Talent, tools and space: New workplace strategies for a dynamic working world

A future of work paper from O₂ Business

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BLUE DOOR INSIGHTS

Introduction: The rise of dynamic working

Of the twelve new words added to the Oxford English Dictionary in 2020, one had just three letters: 'WFH'. The pandemic forced thousands of people to work from home, and the three-letter acronym passed into daily use.

At the time of writing in March 2021, working from home is still the reality of work for many of us. But is it also the future? Studies of companies' post-pandemic plans suggest not. Instead, we're seeing the dawn of a new age – one in which the work itself is the important thing and where it gets done is increasingly irrelevant.

Trailblazers of this new, more flexible way of working include companies like Spotify, which in early 2021 launched a program called My Work Mode, freeing employees to choose whether to work from the office, from home, or another location.[1]

> **"Work isn't something you come to the office for, it's something you do."**
>
> **Spotify HR blog, February 2021**

Early signs suggest Spotify isn't alone. When the Financial Times polled leaders at 20 UK-based companies – including PwC, Deutsche Bank and Centrica – in February 2021, most said they were planning for a dynamic working future, with employees spending some time in the office and some elsewhere.[2]

> **"We won't be back five days a week in the office and I certainly won't. I will keep a mix of flexible working. It's good for staff, it's also good for customers."[3]**
>
> **Chris O'Shea, Chief Executive, Centrica**

In this paper:
Redefining the workplace for a dynamic workforce

With the question of where we work being re-examined, this paper looks at some of the options now facing employees and employers, and sketches some near-term and longer-term developments in three areas:

1 The talent factor: Attracting and retaining a dynamic workforce

2 The new-look office: Re-imagining workspaces for a dynamic working world

3 Tools and technologies: Emerging options for anytime, anywhere collaboration

We've combined primary and secondary research, analyst commentary and insights from industry experts to shed light on what's changing across workplaces today – and to provide considerations for your organisation going forward.

1 https://hrblog.spotify.com/2021/02/12/introducing-working-from-anywhere/
2 https://www.ft.com/content/d2ad4ae3-6b40-4051-a6fe-6f8a75924e30
3 https://www.ft.com/content/d2ad4ae3-6b40-4051-a6fe-6f8a75924e30

1 The talent factor: Attracting and retaining a dynamic workforce

Dynamic working is a highly appealing prospect for employees. Our January 2021 survey of 2099 employees at organisations across the UK found that, post-pandemic, more than three-quarters (76%) would like some level of flexibility in where they work.

76% of people would prefer a level of location flexibility post pandemic[4]

O2 Research Report, Creating a Dynamic Workforce, March 2021

Employers, on the other hand, have mixed feelings. While many see the upsides, dynamic working isn't, on the face of it, an appealing prospect for organisations that have made hefty investments in city-centre real estate.

With concerns too around the ability to engage, motivate and develop a partially-remote workforce, it's not surprising to see a level of wishful thinking from some around a grand 'return to the office'.

Employers who cling to office-based working may find their policy backfires. As the majority of working parents, Millennials and Gen Zs want a mix of office-based and remote work, employers who offer dynamic working options stand to attract the pick of the talent. Organisation and managers who mandate a full-time return to the office risk losing their top performers to more flexible competitors.

Who wants a mix of office and remote working?

64% of Millennials

60% of Gen Zs

57% of working parents

(Deloitte, Global Millennial Survey 2020[5], Bright Horizons, Modern Families Index Spotlight 2020[6])

4 https://www.o2.co.uk/business/why-o2/insights/dynamic-working
5 https://www2.deloitte.com/global/en/pages/about-deloitte/articles/millennialsurvey.html
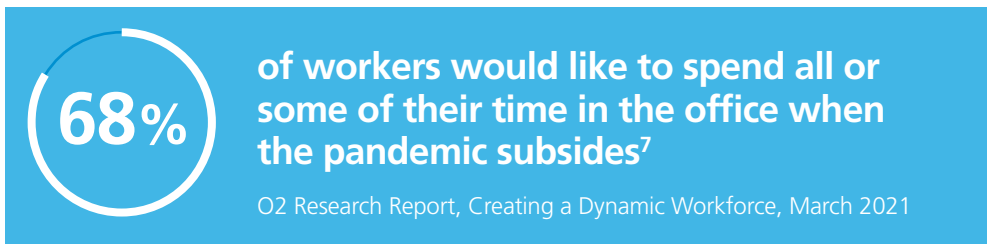6 https://www.brighthorizons.co.uk/about/newsroom/2020/02/modern-family-index-2020

Fully-remote may be a dead-end

While 'everyone back to the office' will likely turn out to be short-sighted, so too might the opposite. Early in the pandemic, companies that 'closed' offices and went fully remote were hailed as visionaries. But as some surveys show, people want to be in the office some of the time. As a result fully-remote is starting to look less like a future utopia and more like an evolutionary dead-end.

