noting that the developments that made up the top three all relate to using the workspace more efficiently. The final two priorities were ‘more wellness facilities’ and ‘more services, for example dry-cleaning drop-off points and food delivery’.

While these were low priorities in the survey, anecdotally, they were raised in our qualitative interviews. One respondent told us that employees now expect their workspace to look “more funky, more homely, and they want us to provide other stuff, which is akin to home comforts, for example a gym or a nursery”. It is possible that this is an area that will become increasingly important over the next few years.

Another respondent added that features such as showers and yoga rooms were considered to be perks that make the company more attractive to potential employees.





“

We have increased the size of our training and breakout areas over the last few years, and we've been focused on improving their usability too. It is about promoting teamwork and knowledge sharing, as our work has become more team based.

”

Anonymous, CTO, Germany

## LEADERSHIP AND PRIORITIES

As noted in prior chapters, business leaders believe that digitization and workspace modernization will be key to their success in the coming years. For that to happen, leaders need to back these programs and promote their vision of the company's future. To what extent are our leaders actually leading the change?

Fewer than three-fifths (57 percent) of business leaders agreed that 'there is a high level of executive sponsorship for workspace transformation/modernization in my organization' (see figure 8); in the UK only around a half agreed (52 percent) with, while in Singapore this rose to nearly two thirds (64 percent). The proportion who actively disagreed – saying, therefore, that there is not executive sponsorship – is relatively low at 15 percent, while over a quarter are neutral – they see some leadership commitment to workplace transformation, but possibly not enough.

Encouragingly, a slightly higher proportion (63 percent) said that their 'CEO is curious and actively learning about how to best improve and transform our workspaces'. In France, some 71 percent agreed with that, while UK respondents were much less confident (54 percent). Overall, fewer than one in ten business leaders actively disagreed, although over a quarter were again neutral, indicating that a significant minority would no doubt welcome evidence of greater commitment to, and interest in, workplace transformation from the top table.

Looking one level down from the CEO to P&L leaders in the organization, around three fifths (61 percent) said they are 'incentivized to innovate/develop their workspaces', with France again, leading the way (71 percent).

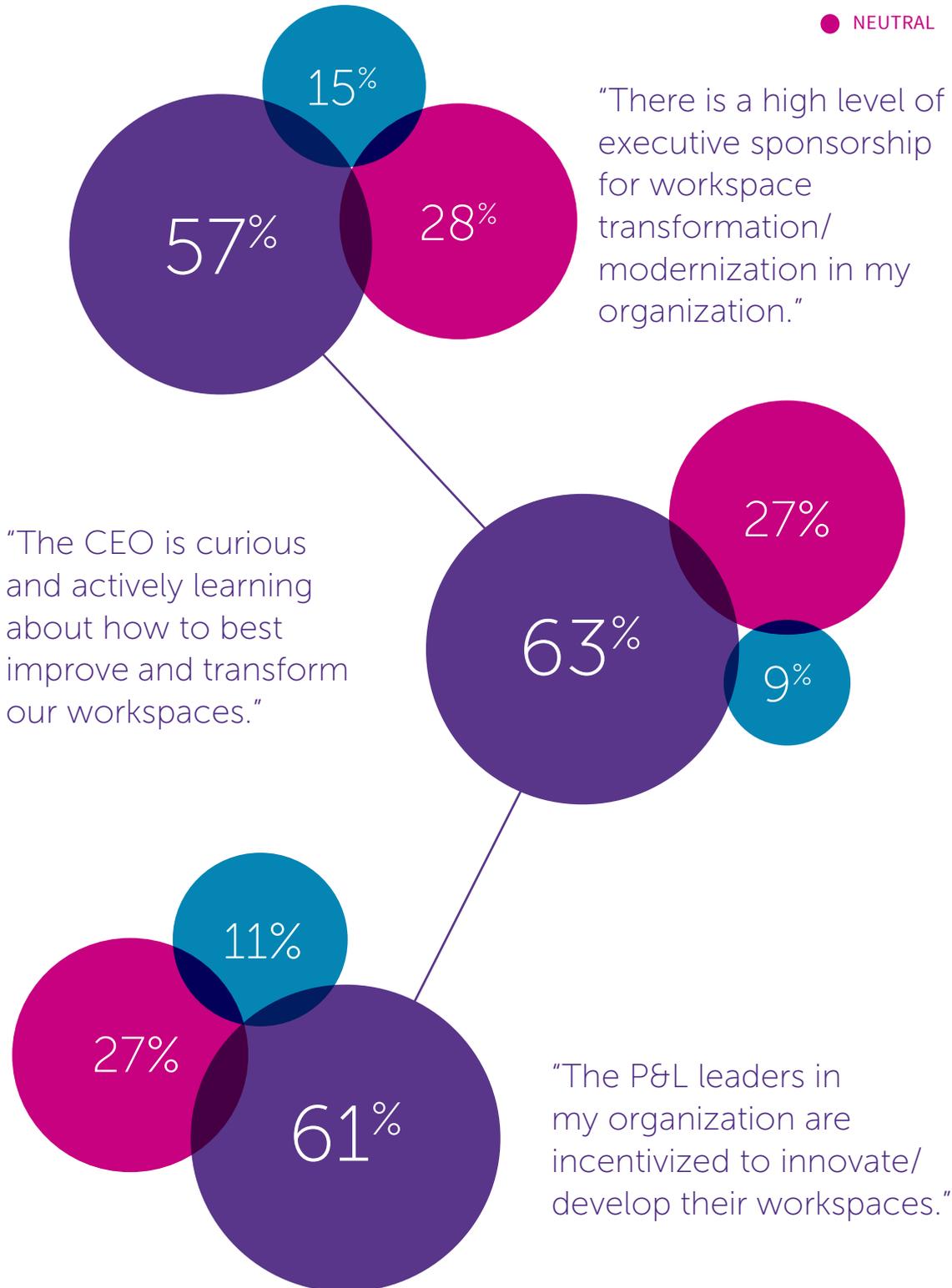
Perhaps unsurprisingly, C-suite respondents were more likely to agree that their organization has a high level of executive sponsorship for workspace transformation and modernization in their organizations (70 percent). CTOs (63 percent) were slightly less convinced, while workspace managers were sceptical (43 percent).

A similar pattern is evident in perceptions of whether participants believe their CEO is curious and actively learning about how best to improve and transform their workspaces. Three quarters of C-suite (73 percent) and CTOs (75 percent) believed this to be the case, compared to only around half of workspace managers (53 percent).

WORKSPACE LEADERSHIP

To what extent would you agree or disagree with the following?

- AGREE
- DISAGREE
- NEUTRAL





“

We do need to modernise, especially if we want to support more agile working where people can work or collaborate wherever suits at the time.

”

Anonymous, Office & Facilities Manager, UK



# MEETING ROOM TRENDS

## ACCESS TO MEETING ROOMS

Fewer than a quarter (23 percent) of business leaders say that their employees have access to meeting rooms ‘whenever’ they need them, while this figure falls to 17 percent in the UK and just 9 percent in Singapore. The picture is however, more positive if one were to look at the proportion who say their employees have access ‘most’ or ‘all of the time’, as four fifths (80 percent) consider this to be the case. The picture is similar across all six countries.

