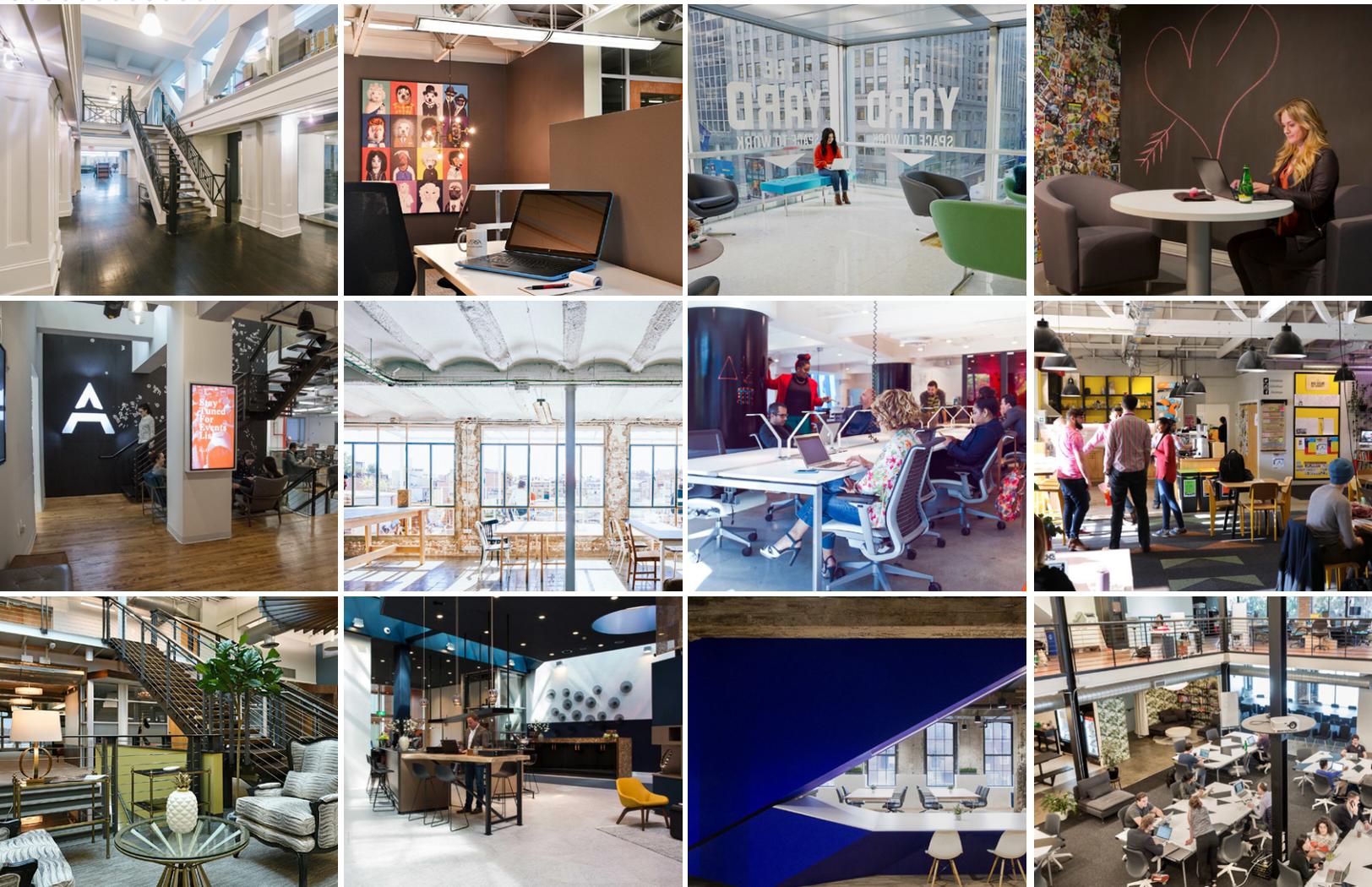




2020 Workplace Trends

Flexibility Driving Change In The Workplace





The 2020 Workplace Trends whitepaper is a top-level report designed to deliver 5 trends and stats that matter most to facility managers, workbase managers, heads of real estate, and, most importantly, employees. It is imperative to stay abreast of workplace policy expectations and best-practices in today's ever-evolving world.

5 Trends in 2020

1. Reduce your lease and real estate costs
 2. Focus on improving the employee experience
 3. Embrace remote work
 4. Adopt sustainable initiatives
 5. Rethink what business travelers need
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TREND 1

Reduce your lease and real estate costs



Business operations are changing. Between the new FASB lease accounting standards that started going into effect in 2018 and changes in employee behavior, businesses are altering their thinking around lease and real estate costs.