Part of the reason is the impact on diversity and inclusion. Office-only and remote-only models exclude certain demographics – notably parents, who are desperate for flexible work options, and younger employees, whose living arrangements may not include space for home working. Fully-remote also makes it hard for new joiners to feel included, affecting their ability to learn and shine.

There's also employee wellbeing to consider. Not every employee thrives away from the office, and many miss the social interactions and opportunities for mentoring that office life affords.

Our own Dynamic Workforce Report showed that 68% of people would like to spend some or all of their time in the office once the pandemic subsides. The 10% of 'Office Cravers' who'd like to return full time include many Gen Zs who have just joined the workforce and who are looking for camaraderie, support and opportunities to progress their career.

68% of workers would like to spend all or some of their time in the office when the pandemic subsides[7]

O2 Research Report, Creating a Dynamic Workforce, March 2021

"COVID-19 could accelerate labour market inequalities if there is not an explicit focus on building better work through current and future transitions."[8]

Institute for the Future of Work, Spotlight on Remote Workers, August 2020

7 https://www.o2.co.uk/business/why-o2/insights/dynamic-working
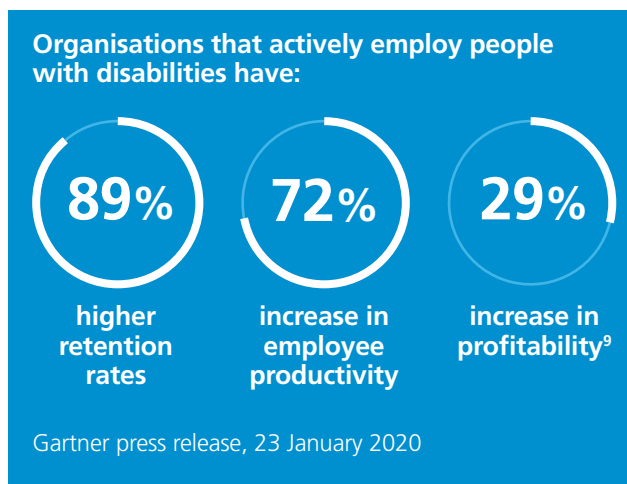8 https://www.ifow.org/publications/spotlight-on-remote-workers

Attract and retain new talent with dynamic working

A dynamic working model, in which people are free to choose when and where they work, can open up new and under-tapped talent pools, including:

- People with caring responsibilities, who previously had no choice but to leave the workforce
- People whose disabilities make them less able to travel or navigate physical workspaces
- People who live outside the local area of the head office (or want to move away from it)

But as dynamic working becomes the norm, employers will have to work harder to appeal to existing employees and prospective recruits. The pandemic drove a swift and unplanned shift to remote working, but that situation isn't viable long term – not least because of the health and safety aspects of poorly-equipped workspaces, the limitations of substandard home broadband, and the impact of lone working on employee mental health.

A more strategic approach to dynamic working will see new kinds of employee benefits will emerge, including high-spec devices, ergonomic furniture, home videoconferencing tech, secure dedicated connectivity, and digital health programs.

Organisations that actively employ people with disabilities have:

89% higher retention rates

72% increase in employee productivity

29% increase in profitability[9]

Gartner press release, 23 January 2020

Employee benefits for a dynamic working world

Home working

- Employer-provided home-office equipment, such as Ergonomic chairs, adjustable desks and task lighting
- Employer-provided dedicated home broadband connection, with 45/5G dongle as backup
- High-spec videoconferencing kit (mic, camera, lighting, a second monitor)

Third place working

- Membership for local co-working space
- Vouchers for local cafés
- Data plans to support use of tethered phone as a hotspot

All working

- High-spec laptops, tablets, phones appropriate for dynamic working, with comprehensive security capabilities.
- Comprehensive wellness programs including mindfulness apps and fitness trackers as well as remote access to counsellors and GPs
- Hybrid social events that bring remote and in-office employees together

Bringing the comforts of WFH into the office

Back at the office, new types of layout will make a difference too, with employers who make an effort to create an inspirational and inclusive working environment likely to attract more talent. Spotify, for example, is taking cues from the way people worked at home during COVID, aiming to create cosy spaces in its offices to suit different tasks and moods.