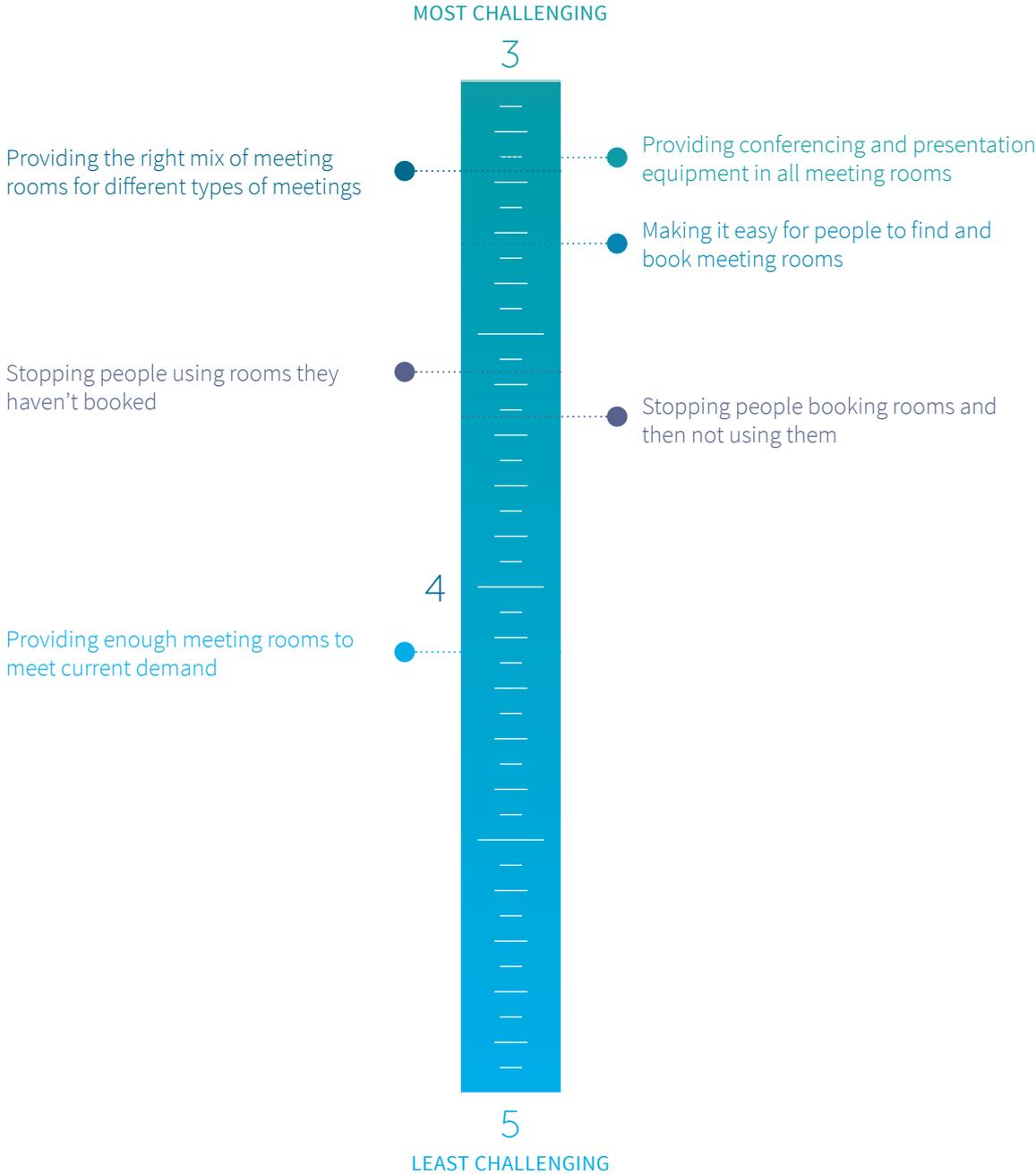
A question put forth to participants during the research for this report was around how challenging do they actually find various aspects of meeting room management and usage? Perhaps surprisingly, ‘providing enough meeting rooms to meet current demand’ was ranked as the least important of challenges that we asked about (see figure 9). This was the case in all regions except France where it was ranked as the third greatest challenge. That said, one respondent in the qualitative research told us that: “you can never have too many meeting rooms.”

For others in the qualitative research, getting the right mix of meeting rooms is the challenge. An Australian Facilities Manager said that: “(they) have ample formal meeting rooms and conference rooms, as we need private spaces. What (they) lack are enough smaller, informal meeting spaces for catch-ups and smaller meetings.”

The most challenging meeting room issues was providing the right mix of conferencing and presentation equipment in every room, followed by providing the right mix of meeting rooms for different types of meetings. Behind these, and third ranked overall, is making it easy for people to find and book rooms, which is seen as more of a challenge than that of stopping people using rooms they haven’t booked or booking rooms and then not using them.

MOST CHALLENGING MEETING ROOM ISSUES RANKED 1-6

How challenging are each of the following to your organization...?



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## MEETING ROOM TECHNOLOGY

Nearly two-fifths of organizations (38 percent) use Microsoft Outlook, Google or iCal to book meetings, an increase of five percentage points compared to 2018 (see figure 10). Use of these tools for booking meeting rooms was highest in the USA (47 percent) and Australia (45 percent), while in France fewer than three in ten (29 percent) use them. A similar proportion use the intranet to book meeting rooms (37 percent – an increase of six percentage points on 2018). This method is most popular in Singapore (51 percent) and France (40 percent).

However, in many organizations, the traditional approach to room booking still remains prevalent. A third of those surveyed (34 percent) typically use personal assistants (PAs) or receptionists to book meeting rooms, which is in line with last year's figure. Organizations in the UK (40 percent) and Singapore (41 percent) are most reliant on this method of booking meeting rooms.

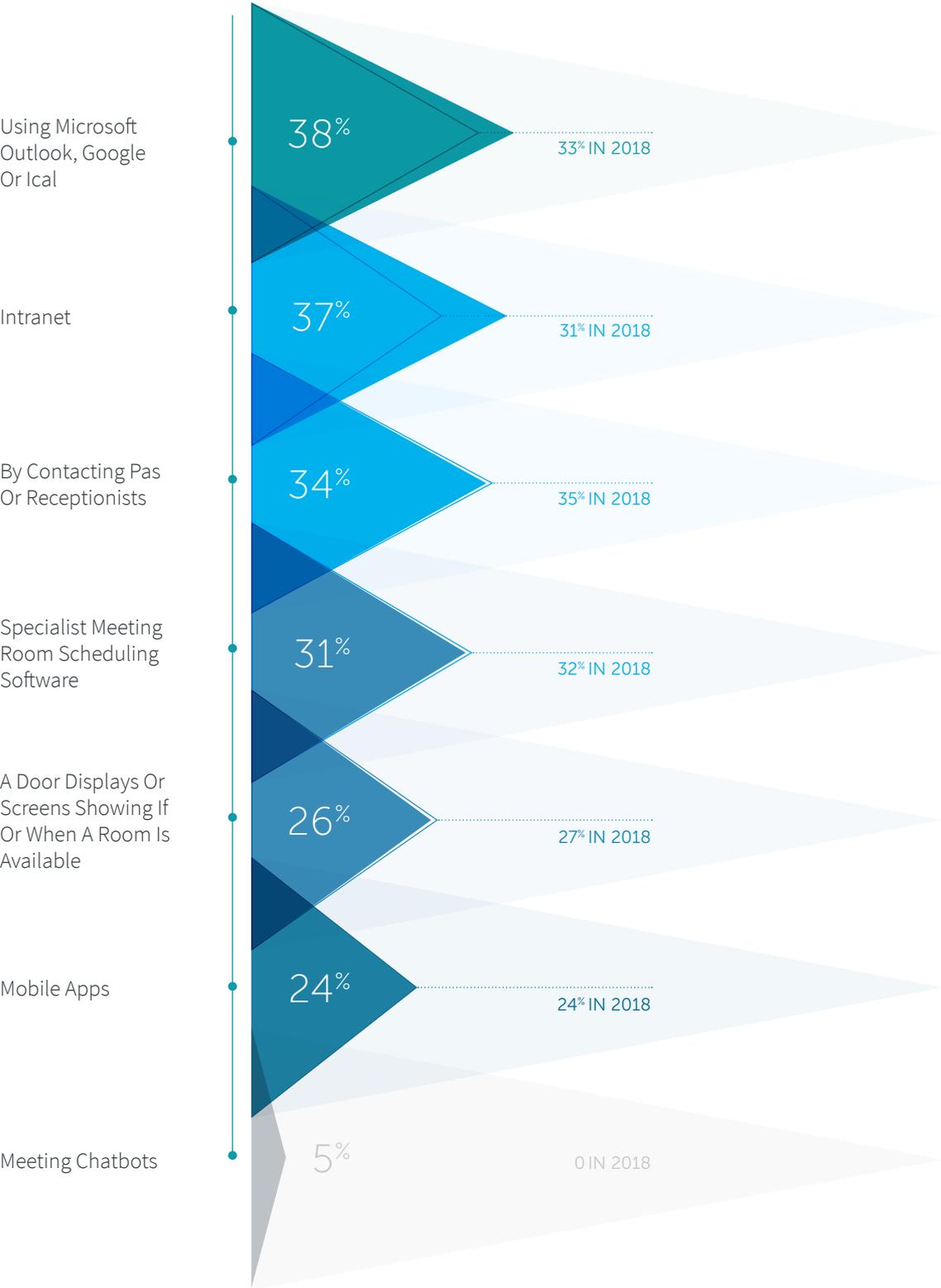
Just under a third of respondents use specialist meeting room scheduling software (31 percent), while around a quarter (26 percent) use door displays or screens that show when a room is available. Usage of this technology has not changed from last year.

