



five
under
five

Navigating the new normal

Emerging from isolation, organisations face serious questions.

What have we learned and what will we now do differently? What are the people, place and technology implications of a more agile workforce?

Is the future of 'place' that organisations need less space, a dispersed footprint, used differently? That offices become 'touchdown locations', hubs for informal and formal collaboration and access to information. A flexible base, which enables people to connect with colleagues and access tools, utilities and infrastructure. An environment which enables people to do their best work.

If there is a reduced dependency on the office, as a result of a desire for more agile working, organisations need to clarify why and when people go to the office. They need to re-think space needs, the people implications, and the right technology to enable effective collaboration and productivity.

This is a once in a decade opportunity to really think about what we want workplaces to be.





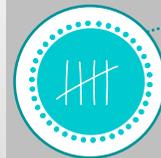
About this new report

Puzzle Partners reached out to our clients, partners and colleagues, to invite them to complete a Five Under Five survey - five questions in under five minutes.

Through these five questions we explored the impact of the remote working experience as a result of COVID-19, where people are situated on the flexibility continuum today and in the future, and the potential implications for the Australian workplace.

The survey was open from 13 May to 16 June 2020. In total, 104 people responded, representing over 40 organisations.

Puzzle has enriched this insight with our own workplace surveys, observation studies and more than 16 years of workplace experience.



104 respondents
representing

41 organisations

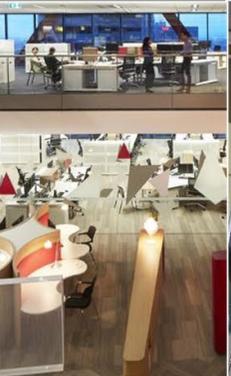


What is the flexibility continuum?

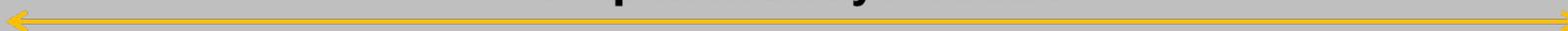
Puzzle's flexibility continuum identifies a range of different workplace types, with varying degrees of flexibility, from cellular offices as the least flexible, all the way through to truly agile workplaces.

Recently, Puzzle evolved our workplace continuum to offer a theory about the future of workplace, a model of unprecedented flexibility.

This is a workspace where people exercise true agility, working anywhere, anytime. The emergence of suburban co-working spaces or satellite offices, close to home, and 'touchdown' facilities in head offices. Convenient places to escape home when necessary, to connect with colleagues and access utilities. We call it 'your space'

						
cellular	open plan (plus)	hot desking	activity based working	agile working	co-working spaces	your space
Lots of offices	Allocated workstations. Some offices. Meeting rooms. Some breakout spaces.	Standard workstations, unassigned. Bookable meeting rooms. Limited variety of settings.	A variety of unassigned individual & collaborative settings to suit different tasks and workstyles. Teams tend to be based within hubs or neighbourhoods. Enabled with technology that allows seamless movement between spaces.	People are empowered to work where, when and how they choose, using a variety of work settings inside and outside the office. Harness workplace technologies to connect and collaborate remotely.	Organisations share a variety of spaces with other businesses.	Unprecedented flexibility. Work anywhere, anytime. Emergence of satellite, suburban co-working spaces. More 'touchdown' facilities in central offices to allow colleague connection and access to utilities. Harness workplace technologies to connect and collaborate remotely.

workplace flexibility continuum



The five things we learned

1

The increase in employees who worked from home during the pandemic is estimated to be nearly three-fold | rising from 29% prior to the pandemic to 84%

2

Most people feel more productive working from home, at 61% | this figure may be indicative that workplaces are failing to support performance in some way, likely attributable to the ability to control noise and distractions

3

60% of respondents indicated a move towards increased flexibility in the workplace within the next three years | a dominant shift is predicted from open plan plus to agile working, which encompasses the home as part of the workplace

4

Understanding the employee remote working experience is a priority for 50% of respondents | these insights will be critical to understanding changing expectations around time spent in the office and the long-term implications for the workplace

5

Current workstyle trends and emerging challenges provide cues for how we can begin to optimise the office for an agile workforce | they forewarn a need to enhance opportunities for social and professional interactions, while ensuring that private and quiet spaces are not eroded

The **impact** of the remote working experiment

1

What percentage of staff worked from home before and during the pandemic?