> **"Working from home redefined our notion of comfort. We've realised that the sea of desks and meeting room combination doesn't really work. We have to create spaces that let us choose where we want to work."[10]**
>
> **Sonya Simmonds, Head of Design and Build, Spotify**

10 https://www.dezeen.com/2021/02/25/tp-bennett-office-design-live-talk/

Key takeaways: Talent attraction and retention

Our research suggests that these will be the key developments to prepare for over the next 1-3 and 5-10 years.

1-3 years

- More organisations start offering dynamic working policies.
- Talent gravitates towards organisations that offer the most attractive dynamic working policies with the most appealing benefits. Those organisations will see HR and IT teaming up to create winning combinations.
- Organisations that insist on all-office-based working, or that only offer basic dynamic working benefits, start to lose talent to competitors with more appealing policies.

5-10 years

- Dynamic working becomes the norm at most workplaces where working flexibly is possible.
- Dynamic workforces are geographically dispersed – opening up new talent pools but also creating new compliance obligations with international tax regimes and employment laws.
- The workforce has a larger contingent of previously under-represented groups.

2 The new-look office: Reimagining workspaces for a dynamic working world

As dynamic working takes off, employers face several office space challenges.
If everyone has the option to work in the office whenever they want, how will that play out in day-to-day occupancy terms? Downsizing is financially very appealing, but what happens if everyone decides to turn up at the office on the same day – for an all-hands event, for example?

And what will the office actually be used for? If it's just for meetings, the rows of desks may be surplus to requirements. Lastly, is a single central office even still the right model? Could there be better ways to align the real estate footprint with the new modes and rhythms of dynamic work?

There are no easy answers to these questions, and every employer will have to find their own. But some companies are already exploring new approaches, providing early signals for others to follow.

Working remotely: New distributed models

A key thing to bear in mind is that working remotely doesn't necessarily mean working from home. Many employees would prefer an option that gives them a quiet workspace outside the home, but doesn't involve the time, cost and hassle of commuting into a central office.

The classic example is the local café, but it's not always quiet, the wifi isn't always fast (or secure), and it's easy to feel you've outstayed your welcome. An upgraded garden shed may be an option for employees lucky enough to have outdoor space – and shed companies have reported surges in demand[11] – but deluxe 'garden offices' are likely to remain the preserve of well-paid executives.

300%
Growth seen by Waltons in demand for sheds that can be used as a home office[12]

11 https://www.bbc.co.uk/news/business-55845735
12 https://www.bbc.co.uk/news/business-55845735

Some companies are looking at geographically re-distributing their space; downsizing city-centre offices and opening satellite offices in smaller towns and cities. In March 2021, flexible workspace provider IWG signed its largest-ever contract, with telecoms company NTT, enabling a newly-hybrid NTT workforce to work in any of IWG's 3300 office spaces worldwide.

Another trend is the emergence of town and village-based co-working spaces, where remote workers can find the camaraderie and serendipitous conversations often missing from home-alone remote work.

For example, Newquay in Cornwall, a beachside backpacker hostel is being turned into a modern co-working space with funding from the region's Local Enterprise Partnership.[14]

These remote options offer many benefits – not just by allowing employees to be more productive, but also by boosting local economies and reducing the environmental impact of travel.

C-Space: Remote co-working in Cornwall

The C-Space project will fuse business and incubation space with a local produce café and bar, events venue, production studio and retail showcase.