Finally, a quarter of organizations (24 percent) use mobile apps to book meetings, while five percent use meeting chatbots. In the UK, meeting room chatbots have as yet made little impact as only one percent of organizations use them, compared to seven percent in the USA.

Respondents in our qualitative interviews were optimistic about the possibility of artificial intelligence to transform the meeting experience, whether through automating much of the booking process or by providing speech recognition technology that can write-up the meeting minutes and automatically distribute them.

MOST IMPORTANT WORKPLACE TECHNOLOGIES

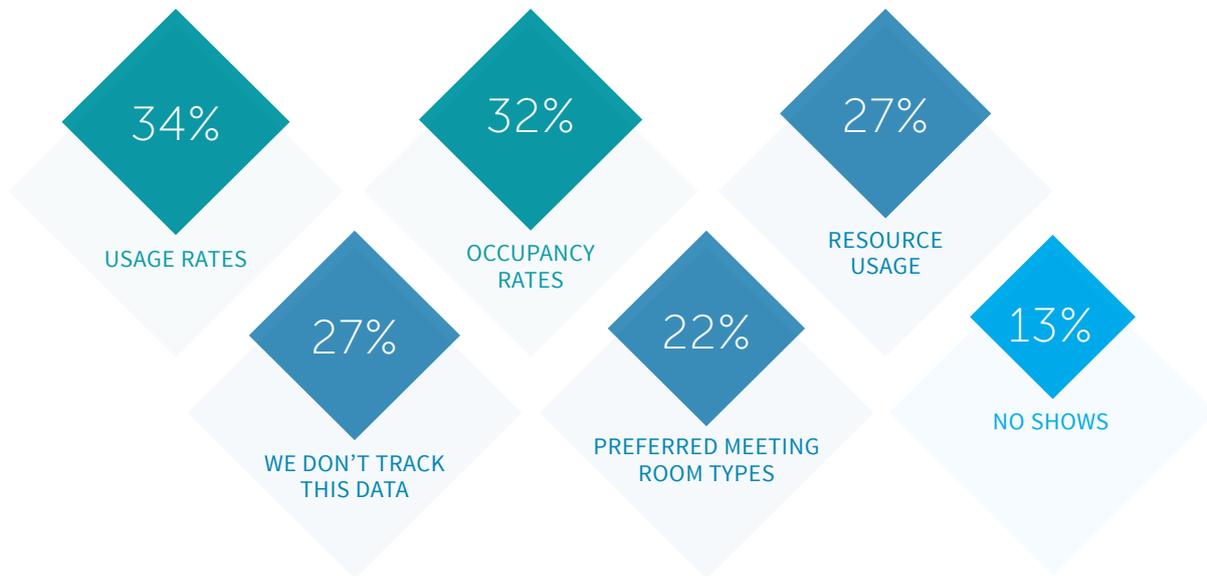
How do people book meetings in your organization?



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## MOST IMPORTANT WORKPLACE TECHNOLOGIES

Does your organization track any of the following meeting room data, or not?



See appendix: Table 16

FIGURE 11

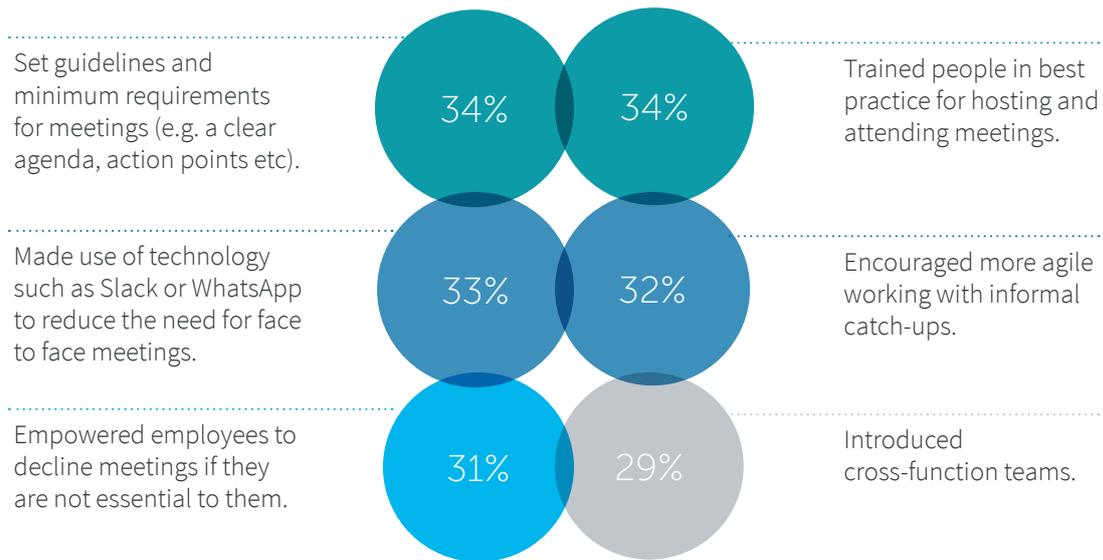
## COLLECTING DATA

It's still not that common for companies to collect meeting room data but those that do typically analyze usage rates (how often the space is used) and occupancy rates (how many people are using the space at any one time), as well as information on resource usage (for example, catering, and video conferencing). A small number of organizations also collect information on no-shows.

Organizations have taken a wide range of measures to improve the quality and/or reduce the frequency of meetings. These include setting guidelines and minimum requirements for meetings (for example, a clear agenda, action points, etc). Furthermore, in line with 2018 findings, around a third of companies have trained people in best practice for hosting and attending meetings or made use of technology such as Slack or WhatsApp to reduce the need for face-to-face meetings.

## APPROACHES USED TO IMPROVE MEETINGS

Has your organization taken any of the following actions to improve quality and/or reduce frequency of meetings?



See appendix: Table 17

FIGURE 12

It's become increasingly common to adopt agile working practices, with informal catch-ups as a means of reducing the frequency of meetings. This is particularly true in Australia (41 percent) and the UK (38 percent), while being adopted by around a third of organizations overall (32 percent) (see figure 12).

Thirty-one percent of companies have empowered their employees to decline meetings if they are not essential, and again this is most common in the UK (39 percent) and Australia (38 percent). This practice is common in the USA (24 percent). Finally, just under three in ten companies (29 percent) have introduced cross-function teams, and these are considerably more common in Singapore (47 percent) than anywhere else.



“

Our new offices will have far more, smaller flexible meeting spaces that people can use without booking and we will also have several larger conference rooms.