Maybe you've been seeing the trends already — people are at their desks less and studies prove this: according to JLL, the average worker is at their desk for only 40% of the working day. They also like to move around based on the type of work they're doing. Productive employees utilize a mix of collaborative spaces and more traditional workstations. Breakout areas, private meeting rooms, and phone booths are all just as important as a desk with an ergonomic chair.

Since most work today can be accomplished from anywhere, compared to 20 years ago, large corporations such as Amex, Microsoft, and Deloitte have started to embrace hot desks and hotelling in their offices. Employees no longer have a permanent desk: they can either "book" a desk for any given day, work in a shared space, or work offsite. **And it's not just these large companies: according to CBRE's 2017 Global Occupier Survey report, the number of corporate real estate managers who cited space efficiency as the most important part of cost management dropped by nearly 20 percent between 2016 and 2017.** Now they are focused on workplace flexibility.

This may be a direct result of the new account standards, which dictate that operating leases now need to be accounted for on balance sheets, or a combination of this and employee behavior. But either way, these trends should not be overlooked.

Successful companies are embracing these trends rather than trying to hold onto the status quo by offering employees options outside of the traditional office model. Further, companies can take advantage of this new employee behavior towards flexible work and the accounting change to improve their bottom lines. After all, office space is expensive. In New York City, businesses spend \$15K per year per employee on office space. **Costs grow when companies scale — leases can cost businesses 23% more when office space needs change. Workplace flexibility can help reduce these costs.**

TREND 2

Focus on improving the employee experience



The demand for talent is at an all-time high. You may have already felt the struggle of trying to recruit great talent or retain your existing high-performing employees. That's why it's becoming more and more important to focus on improving the employee experience.

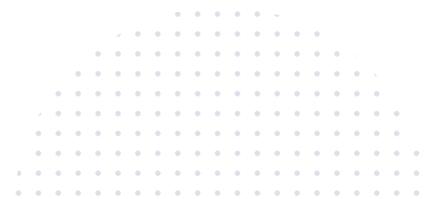
One third of HR leaders are prioritizing employee experience in 2020, because they know a positive experience is key to business growth and a driver of employee performance. Employees who are happy and given tools to succeed will do their best work, full stop.



While this has always been true, recent demographic shifts have put increased pressure on companies, which is why employee experience is so important for 2020. You've heard plenty about how Millennials values differ greatly from previous generations. They want jobs that align with their beliefs, where they feel valued, where companies invest in their growth, and that offer a good work/life balance. When they don't get these from an employer, they start to look elsewhere, costing companies up to

\$30K for every employee they lose between hiring, training, and productivity lost.

One popular way of helping improve work/life balance for employees is workplace flexibility, giving people more control over when and where they work. **According to Werk, "96% of the workforce needs some form of flexibility, yet only 42% have access to the flexibility they need."** Today, employees are twice as likely to leave their current job for one that has more flexibility. Ask yourself, do your employees truly need to be in the office every day as long as their work gets done?



TREND 3

Embrace remote work



For the last few years we've been hearing about the accelerated rise of remote work (the New York Times wrote about it in 2014), but even as it becomes more and more apparent that this trend isn't going away, many companies are still resisting. Forward thinking companies that still mandate employees work out of a central office need to focus on embracing remote work in 2020, and companies who tried it but haven't integrated remote work into their daily operations need to learn how to make these policies productive for their organizations, rather than swimming against the current.

After all, if remote work didn't work, it wouldn't be on the rise and 9 million Americans wouldn't work remotely over half the time. There are countless successful companies who are either fully or partially remote, including Microsoft, Slack, GitHub, Doist, and Zapier, just to name a few. Advancing technology makes remote work possible, which means it probably doesn't surprise anyone to learn that the earliest successful remote teams were mostly in the tech industry. These companies have been able to develop strategies over the years that enable their employees to be successful whether they have teams with only a few remote workers or are entirely offsite.

These strategies can make or break the experience for a remote employee and their company. You may have heard it before, companies "trying" remote work and determining that it isn't productive for their organizations without fully understanding what's needed in order to be successful.

So what is needed? First, companies need to be organized internally and communication lines have to be clear. When an employee can't just walk over to ask a question or discuss face to face, communication needs to be more deliberate and thorough. If a remote employee is utilizing Slack to communicate, the rest of the team needs to be fully using Slack as well.