Hot desks will allow new businesses to rub shoulders with established businesses and major brands, including Virgin, GoDaddy and M&S. A fully equipped studio will be used for online training, webinars and project broadcasts.
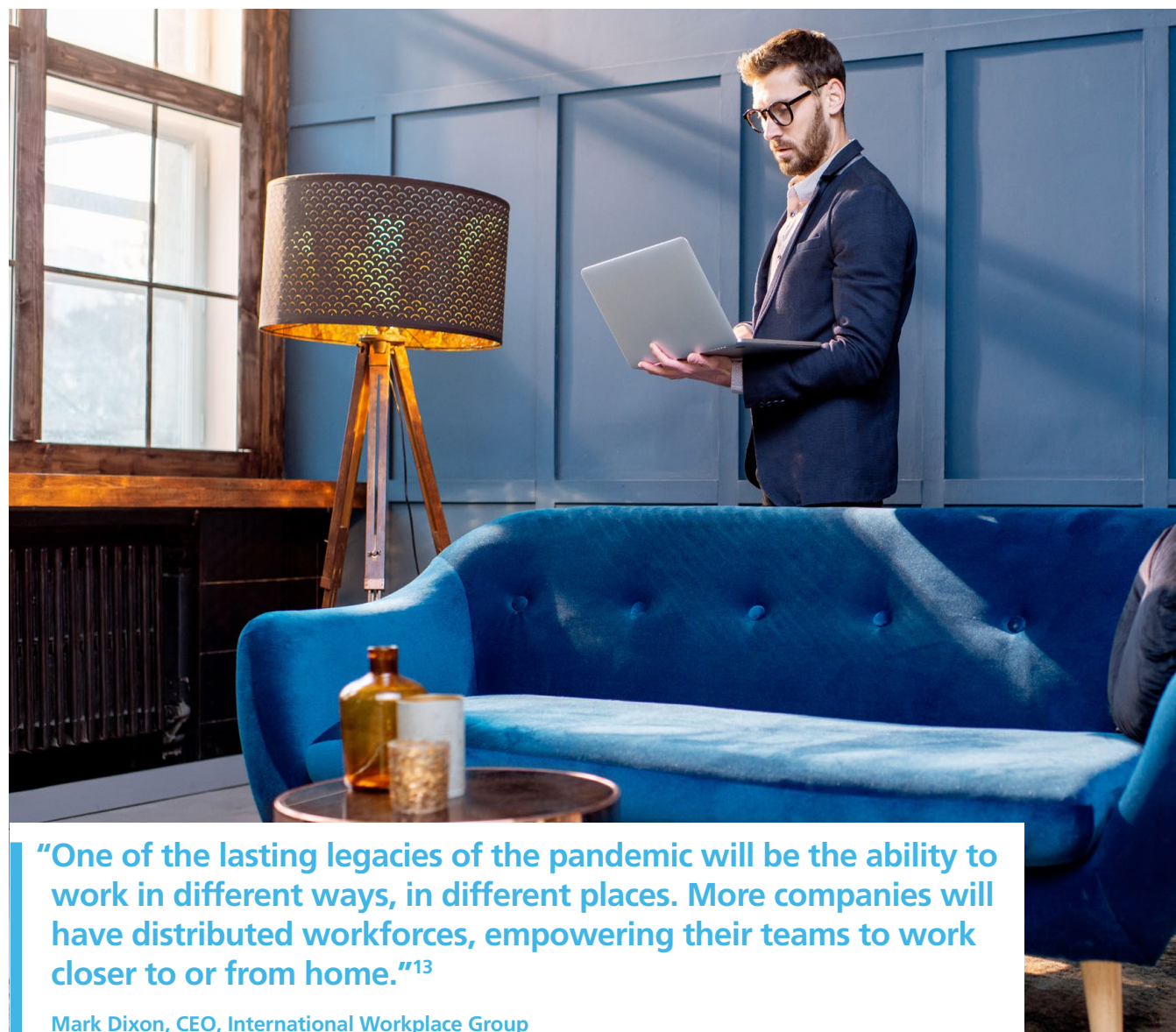
"One of the lasting legacies of the pandemic will be the ability to work in different ways, in different places. More companies will have distributed workforces, empowering their teams to work closer to or from home."[13]

Mark Dixon, CEO, International Workplace Group

13 https://www.ft.com/content/6f931f6b-dc9d-4354-a539-527b4ad18378
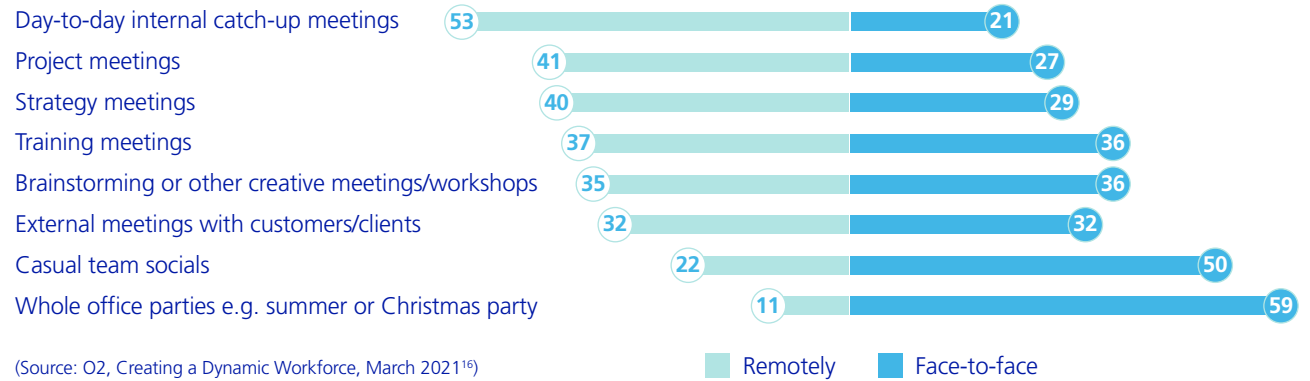14 https://www.crowdfunder.co.uk/stories/lep-invests-2m-in-newquay-c-space-project