”

Anonymous, Office & Facilities Manager, USA



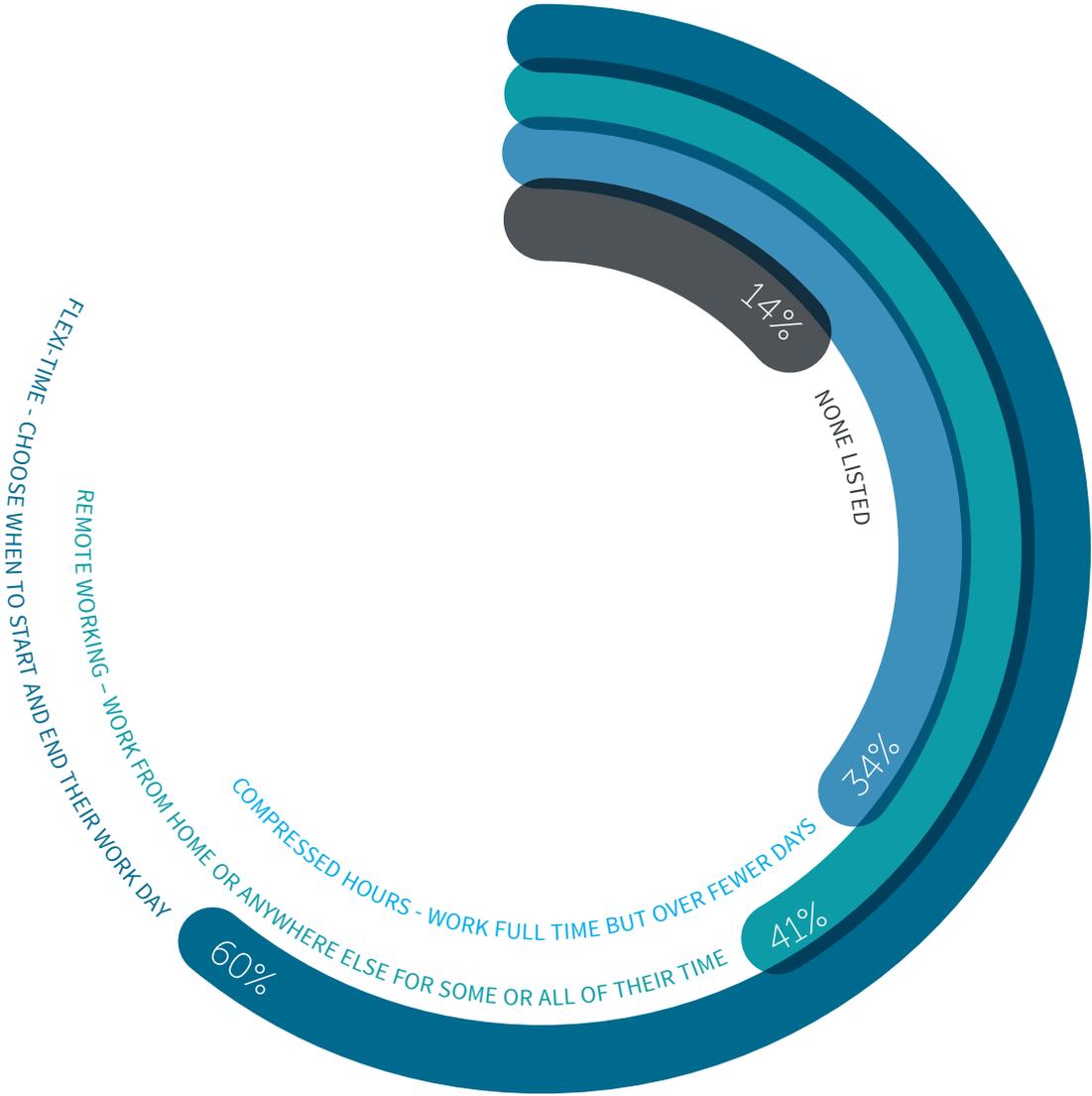
# FLEXIBLE WORKING

Both digital transformation and the physical transformation of the workplace make possible, and encourage, flexible working by employees. This is something that staff, especially those in the millennial generation, want the freedom to do and it benefits employers by making it possible to operate with less space.

Flexi-time, allowing employees to choose when they start and end their work day, usually with a set of core hours during which they must be in the office, is a common approach. Some companies allow compressed hours, where employees work their usual full-time hours but over fewer days (see figure 13).

FLEXIBLE WORKING ON OFFER

Does your organization offer any of the following types of flexible working to some or all workers?





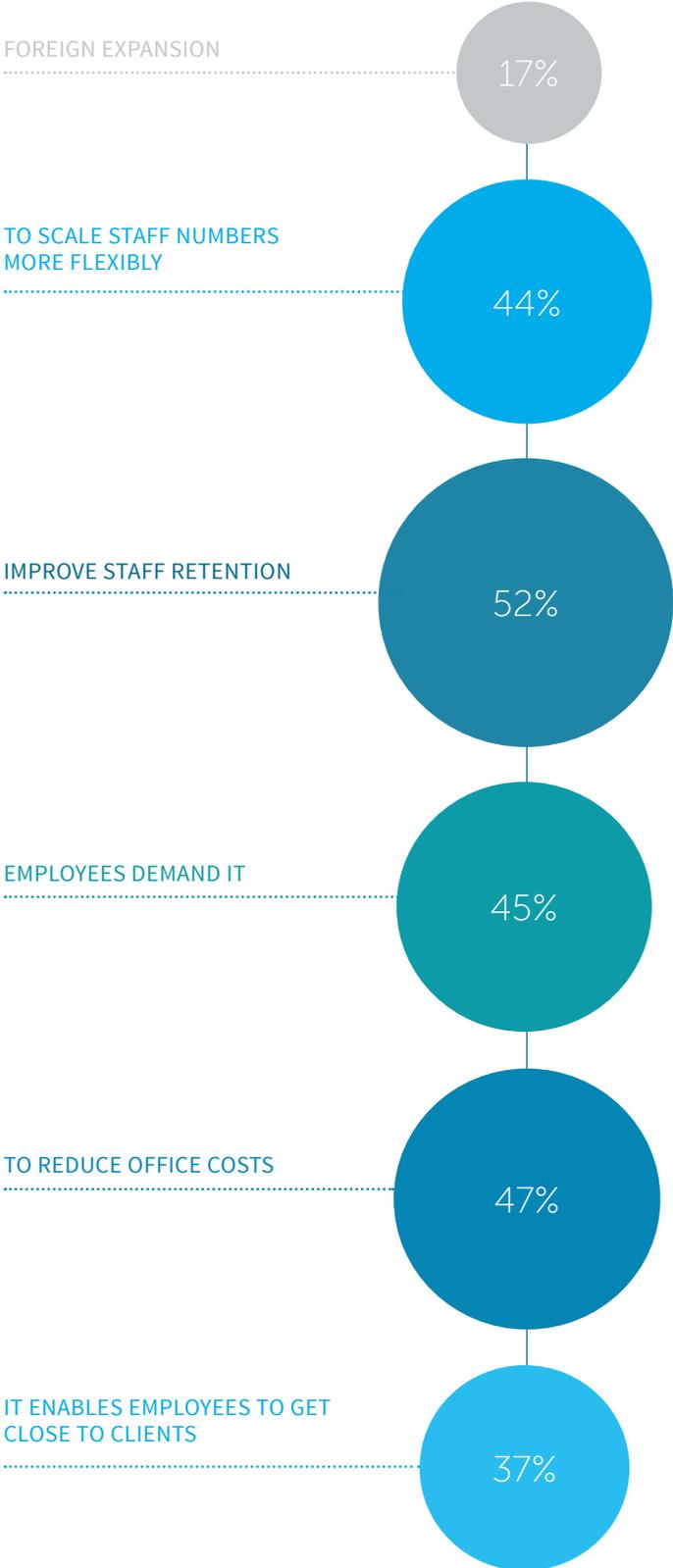
Remote working is offered by two-fifths of organizations, allowing employees to work from home – or anywhere else – for some or all of the time. This is equally common in every region we surveyed, not least because it is seen to improve staff retention. Around half of respondents said they offer remote working because employees demand it (see figure 14). This is most apparent in France and Germany, but less common in the USA.

Another reason for offering remote working in nearly half of organizations (47 percent) is that it helps to reduce office costs; this is a common reason in the UK (53 percent) and Singapore (66%). A related benefit – and one recognized by over two fifths (44 percent) of business leaders – is that flexible working helps them to scale staff numbers effectively.

For over a third of organizations (37 percent), remote working is allowed so that employees can get close to clients, more so in Germany (46 percent) and Singapore (50 percent) than the UK or USA (both 29 percent). And just under a fifth of organizations (17 percent) say remote working is important for foreign expansion. This is a more common reason for allowing the practice in Australia (25 percent) and Singapore (34 percent) than elsewhere.