To understand the magnitude of change arising from the pandemic we compared the proportion of work-from-home rates before and during COVID-19 restrictions.

Our study found that on average, a third of the workforce surveyed (primarily knowledge-based workers) spent at least some time working remotely before the pandemic. During COVID-19 restrictions, the estimated average nearly tripled, surging to 84%. These results are consistent with what has been reported more broadly.

Working from home is not newly attractive to people. Recent statistics from our client base prior to the pandemic, found that while the proportion of employees with flexible work arrangements was around one third of the organisation, a further 40% who did not work flexibly, said they would like to. The unprecedented rise in newly remote workers during the pandemic will make it difficult to ignore the growing chorus of employees asking to work flexibly.



During COVID-19 the number of staff working remotely grew by an estimated 55%



29%

Estimated average working from home pre-COVID19

Estimated average during COVID-19 at time of survey

84%

The **impact** of the remote working experiment

2

How productive do people feel working from home compared to the office?

Our survey found that 61% perceive productivity to be higher at home compared to the office. A further 30% said they feel no less productive at home.

Puzzle's insight from extensive workplace evaluations finds notable relationships between noise and productivity. Invariably, acoustic and visual distractions in the work area rate among the top productivity drains. The frequency of uncontrolled interactions, most notably nearby conversations, and the inability to access private spaces when needed, have the most negative effects on people's productivity. In contrast, people report being better able to manage their work environment at home.

The nearly 60% who said they feel more productive at home may be indicative of workplaces that are failing on these fronts. Open plan or hot desking environments typically lack the variety of private and quiet settings needed for focused work.



There is a direct correlation between workplace satisfaction and productivity, driven by a need for quiet and privacy.



61%

Feel more productive working from home

Feel no more or less productive working from home

30%

The impact on the future of workplace

3

Where are we along the workplace flexibility continuum?

Today's workplaces come in many forms, ranging from traditional cellular offices, to open spaces offering varying degrees of flexibility, including non-traditional settings and locations. The continuum on page 4 describes the range of workplace types, placing them in ascending order of agility.

Of the organisations surveyed, over half the respondents said they occupy an open plan plus office currently. This type of workplace is described as having some private offices, meeting rooms and breakout spaces and assigned workstations. These environments are characterised as only slightly more flexible than more traditional cellular offices.

When asked what they anticipate the workplace experience will be in the next three years, a third of respondents anticipate no change, while just under 10% indicated a decrease in flexibility.

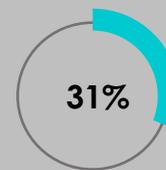
However, the majority (more than 60%) predict a shift towards increased flexibility. These percentages were the same for both public and private sectors.



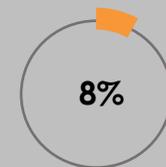
Over 60% of respondents predict a shift towards increased flexibility within the next three years



Organisations will progress along the flexibility continuum



Workplace is unlikely to change



Workplace is likely to regress on the continuum. Likely a reflection of heightened anxiety about sharing

The impact on the future of workplace

4

Where do organisations see themselves in the next three years

Based on these predictions, we can anticipate a marked shift towards the flexible end of the workplace continuum. Survey findings indicate that over the next three years, an agile work environment will become the dominant choice when considering workplace strategies (37%).

Nearly a third of respondents indicated a shift away from open plan plus, moving beyond "hotdesking" and activity-based working (ABW) on the continuum, and instead opting for agile working (up by nearly 25%).