Working in the office: New design and layout concepts

With more work done remotely, the central office will get a makeover, too. It'll be less a place for 'heads down' desk work, and more a place for what intelligent automation provider Blue Prism describes as 'heads up' and 'heads together' work, focused on meetings and collaboration.

That will mean reconfiguring spaces to support 1-1 meetings and group working. Spaces will need flexible layouts to cater to different groups of people doing different things each day. Our own Dynamic Workforce research sheds light on what some of those things will be – from internal team catch-ups to whole office parties.

Preference for engaging remotely or face-to-face for different work activities after COVID-19

Activity	Remotely	Face-to-face
Day-to-day internal catch-up meetings	53	21
Project meetings	41	27
Strategy meetings	40	29
Training meetings	37	36
Brainstorming or other creative meetings/workshops	35	36
External meetings with customers/clients	32	32
Casual team socials	22	50
Whole office parties e.g. summer or Christmas party	11	59

(Source: O2, Creating a Dynamic Workforce, March 2021[16])

■ Remotely ■ Face-to-face

> **"Organisations will need to reduce their office footprint by between 30% and 50%, casting off rows of screen-based workers in favour of creative spaces that encourage team-based working."[15]**
>
> **Blue Prism, Re-imagining work: Before and after COVID-19**

15 https://www.blueprism.com/resources/blog/reimagining-work-before-and-after-covid-19/
16 https://www.o2.co.uk/business/why-o2/insights/dynamic-working

> **"The culture of real estate decisions must change. [It] will require organisations to build out spaces with a minimum viable product mindset and an 'update culture'."**[17]
>
> **Cushman & Wakefield, Workplace Ecosystems of the Future**

We'll see more smart building systems, with demand management software that lets people find and book a workspace and allows facilities managers to analyse usage trends. Smart buildings will include intelligent technologies to minimise energy consumption, such as switching off heating and cooling for unoccupied spaces. They'll also include technologies to ensure post-COVID health and safety, from air quality monitors to contactless elevator controls and security access systems.

Key takeaways: The new-look office

Our research suggests that these will be the key developments to prepare for over the next 1-3 and 5-10 years.

1-3 years

- More companies downsize their city-centre offices and invest in regional workspaces.

- Levels of commuting start to fall significantly, driving shifts in government policy to promote 'levelling up' – such as increased investment in rural/suburban communications infrastructure.

- Central offices start to be reconfigured as meeting and collaboration spaces.

5-10 years

- The idea of the 'daily commute' has become antiquated.

- Towns and villages are thriving, with co-working spaces, cafés and service businesses.

- City-centre offices are smart, flexible spaces designed for inspiration, collaboration and celebration.

3 Tools and technologies: Emerging options for anytime, anywhere collaboration

Videoconferencing helped businesses survive the initial phases of the pandemic, but prolonged use soon showed up its shortcomings. With 'Screen fatigue' now a well-documented phenomenon, can we see better collaboration options emerging?

Four causes of 'Screen fatigue'
• Close-up eye contact
• Seeing your own face on screen
• No opportunity to walk around
• Higher cognitive load

(Stanford University Virtual Interaction Lab[18])

Videoconferencing 2.0 and asynchronous collaboration

One route might be to use more features of existing videoconference platforms. Zoom added new options throughout 2020, from whiteboarding to conference suite-grade hardware for home offices.[19] Microsoft added over 100 new features to Teams in 2020-2021, from interactive webinar capabilities to Together Mode, which shows attendees as avatars in different settings.[20]

Together Mode is designed with hybrid working in mind, enabling both in-person and remote participants to feel equally present and involved. Ensuring equality of participation is a looming challenge of the dynamic working era, and we'll see more solutions like Together Mode emerge to tackle it.