WHY OFFER REMOTE WORKING?

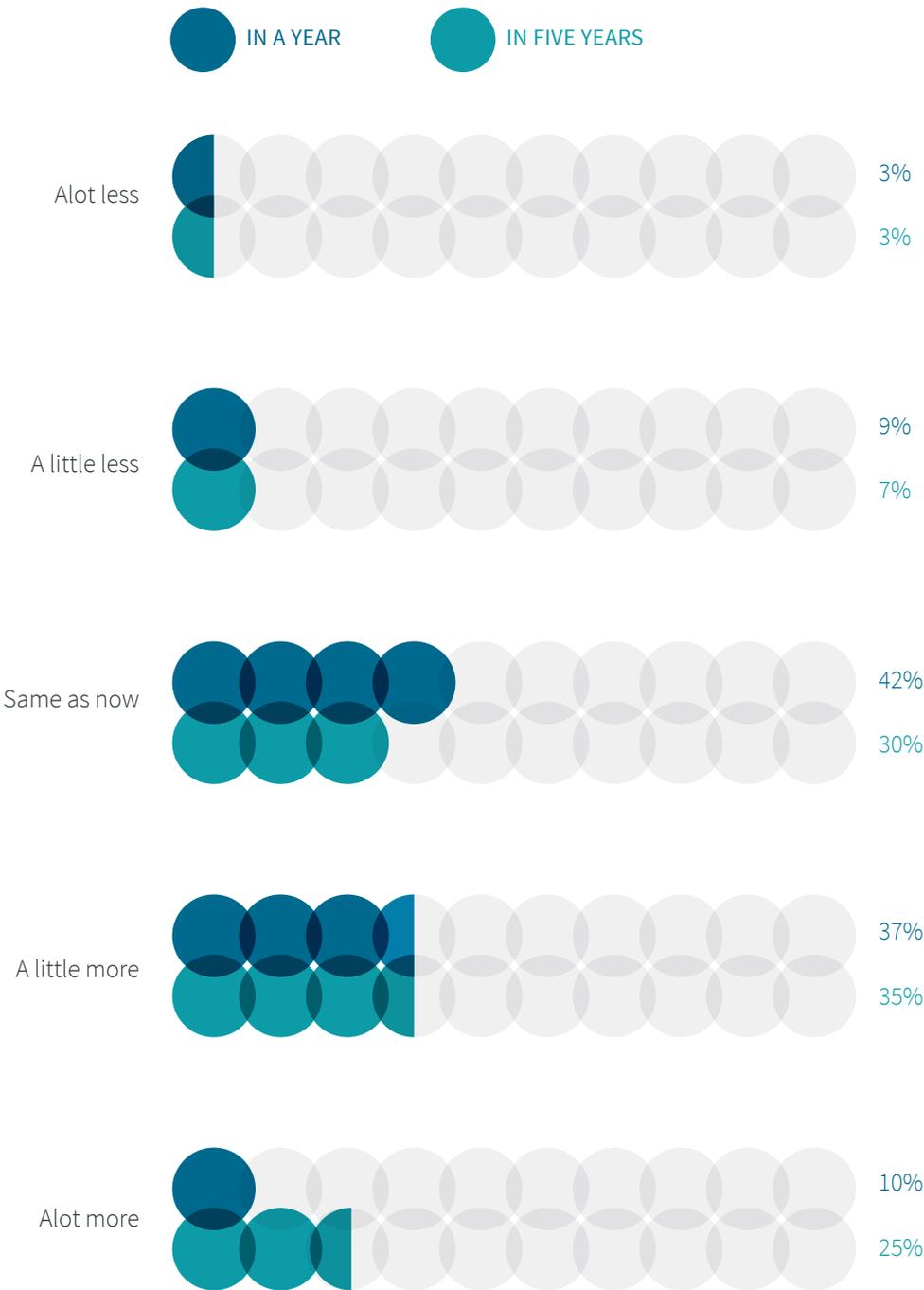
# Why does your organization offer remote working?



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HOW MEETINGS ARE BOOKED

Thinking more broadly, how much more or less remote working will there be in your organization...?





Nearly half of those surveyed said they expect flexible working to increase over the next year and an even larger percentage said they expect it to increase in the next five years. In contrast, only one in ten business leaders expect their organization to feature fewer flexible workers in five years (see figure 15).

There was a split in attitudes to flexible working in the qualitative part of the research, however. Some respondents saw it as an enormous benefit. One, from the USA, said: “We don’t have official core hours, so we’re quite flexible on starting times and leaving times. This is appreciated by staff and I wish it was the norm in more organizations.” Another added that: “(they) see this [remote working] not so much as a cost cutting measure [but] as a cost balancing measure, as the aim is to reduce (their) footprint and improve the space available to people in the building.”

In contrast, others expressed their concerns about flexible working, either because they feel that the office is a “fun environment” and somewhere that they go “for social reasons”, or because they are concerned that people who work from home regularly will not be as focused or productive as those who are required to go to the office.

For one respondent, there was a risk of sacrificing serendipity, which can lead to improved productivity but can’t be planned easily. “Today alone, I’ve had chance meetings with the Operations Director, the Sales Director and with one of our regional directors. All of these things happened by chance and these moments of spontaneous connection are important because, in five minutes, we can quickly deal with something, which becomes far more difficult if you’re working remotely and setting up a meeting,” the UK-based CIO stated.



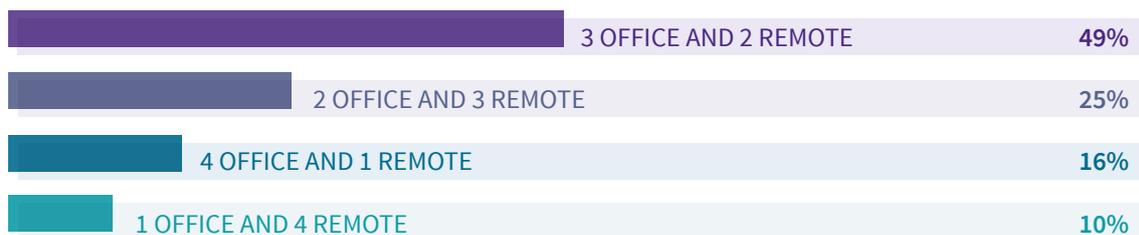
# CONCLUSION

The workplace is changing more quickly than at any time since the birth of the PC. The office is evolving from a permanent place of work to a hub that enables workers to turn up when they need to, in order to be productive, either in collaboration with teams, in a meeting or working independently.

The rapid pace of change is putting pressure on business leaders, who need to understand both how technology is evolving and how that will affect their space needs in the future. Keeping ahead of trends in the workplace is a priority for business leaders across the world. They see it as a key recruitment and retention tool (52 percent figure 14), now more than ever as Millennial and Generation Z entrants to the workforce prioritize greater flexibility at work and quality of space.

## FLEXIBLE WORKING

Generally speaking, what is the optimal combination of remote and in-office days for employees who work flexibly?



The trend towards a more flexible work culture is accelerating as the benefits to both management and employees becomes more evident. Indeed, companies are even defining the optimal combination of remote working for productivity reasons, stating that two days remote and three in the office are most common (49 percent) for employees who work flexibly.

As companies look to offer more flexible working and increased remote working, new technology that help employees to use space more efficiently, and to be more productive, is deemed critical.

There are multiple factors behind this change: first, knowledge workers about having more and more choice with regards to where and when to work. Second, the growth of communication technologies makes remote working and collaboration easier. Mobile technology is taking work outside the office, extending the working day, and making remote working considerably easier.

However, employees still need to collaborate and be engaged, while managers need visibility of what they are doing. The need for greater productivity is pushing business leaders to adopt agile working techniques and cross-functional teams.

Other technologies that are driving the pace of change include the widespread adoption of cloud solutions, which helps to connect workspaces in different locations, the growth of artificial intelligence and machine learning, the ability to collect and analyze data at scale and smarter buildings. As technology advances, it is a challenge to work out just what is needed and how those requirements might change in the future.