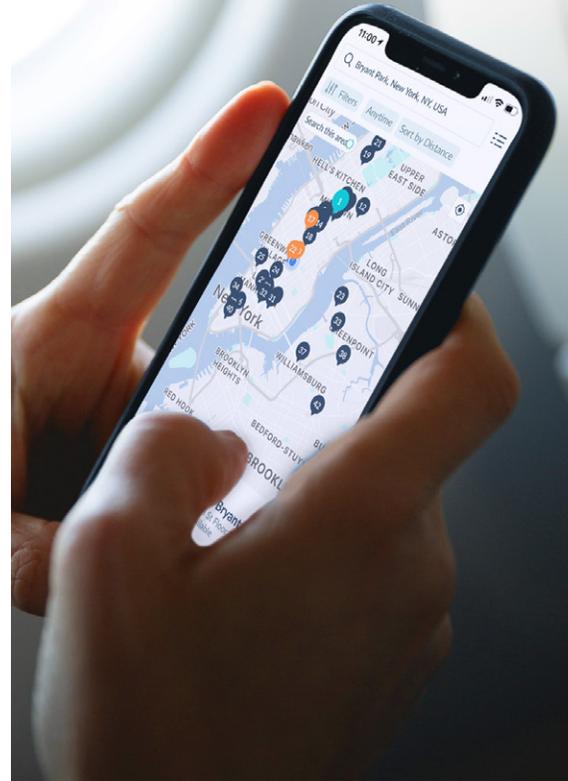
Second, employees who aren't in a central office need a productive workspace that lets them do their best work. For some this could be home, but for many people, working from home is inefficient and full of distractions. Alternative office spaces, on the other hand, can

provide the structure and human interaction that is needed to be more productive.

According to a study done by Cresa of people in coworking spaces:

- 71% say they are more creative in a coworking space
- 68% say they are better able to focus
- 64% indicate they can complete tasks in a timelier manner
- 62% report their standard of work is higher

In the end, the benefits of remote work are clear. People are happier and more productive. Cutting commute times (especially for the 24 million Americans who commute over 1.5 hours a day) helps reduce greenhouse gases and gives people their time back. This is all proven. But to see these results, you need the right structure and to provide the right resources to your employees — both those who are remote and those who aren't.



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TREND 4

Adopt sustainable initiatives



Sustainability and climate change are two issues on everyone's mind. 2019 saw a huge emphasis on these issues, from Time's Person of the Year Greta Thunberg's activism to the bleak outlook of the United Nations Emissions Gap Report, and the urgency for change won't lessen in 2020.

Adopting sustainable initiatives is no longer a "should have" for companies, but a "must have." Companies have realized that in order to market to Millennials and Gen Z, they have to be seen as ethical and care about sustainability. Whether it's for recruitment, retention, or simply to sell to these generations, your values as a company matter.



While there are numerous ways to go green, there are a lot of easy ways to cut carbon emissions and to enable employee behavior that will do the same. 29% of the 36 billion tons of greenhouse gases released into the atmosphere yearly are from burning fossil fuels for transportation. Offering your employees remote work options a few times a week can cut these emissions easily. A 10% reduction in work hours at the office (that's just half of a day a week) results in a 15% decrease in a person's carbon footprint.

Utilizing flexible, existing office spaces can also be an effortless way to reduce carbon emissions. **It's estimated that new construction projects consume 40% of the world's raw materials, and generate 38% of carbon dioxide emissions.** Forward thinking companies understand that encouraging employees to work from alternative, existing office spaces such as coworking rather than focusing on new build-outs can both benefit the environment and reduce costs.



TREND 5

Rethink what business travelers need



Business travel is in a state of rapid growth as companies everywhere become more global. The demographic shift in the core workforce as well as the rise of the sharing economy has led to changing trends for business travelers. While there will always be business people who travel frequently, enjoy airport lounges, and will choose a second flight over a hotel room to get home to their families in the evening, there is also a growing number of “non-traditional” business travelers.

You can see evidence of these new mindsets everywhere — **the word “bleisure” was added to the Cambridge dictionary in 2018, and you can find the phrase “micro escapes” in a number of 2020 trend lists.** A growing emphasis on adopting more sustainable business practices is also affecting the business travel industry. Companies today who embrace these changes in business travel will end up with more satisfied employees since they will experience less travel burn-out, especially since freedom to travel is directly tied to employee retention.