Another option is to let collaboration happen asynchronously, rather than trying to get everyone on the same call. Tools like Slack, Trello and Asana are geared for asynchronous collaboration among distributed teams. We'll likely see more integrations between those tools and the apps that employees use daily and more collaboration features being built into the apps themselves.

> **"With asynchronous work, the work shines. That's what I'm most excited about, because I can't imagine a more interesting or challenging time to lead through this change."[21]**
>
> **Amy Farrow, CIO, Lyft**

18 https://news.stanford.edu/2021/02/23/four-causes-zoom-fatigue-solutions/
19 https://www.zdnet.com/article/zoom-for-home-aims-to-bring-conference-room-capabilities-to-the-home-office/
20 https://www.theverge.com/2020/7/8/21317526/microsoft-teams-together-mode-dynamic-view-new-features
21 https://slack.com/intl/en-gb/blog/transformation/engaged-resilient-ready-remote-work

From Minecraft to Spatial: New virtual spaces for hybrid collaboration

With video fatigue setting in, some companies have been getting more inventive in the way they collaborate, pointing the way to possible future approaches.

One method has been to co-opt online collaboration spaces from life outside of work. In July 2020, the New York Times reported on employees meeting up with colleagues, clients and partners in videogames like Grand Theft Auto, Animal Crossing and Minecraft.[22]

Could virtual environments like these be more collaboration-friendly than yet another Teams call? Quite a few software startups think so, according to an October 2020 report from Deloitte, which cites solutions ranging from 'virtual office' tools like Pragli, Sococo and Wurkr, to fully immersive virtual environments like Arthur, HoloMeeting and Spatial.[23]

> **"Staff members began to have regular meetings [in Minecraft], then invited clients. It was in the game that the company conferred with the World Wildlife Fund about a campaign to save Norway's wolves."**
>
> **New York Times, You free on Friday for a meeting and a bank heist?, 31 July 2020**

The dephysicalisation of hands-on work

While knowledge workers have many options for remote collaboration, what about more physical work? During the pandemic, large swathes of the workforce were either furloughed or forced to go to work, because there was no option for them to do their work from home.
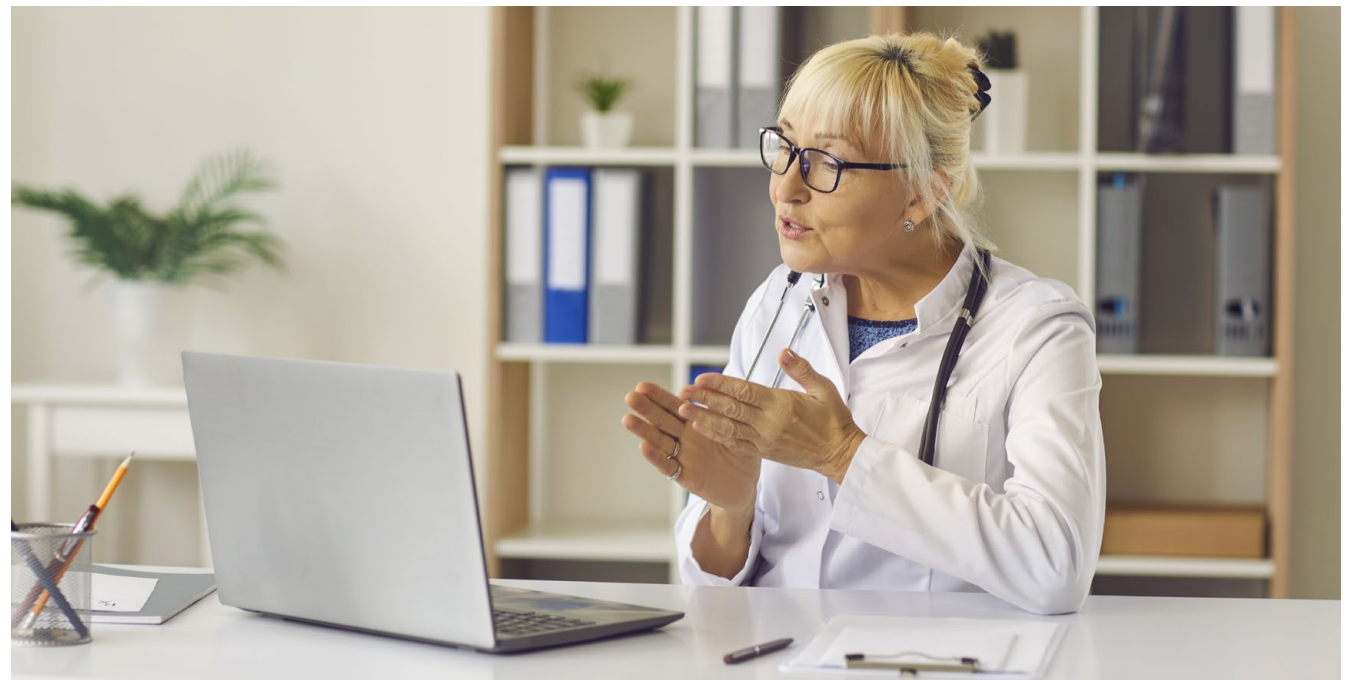
But now, rapid advances in technology are starting to make it more viable for more physical and in-person work to be done remotely.