A photograph of a modern office hallway. The ceiling is a complex structure of white metal beams and glass panels, with a large circular light fixture in the center. The walls are made of glass and metal frames. The floor is a light-colored, polished material. In the foreground, there is a white, rectangular bench and a small potted plant on a stand. The hallway leads into the distance, creating a sense of depth.

Keeping ahead of trends in the workplace is a priority for business leaders across the world. They see it as a key recruitment and retention tool, now more than ever as Millennial and Generation Z entrants to the workforce prioritize greater flexibility at work and quality of space.



## PRIORITIES FOR CHANGE

Taking advantage of new technology to use space more effectively was considered the most important challenge in the UK, the USA and Singapore. We are also seeing a shift away from a narrow focus on reducing space usage, to one that focuses on effectiveness of the provision of space.

Bearing this in mind, companies should consider data-driven design. Data that focuses on usage, utilization and satisfaction can help make better design decisions. With the right information, it is possible to improve layouts and facilities to encourage employee productivity, overall satisfaction and employee wellbeing. Collaboration space, café areas, pods, high desks and private telephone booths are all examples of layouts that increase productivity and satisfaction.

New technology that can increase productivity is another priority and in Australia, the highest, with 51 percent of business leaders there mentioning that they are using new technology to drive productivity. Respondents from Singapore were more likely than those in other markets to mention digital transformation (55 percent). Digitization was predicted to be the greatest workspace challenge in five years' time (50 percent) in every country except Australia.



One aspect of agile working is that workplaces will need to adapt to the needs of an increasingly mobile workforce. Companies believe that enabling mobility is an important goal but this is a challenge for IT teams. In future, those who work remotely will require the same quality of technology and communication tools as those available to office-based employees.

If businesses are to exploit the prevailing trends fully they need to remember that the employee experience is key. People want to be able to work where they choose, as far as possible, whether that is in their homes, offices or in third places such as cafes and co-working spaces. Most respondents around the world are aware of the increasing need to transform the physical work environment to address these trends, with 56 percent saying it is fairly important, and 29 percent saying it is very important to modernize their physical spaces.

Increasingly, companies want to offer one location-aware app that gives staff access to everything in the workplace – whether that is food orders, room booking, even smart building features such as light and climate control. It is likely that this trend, which has accelerated in the last 12 months, will filter down from global businesses to medium-sized enterprises.

New technology that can increase productivity is another priority and in Australia, the highest, with 51% of business leaders there mentioning that they are using new technology to drive productivity.



## ALSO ON THE RADAR

Given the pressure on companies to provide more environmental, social and governance reporting it is somewhat surprising that making workplaces more eco-friendly isn't a greater priority. However, this trend is still expected to become more significant, not less, particularly as investors are forced to consider it when weighing up where to place capital.

Having more wellness facilities on offer to employees is also a lower priority. Adding more services such as food delivery, dry-cleaning drop offs and other benefits also fall down the list of business leaders' priorities. Maybe those leaders who came into a workplace that looked quite different are at the limit of what they are prepared to offer.

While services, wellness facilities and environmental credentials ranked lower in the survey than might be expected, anecdotally, they are of concern to leaders and were raised in the qualitative interviews. One respondent said that employees now expect the office to look 'more funky, more homely' and another said that perks like showers and a yoga room made the company more attractive to potential employees.

The prevailing interest in better design and facilities in workplaces will continue to be influenced by the expanding presence of giant tech companies in the world's biggest cities, who have been using these features and facilities to help them recruit and retain for some years.

## TRENDS TO INSPIRE

Workplace change is happening increasingly rapidly, but companies are going through the toughest phase now.

We are seeing a growing interest in Workspace as a Service (WaaS), which is liberating organizations from the burden of designing, building and maintaining top-quality workspace. The advantage for some employers will be easy, scalable access to workspace that meets employee's increased expectations.

WaaS will not be for everybody but the providers are already having a huge influence in shaping the design, look and functionality of workplaces.

This survey suggests that companies are now in the depths of digitalization and workplace modernization, which is highlighting concerns about how space is used. Yet this challenge looks set to recede in five years' time, although still the main issue employers expect to be dealing with. Five years from now business leaders also think they will have adapted more to changing employee expectations.

While dealing with digitalization may get easier, the question of space is one that could become more difficult to handle. Business leaders show a slight concern that meeting their space needs will get harder in five years time. While only 8 percent say this is their biggest challenge now, that figure rises to 18 percent when asked about the future. (Figure 2)

What lies behind this increased concern over space, however small? It could be that business leaders who are awake to the desire for flexible working and increased remote working foresee that provision of space will become more complicated, and consequently more challenging. Also, they may fear that a greater reliance on the Cloud and agile working may decrease the daily space challenge but increase the difficulty in providing space for meetings that bring people who do not usually work side by side together.

To ease their concerns, business leaders should look to technology to help them get an accurate picture of their needs. Proactive companies should look at how to collect more and better data on space utilization, including meeting room usage. Tracking usage is essential if companies are to make the right decisions about how to provide space for their business to function productively in future.

While the Cloud and moving to the Cloud is still considered a challenge by business leaders, as the transition is achieved by more companies, business leaders will appreciate the advantages that connected cloud solutions can offer the employee and the business. Tasks that are started in the office can carry on seamlessly at home. Ultimately, the Cloud helps forward-thinking employers who want to create the most suitable workspace.

The successful workspace of the future will be one which meets the needs of the people who use it, integrating their preferred technology seamlessly and creating a hub they want to be a part of.



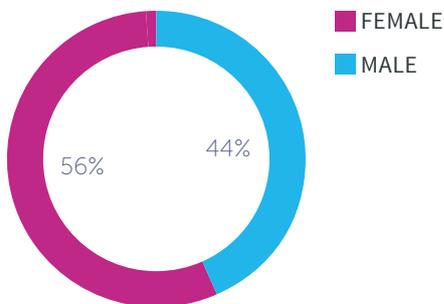
# APPENDIX

## Data Demographic

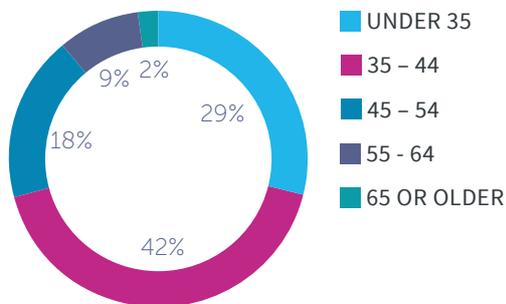
BASE: 750 ONLINE SURVEYS (CONDECO SOFTWARE, FEBRUARY 2019)

US	UK	France	Germany	Singapore	Australia
159	156	158	158	75	75

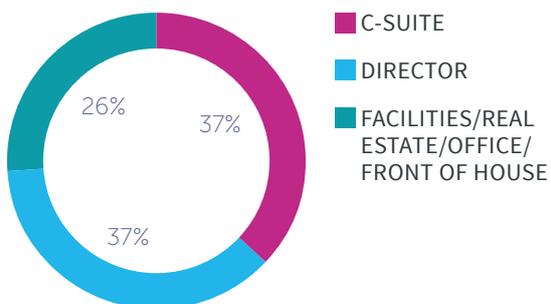
### GENDER



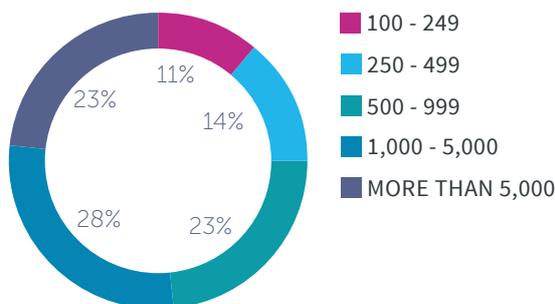
### AGE RANGE



### JOB ROLE



### NUMBER OF EMPLOYEES



### COMPANY SECTOR

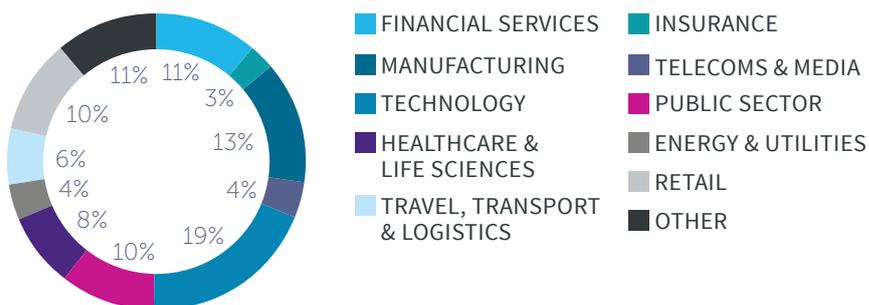


TABLE 1

What do you see as your biggest ORGANIZATIONAL challenges at the moment?