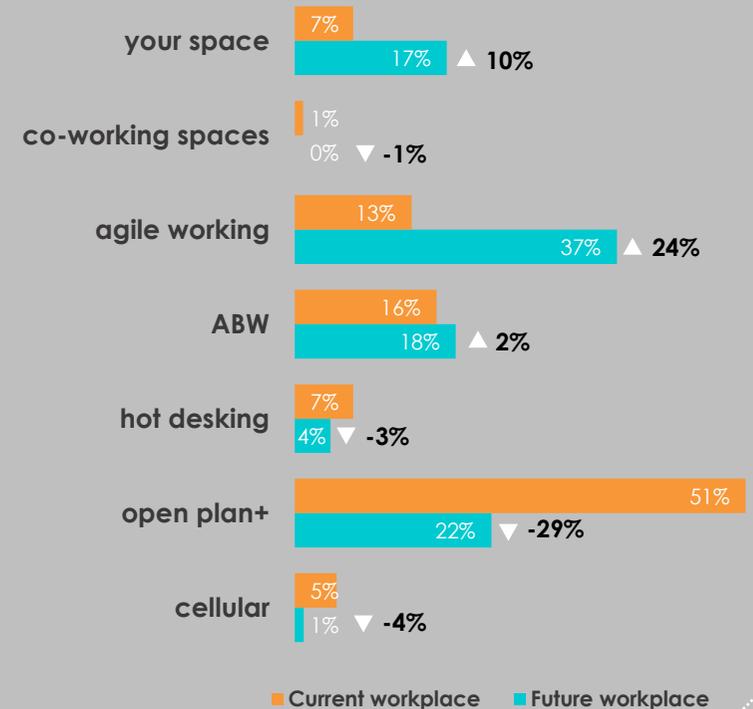
Agile working also gives people the freedom to choose where and how they work, enabling them to work effectively both inside and outside the office. This is reflective of the success of the 'remote working experiment'.



The shift towards agility is a trend that existed prior to COVID-19; but its impact has accelerated the desire for workplace flexibility



workplace flexibility continuum



The impact on the future of workplace

5

What are the workplace priorities for the next six months?

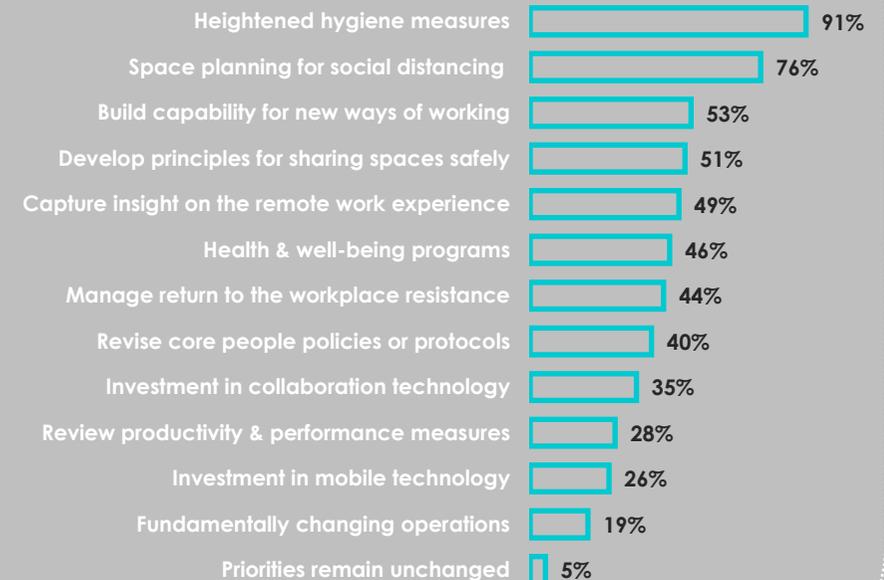
Evidently, the pandemic has had a pronounced impact on the workplace, with only 5% of respondents indicating their priorities remain unchanged in the short term. Given the changes brought on by COVID-19 were unprecedented, certain priorities are common across all organisations, regardless of where they fall along the flexibility continuum. Not surprisingly, heightened hygiene measures are the top priority (91% agreement), followed by space planning to adhere to social distancing guidelines (76% agreement).

With newly remote workers largely embracing home working, 44% of respondents feel that managing employee resistance to return to the workplace will be a priority. Around half the respondents also revealed an interest in understanding the remote working experience from the perspective of their employees. These experiences will no doubt influence how people feel about returning to the office.

Capturing these insights will prove valuable in understanding short term expectations around time spent in the office and the long-term implications for the workplace.



Understanding the employee remote working experience is a priority according to 50% of respondents.





Food for thought...