Healthcare is leading the way

It's happening fast in healthcare, for example. The Nuffield Trust reports that due to the pandemic, 70% of routine GP consultations took place remotely in the UK in May and June 2020.[24]

And while today telemedicine is mainly limited to video consultations and phone calls, the tech is emerging for more sophisticated work to be done virtually – from remote diagnostics to (eventually) remote surgery.

Key to those developments will be the availability of highly reliable, ultra-low-latency connectivity, together with the next evolution of smart glasses, robotics and haptic tools.

22 https://www.nytimes.com/2020/07/31/business/video-game-meetings.html
23 https://www2.deloitte.com/us/en/insights/focus/signals-for-strategists/virtual-team-collaboration.html
24 https://www.nuffieldtrust.org.uk/news-item/how-has-lockdown-affected-general-practice-and-where-do-we-go-from-here

Experts go remote for greater efficiency

Whereas we've already seen the growth of Virtual Reality environments to support operational training as an example. One fast-emerging use of technology embracing 5G is Augmented Reality (AR). O2's AR Remote Expert is a solution that helps businesses with distributed workforces to mobilise and empower field workers. The use of AR headsets enables hands-free delivery of content and instruction, step by step workflow management, remote assistance by video, and a digital audit trail of completed tasks and work.
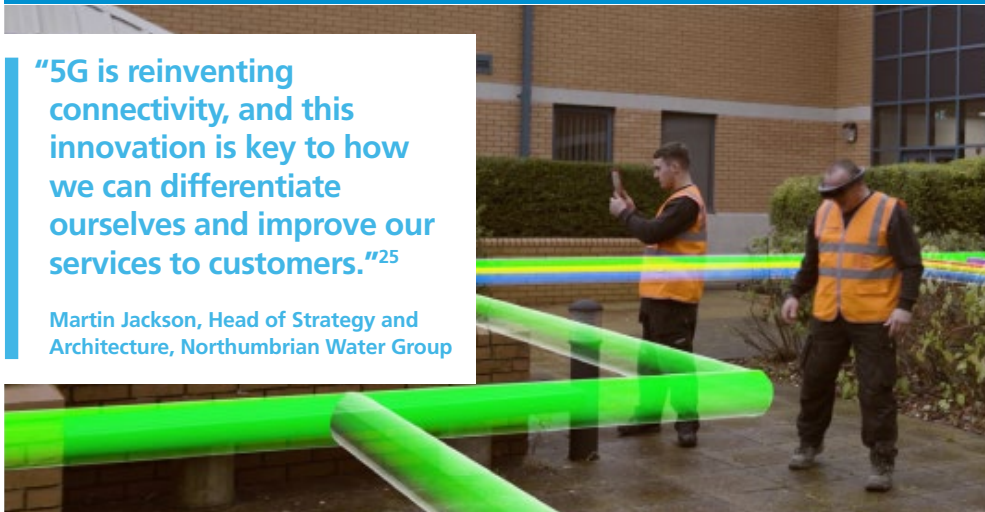
AR and 5G supports remote experts at Northumbrian Water

An AR Remote Expert model is already in use at Northumbrian Water, where a 5G-powered audio-visual link, using headphones and a dedicated eyepiece, connects technicians in the field to experts who can assist with the details of specific jobs.

Highly skilled operatives can optimise their time by advising remotely, using augmented reality for greater accuracy in description and real-time demonstration using graphics and annotation. As they don't have to physically go to each job where their expertise is required, teams are able to resolve faults quicker and more effectively.

> "5G is reinventing connectivity, and this innovation is key to how we can differentiate ourselves and improve our services to customers."[25]
>
> **Martin Jackson, Head of Strategy and Architecture, Northumbrian Water Group**

Robots replacing humans in the field

It's possible to imagine that the 'technician in the field' will one day be a robot, guided by a human technician working remotely, who 'sees what the robot sees' and controls its movements.