	UK	USA	France	Germany	Australia	Singapore	Total
Digital transformation	33%	28%	36%	38%	42%	55%	37%
Technology adoption	31%	42%	32%	30%	42%	38%	35%
Talent supply	23%	30%	14%	38%	25%	24%	26%
Regulation and compliance	34%	22%	22%	19%	24%	19%	24%
Innovation	18%	23%	21%	29%	24%	30%	24%
Uncertainty about the future	35%	16%	9%	28%	17%	27%	22%
Change management	19%	21%	24%	21%	18%	28%	22%
Customer service	16%	22%	21%	16%	17%	20%	19%
Reputation management	13%	15%	15%	6%	17%	8%	12%
Access to capital	15%	11%	7%	13%	10%	8%	11%

TABLE 2

What do you see as your biggest ORGANIZATIONAL challenges in five years?

	UK	USA	France	Germany	Australia	Singapore	Total
Technology adoption	30%	35%	34%	29%	44%	43%	34%
Digital transformation	27%	22%	34%	24%	41%	45%	30%
Talent supply	22%	30%	13%	37%	20%	28%	25%
Innovation	15%	29%	31%	23%	21%	34%	25%
Uncertainty about the future	38%	24%	12%	21%	21%	30%	24%
Regulation and compliance	23%	23%	19%	20%	21%	16%	21%
Change management	21%	21%	22%	14%	23%	15%	19%
Customer service	17%	17%	17%	14%	15%	8%	15%
Reputation management	15%	20%	8%	11%	17%	9%	13%
Access to capital	16%	9%	12%	8%	4%	7%	10%

TABLE 3

What do you see as the biggest WORKSPACE challenges facing your organization at the moment?

	UK	USA	France	Germany	Australia	Singapore	Total
Digitizing the workspace – integrating technology into all areas	54%	59%	61%	57%	66%	69%	60%
Adapting to changing employee expectations	44%	62%	57%	46%	52%	53%	52%
The increasing cost of workspaces	39%	35%	27%	43%	30%	42%	36%
Ensuring sufficient variety of workspaces for employees	34%	26%	28%	31%	28%	26%	29%
Ensuring sufficient space for employees	28%	21%	21%	19%	21%	16%	22%
Ensuring sufficient meeting rooms to meet demand	13%	9%	6%	4%	11%	7%	8%

TABLE 4

What do you see as the biggest WORKSPACE challenges facing your organization in five years?

	UK	USA	France	Germany	Australia	Singapore	Total
Digitizing the workspace – integrating technology into all areas	51%	51%	43%	55%	45%	54%	50%
Adapting to changing employee expectations	35%	45%	44%	45%	56%	42%	44%
The increasing cost of workspaces	46%	41%	20%	40%	41%	43%	38%
Ensuring sufficient variety of workspaces for employees	24%	24%	33%	34%	32%	32%	30%
Ensuring sufficient space for employees	32%	29%	39%	23%	17%	24%	29%
Ensuring sufficient meeting rooms to meet demand	21%	21%	21%	6%	21%	20%	18%

TABLE 5

How prepared for digital transformation – the integration of digital technology into all areas of a business – is your company?

	UK	USA	France	Germany	Australia	Singapore	Total
Not at all prepared	4%	1%	1%	3%	3%	4%	3%
Not very prepared	20%	23%	14%	31%	18%	16%	21%
Fairly prepared	63%	55%	58%	46%	61%	58%	56%
Very prepared	13%	20%	28%	20%	18%	22%	20%
Not prepared	24%	25%	15%	34%	21%	20%	24%
Prepared	76%	75%	85%	66%	79%	80%	76%

TABLE 6

What benefits of cloud computing are you trying to realize now?

	C-SUITE	CTO	WORKSPACE MANAGER
Count of reduced it costs	38%	49%	37%
Count of scalability	31%	40%	22%
Count of increased security	39%	38%	30%
Count of collaboration efficiency	35%	34%	34%
Count of fewer operation issues	22%	32%	23%
Count of business continuity	27%	32%	22%
Count of reduced carbon footprint	19%	29%	14%
Count of greater work practice flexibility	33%	23%	32%
Count of access to automatic updates	29%	22%	29%
Improve talent pipeline	11%	13%	11%

TABLE 7

What benefits of cloud computing are you trying to realize in five years?

	C-SUITE	CTO	WORKSPACE MANAGER
Count of scalability	27%	48%	22%
Count of collaboration efficiency	23%	43%	33%
Count of fewer operation issues	28%	42%	32%
Count of reduced it costs	39%	41%	36%
Count of greater work practice flexibility	36%	38%	33%
Count of access to automatic updates	29%	35%	27%
Count of increased security	38%	29%	33%
Count of reduced carbon footprint	25%	28%	19%
Count of business continuity	35%	28%	31%

TABLE 8

**What are the greatest potential benefits for your organization of investing in developing a workplace of the future?  
Please select the two greatest potential benefits.**

	UK	USA	France	Germany	Australia	Singapore	Total
Improve productivity	36%	37%	38%	28%	51%	38%	37%
Improve creativity / innovation	23%	26%	26%	26%	27%	28%	26%
Reduce costs	35%	26%	18%	22%	25%	23%	25%
Increase flexibility / agility	20%	21%	26%	28%	27%	26%	24%
Improve employee well being	26%	18%	33%	16%	15%	22%	22%
Improve work life balance	21%	18%	22%	21%	18%	26%	21%
Improve collaboration	17%	16%	21%	25%	17%	26%	20%
Improve employee morale	19%	26%	13%	17%	18%	12%	18%
Improve retention	15%	19%	16%	17%	13%	12%	16%
Improve talent pipeline	11%	13%	11%	21%	17%	19%	15%

TABLE 9

**How important is transforming your physical workspaces to the success of your organization?**

	UK	USA	France	Germany	Australia	Singapore	Total
Not at all important	3%	1%	4%	1%	0%	0%	2%
Not very important	16%	14%	16%	10%	14%	5%	13%
Fairly important	54%	49%	56%	60%	58%	66%	56%
Very important	27%	36%	24%	30%	28%	28%	29%
Not important	19%	15%	19%	11%	14%	5%	15%
Important	81%	85%	81%	89%	86%	95%	85%

TABLE 10

**How important is transforming your physical workspaces to the success of your organization?**

	UK	USA	France	Germany	Australia	Singapore	Total	Ranked
New technology to use space effectively (e.g. to track workspace occupation and usage)	3.31	3.24	3.84	3.65	3.73	3.39	3.52	1
New technology to drive productivity (e.g. sensors to understand employee performance/needs)	3.53	3.33	3.96	3.48	3.45	3.45	3.55	2
Creating a more agile working environment (alternative working styles giving staff freedom to decide)	3.92	3.84	3.58	3.69	3.44	3.46	3.70	3
Adapting to the needs of a mobile workforce (e.g. increased use of VR, video conferencing and upgrading IT)	3.74	3.64	3.74	3.74	3.56	4.05	3.73	4
Making it eco-friendlier (e.g. reducing waste, increasing energy efficiency)	4.16	3.98	4.35	4.23	4.23	4.24	4.19	5
More wellness facilities (e.g. fitness rooms, places for employees to relax)	4.15	4.85	4.05	4.76	4.79	4.28	4.47	6
More services (e.g. dry-cleaning drop-off points, food delivery)	5.19	5.12	4.49	4.44	4.80	5.12	4.84	7

TABLE 11

To what extent would you agree or disagree with the following?