With the dominant work mode transitioning to agile over the next three years, what becomes of the role of the office?

As we consider the prospects for the future workplace, we can turn to current workstyle trends and emerging challenges to provide the cues for how we can begin to optimise the office for this evolution, focusing on the functions that will not be outperformed by the home-work environment.

Home versus the office

Home is a workplace, an important setting in the agile work environment. In the workplace evolution, it is therefore pertinent to consider what the office offers to employees that the home environment cannot. Identifying these points of difference may offer some insight into the future role of the workplace.

The graph on the next page illustrates factors influencing preferences for spending more time working from the office. It points to two areas where the office outperforms the home environment. These advantages centre around satisfying a need for face-to-face interaction (both informal and formal) and providing access to the furniture, tools and resources necessary to work productively.

Current work style trends and challenges

Increased flexibility and remote working has been accelerated by the pandemic. Current trends and emerging challenges can help us identify where we should be turning our attention to prepare our offices for the future. Together with the notion that opportunities for interaction and collaboration will take on an enhanced role, puts the focus on understanding how to strengthen these areas without imposing unintended consequences on other functions. Considerations, including the provision of spaces, mobility and tools to support collaboration will be briefly explored in the pages that follow.



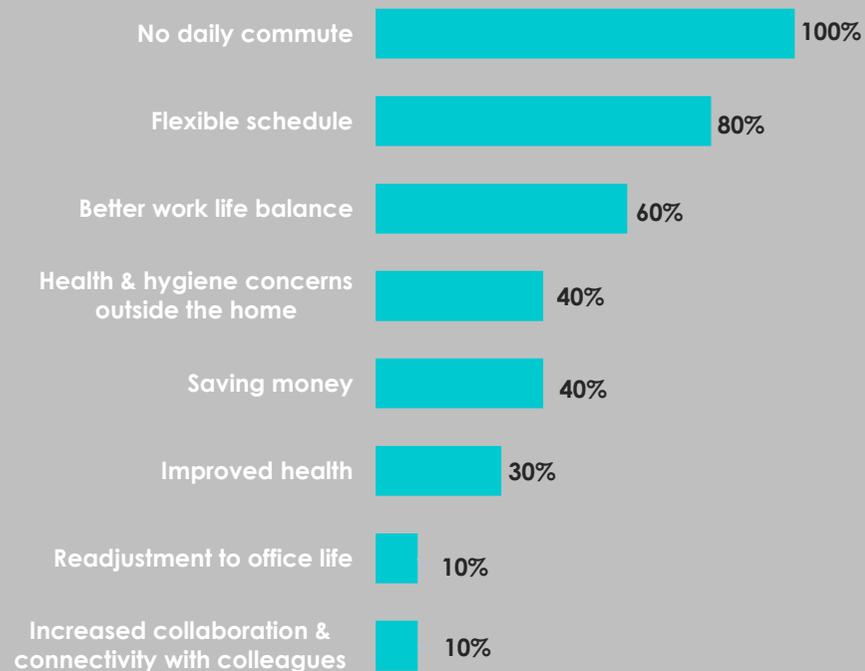
Agile workforces demand different things from leaders. People need to be trusted and empowered to work in the way which delivers the best organisational outcomes. And outcomes, not presence become the benchmark for measuring performance.

Agile leadership demands:

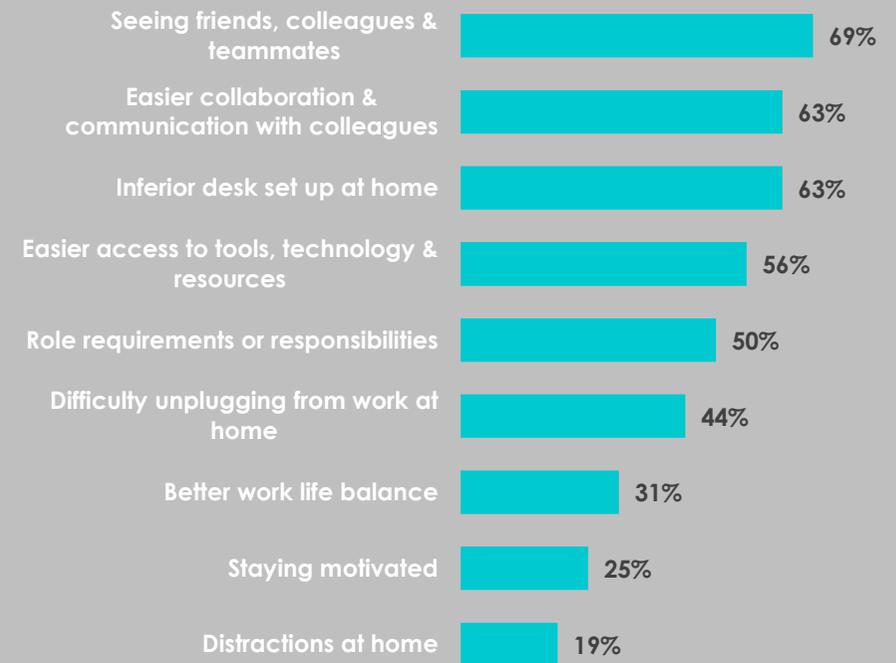
- Articulating a clear vision and a sense of common purpose, which connects with people
- Setting clear performance expectations
- Trusting and being trustworthy
- Investing time in relationships, being inclusive and encouraging participation
- Digitally empowering teams, and actively seeking to build digital confidence, capability and connection
- Communication. Communication. Communication. And a willingness to adapt communication styles to team preferences
- Decisiveness and resilience, during times of change and complexity.

Drivers of the home versus the office experience

Factors influencing preference for spending more time working from home...



Factors influencing preference for spending more time working from the office...



June 2020.

These graphs from a recent return to work survey, contrast some of the advantages of working from home compared with the office.

Consider the **user** experience



Our studies find

Workplaces with inviting social hubs result in wider interactions and foster connections beyond immediate team-members

Proximity to team members is among the most important aspect to employees
Workplace technology to enable both on-site and remote collaboration are becoming increasingly important

Finding a place to meet is already a common source of frustration for employees

People feel more productive working from home.
Noise in the work environment is already a common source of frustration for employees

What that means

With more people working from home, inviting spaces for informal interaction will be essential for socialising, employee relationships and maintaining a sense of community

Connectivity enablers to become critical elements of the future workplace. When in the office, people are going to want to make to most of the opportunity to work alongside their team members. Providing tools such as mobile technology and adjustable furniture will support employees to work with who they need, when they need

We are seeing meetings become smaller and more frequent, whereas most offices provide mainly large formal meetings rooms. Understanding the kind of meetings, the desired level of visual and acoustic privacy, frequency, size and number of collaboration spaces will ensure the right fit to support productivity

The additional proliferation of VC enablement has the potential to have a magnifying effect on the level of background noise in the office. Spaces in the office that enable people to manage social contact and distractions in the office will be important

With the current social distancing requirements there is a risk of eroding already finite quiet and private spaces

Option to consider

Having more inviting social spaces for informal interactions in the office

Providing the tools to connect and collaborate in person and remotely

Providing the right meeting spaces | size, bookability, functionality

Maintaining enough quiet and private spaces for everyone



The world may be changing but the disciplines remain the same

As we navigate the future of the Australian workplace, it may feel overwhelming. While there is still so much to be revealed about the future, the disciplines of great workplace strategy and design remain the same:

- Start with data and insight
- Understand how the organisation works now, and the aspiration for the future
- Focus on the unique needs of the organisation and its strategic priorities
- Put people at the centre of the design process | co-design, prototype, help people experiment, test, learn and refine

CONNECT INSPIRE CREATE



Final words

The trajectory towards increased flexibility in the workplace is a trend that existed prior to the pandemic, but its pace has accelerated.

This evolution may solidify the role of the workplace as a place for collaboration and knowledge-sharing, satisfying an essential human need for social interaction, as well as the provision of infrastructure.

As we begin to redefine our workplaces, with more non-traditional settings and locations supplementing office spaces, looking for ways the physical and digital environments can effectively support connectivity without compromising productivity is a good place to start.

Puzzle believes that the most successful workplaces will be those that provide opportunities for social and professional interactions, while ensuring that private and quiet spaces are preserved.



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