There are precedents today. The Kiwibot robots that deliver food on campuses in America are operated remotely by workers in Colombia[26], for example, and companies like Kongsberg Maritime in Norway are starting to roll out autonomous cargo ships that will be overseen by on-land crew.[27]
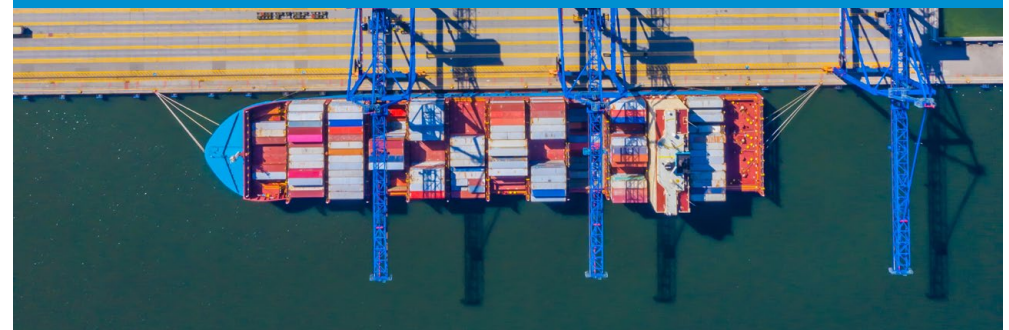
While the 'dephysicalisation' of manual work will create a raft of new ethical and regulatory issues, it is possible to see a future in which even hands-on work can be conducted on a dynamic basis – provided the tools and connectivity are in place everywhere it's needed to happen.

Shore to ship: Remote monitoring of autonomous vessels

The vessel YARA Birkeland will be the world's first fully electric and autonomous container ship, with zero emissions.

To ensure safety, three centres with different operational profiles are planned to handle all aspects of operation. These centres will handle emergency and exception handling, condition monitoring, operational monitoring, decision support, surveillance of the autonomous ship and its surroundings and all other aspects of safety.

Kongsberg Maritime, Key Facts About YARA Birkeland

25 https://static-www.o2.co.uk/sites/default/files/2020-05/O2_business__Northumbrian_Water_5G_0220.045%20%281%29%20%281%29.pdf
26 https://thehustle.co/kiwibots-autonomous-food-delivery/
27 https://www.kongsberg.com/maritime/support/themes/autonomous-ship-project-key-facts-about-yara-birkeland/

Our predicted timeline: Hands-on work goes remote

Our research suggests that these will be the key developments to prepare for over the next 1-3 and 5-10 years.

1-3 years

- Videoconferencing use dips from its pandemic-era highs as 'Screen fatigue' sets in.

- Use of digital collaboration platforms grow, and productivity apps gain more collaboration features.

- More organisations explore new technologies for hybrid collaboration between physically present and physically remote workers.

- As 5G makes fast connectivity near-ubiquitous, experts who previously needed to be physically onsite will be able to advise remotely using Augment Reality solutions.

- More vehicles, robots and equipment will be overseen and guided by remote operators.

5-10 years

- Organisations have established methods of hybrid collaboration to match the kind of work they do – which for some may include more immersive AR environments (replacing any existing VR environments for training and operational activity).

- Advances in robotics, haptics tools and ultra-low latency will enable precision, hands-on work (like electronics repair and even surgery) to be conducted remotely.

- The concept of an 'armchair engineer' who works from home will seem perfectly normal.

Dynamic working is here to stay, and we're only getting started

The pandemic has proved there are many more ways to organise work than just having everyone commute into a single physical location. With the majority of employees eager for dynamic working options, and many employers willing to offer them, old-school models are likely to die out.

But we're just at the start of what our new dynamic working world will look like. New technologies and approaches are emerging fast, and the endless video calls of today will likely soon evolve into more energising and productive ways of collaboration.

Organisations keen to take full advantage of the benefits of dynamic working will need to start work now on understanding new work patterns and possibilities, and drawing up technology and facilities roadmaps to enable an effective and sustainable transition.

Talk to us about your dynamic working journey

The developments outlined in this paper are trends we're currently navigating at O2, and we'd love to discuss and share our experiences with other organisations.

If you'd like to discuss any of the trends or insights we've explored in this paper, please **get in touch** or call us on **0800 955 5590**

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