<b>There is a high level of executive sponsorship for workspace transformation/modernisation in my organization</b>	UK	USA	France	Germany	Australia	Singapore	Total
Strongly disagree	3%	3%	6%	2%	4%	4%	4%
Disagree	12%	14%	9%	11%	6%	11%	11%
Neutral	33%	26%	26%	26%	37%	22%	28%
Agree	44%	36%	43%	41%	48%	50%	42%
Strongly agree	8%	21%	16%	19%	6%	14%	15%
Total disagree	15%	17%	16%	13%	10%	15%	15%
Total agree	52%	57%	59%	60%	54%	64%	57%

TABLE 12

To what extent would you agree or disagree with the following?

<b>The CEO is curious and actively learning about how to best improve and transform our workspaces</b>	UK	USA	France	Germany	Australia	Singapore	Total
Strongly disagree	1%	3%	2%	3%	0%	3%	2%
Disagree	12%	8%	6%	8%	1%	3%	7%
Neutral	34%	25%	22%	28%	30%	26%	27%
Agree	34%	42%	43%	42%	46%	47%	41%
Strongly agree	20%	21%	28%	19%	23%	22%	22%
Total disagree	12%	11%	8%	11%	1%	5%	9%
Total agree	54%	63%	71%	61%	69%	69%	63%

TABLE 13

To what extent would you agree or disagree with the following?

<b>The P&amp;L leaders in my organization are incentivized to innovate/develop their workspaces</b>	UK	USA	France	Germany	Australia	Singapore	Total
Strongly disagree	2%	4%	3%	1%	0%	5%	2%
Disagree	8%	14%	8%	7%	10%	7%	9%
Neutral	34%	23%	19%	30%	36%	24%	27%
Agree	42%	37%	49%	41%	49%	45%	43%
Strongly agree	14%	22%	22%	21%	6%	19%	18%
Total disagree	10%	19%	11%	8%	10%	12%	11%
Total agree	56%	58%	71%	62%	54%	64%	61%

TABLE 14

How much of a challenge are each of the following to your organization?

	UK	USA	France	Germany	Australia	Singapore	Total	Rank
Providing the right conferencing and presentation equipment in all meeting rooms	3.16	2.97	3.59	2.89	3.25	3.03	3.15	1
Providing the right mix of meeting rooms for different types of meetings	3.31	3.04	3.09	3.13	3.17	3.34	3.17	2
Making it easy for people to find and book meeting rooms	3.40	3.28	3.36	3.37	3.23	3.12	3.32	3
Stopping people using rooms they haven't booked	3.42	3.69	3.81	3.70	3.48	3.43	3.57	4
Stopping people booking rooms and then not using them	3.35	3.91	3.81	3.77	3.38	3.81	3.66	5
Providing enough meeting rooms to meet current demand	4.36	4.11	3.33	4.13	4.49	4.27	4.13	6

TABLE 15

How do people book meetings in your organization?

	UK	USA	France	Germany	Australia	Singapore	Total	Vs. Last Year
Using Microsoft Outlook, Google or iCal	34%	47%	29%	38%	45%	38%	38%	(+5%)
Intranet	33%	32%	40%	38%	30%	51%	37%	(+6%)
By contacting PAs or receptionists	40%	30%	36%	30%	31%	41%	34%	(-1%)
Specialist meeting room scheduling software	25%	26%	41%	23%	25%	42%	31%	(-1%)
A door displays or screens showing if or when a room is available	22%	25%	31%	25%	27%	32%	26%	(-1%)
Mobile apps	20%	20%	24%	25%	28%	31%	24%	(-)
Meeting chatbots	1%	7%	3%	5%	6%	11%	5%	NEW

TABLE 16

Does your organization track any of the following meeting room data, or not?

	UK	USA	France	Germany	Australia	Singapore	Total
Usage rates – how often the space is used	28%	31%	43%	33%	28%	45%	34%
Occupancy rates - how many people are using the space at any one time	31%	20%	35%	30%	31%	57%	32%
We don't track this data	26%	36%	16%	33%	32%	22%	27%
Resource usage (e.g. catering, video conferencing)	23%	28%	23%	27%	24%	43%	27%
Preferred meeting room types	20%	16%	27%	24%	24%	20%	22%
No shows	16%	13%	8%	22%	4%	12%	13%
Don't know	11%	8%	8%	8%	8%	0%	8%

TABLE 17

**Has your organization taken any of the following actions to improve the quality of meetings and/or reduce the frequency of meetings?**

	UK	USA	France	Germany	Australia	Singapore	Total	Vs. Last Year
Set guidelines and minimum requirements for meetings (eg a clear agenda, action points etc)	32%	30%	28%	42%	39%	45%	34%	(-1%)
Trained people in best practice for hosting and attending meetings	29%	36%	34%	30%	31%	50%	34%	(+2%)
Made use of technology such as Slack or WhatsApp to reduce the need for face to face meetings	25%	31%	33%	34%	31%	53%	33%	(+1%)
Encouraged more agile working with informal catch-ups	38%	23%	31%	31%	41%	35%	32%	(-2%)
Empowered employees to decline meetings if they are not essential to them	39%	24%	29%	29%	38%	28%	31%	(-4%)
Introduced cross-function teams	28%	29%	25%	30%	21%	47%	29%	(+3)
Don't know	12%	16%	9%	8%	11%	4%	11%	NEW

TABLE 18

**Does your organization offer any of the following types of flexible working to some or all workers?**

	UK	USA	France	Germany	Australia	Singapore	Total
Flexi time - Choose when to start and end their work day	64%	49%	62%	64%	59%	66%	60%
Remote working – work from home or anywhere else for some or all of their time	38%	43%	43%	35%	45%	43%	41%
Compressed hours - work full time but over fewer days	36%	36%	24%	38%	32%	42%	34%
None of the above	15%	18%	13%	9%	14%	11%	14%

TABLE 19

**Why does your organization offer remote working?**

	UK	USA	France	Germany	Australia	Singapore	Total
Improve staff retention	64%	54%	35%	41%	75%	56%	52%
To reduce office costs	53%	49%	43%	43%	28%	66%	47%
Employees demand it	41%	28%	59%	59%	41%	38%	45%
To scale staff numbers more flexibly	46%	35%	46%	43%	44%	56%	44%
It enables employees to get close to clients	29%	29%	37%	46%	38%	50%	37%
Foreign expansion	12%	14%	15%	14%	25%	34%	17%
Don't know	5%	0%	3%	2%	0%	0%	2%

TABLE 20

**Thinking more broadly, how much more or less remote working will there be in your organization in a year's time?**

	UK	USA	France	Germany	Australia	Singapore	Total
A lot less	3%	1%	5%	3%	4%	4%	3%
A little less	13%	8%	9%	8%	4%	8%	9%
About the same as now	43%	48%	38%	29%	51%	51%	42%
A little more	35%	31%	40%	44%	35%	31%	37%
A lot more	6%	11%	8%	17%	6%	5%	10%
Less	16%	9%	14%	10%	8%	12%	12%
More	41%	43%	48%	61%	41%	36%	46%



TABLE 21

Generally speaking, what is the optimal combination of remote and in-office days for employees who work flexibly?

	UK	USA	France	Germany	Australia	Singapore	Total
3 office and 2 remote	53%	40%	60%	47%	34%	61%	49%
2 office and 3 remote	28%	23%	17%	33%	26%	19%	25%
4 office and 1 remote	13%	22%	17%	10%	26%	13%	16%
1 office and 4 remote	7%	15%	6%	10%	14%	6%	10%

All research was independently conducted by Burlington PR.

Fieldwork took place online over the period February 4 – 14 2019. Sampling was conducted using the Cint insight panel. Cint is a global technology firm which hosts in excess of 17 million panellists. Burlington rigorously screened these panellists to find business leaders and managers who fit the criteria for this study.

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