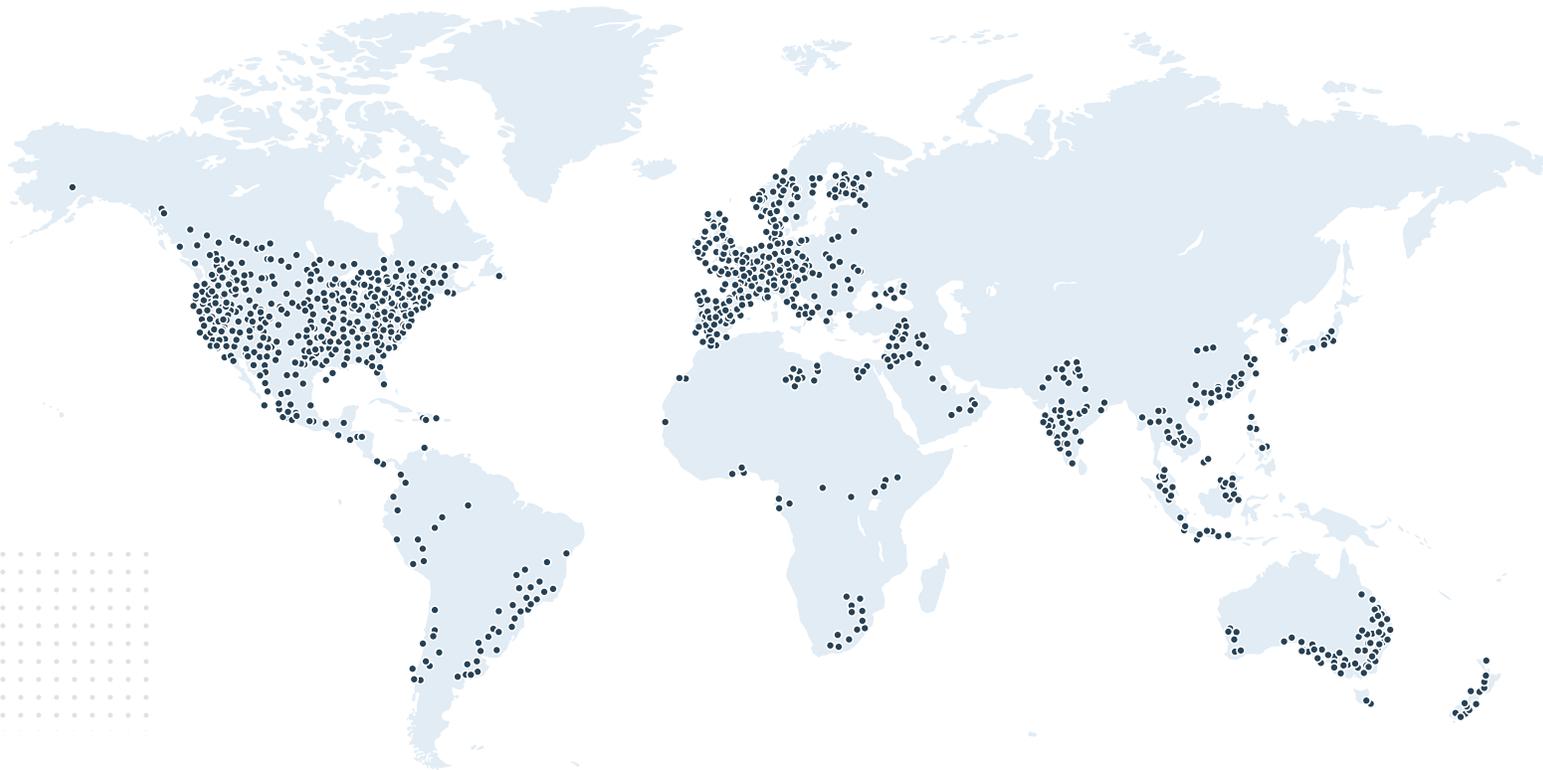
While business travel can be hard, many employees want to turn a work trip into an experience. Bleisure, sometimes called bizcation, is a combination of business and leisure travel. Usually, the employee will extend their stay by a few days, opting to pay for the additional cost of a hotel, Airbnb, or other local accommodation in order to incorporate a vacation experience into the trip. According to a survey from Booking.com, more than half of international business travelers plan on extending their stay abroad for leisure travel.

When personal escapes like this are short, they also can be described as a “micro escape.” These allow employees who feel they are too busy for a vacation, due to either work or family commitments, to have quick trips throughout the year. An extra day or two abroad or a long weekend in a nearby city can help keep employees refreshed and motivated with only minimal time commitment and financial burden.

Lastly, these bleisure trips and micro escapes also help to address the growing need for sustainability within business travel. **An employee who packages a personal vacation with a business trip is reducing the number of flights they are taking, and studies show these types of travelers are often ones who put an emphasis on supporting local establishments while traveling and traveling green.**

About Upflex

Upflex provides flexible office & co-working solutions, as well as meeting room bookings, for businesses across the globe. With access to 8,000 coworking spaces in 200 cities in 65 countries, Upflex is the largest coworking network in the world. Upflex offers organizations of all sizes an alternative to traditional office leasing while empowering you & your employees to work better.



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