Is hybrid really working?

Creating a dynamic workplace for a productive workforce

JLL SEE A BRIGHTER WAY

Contents

Introduction

The concept of work and the workplace has undergone a remarkable transformation since 2020, and businesses across the globe are grappling with a pivotal question: is hybrid really working?

Employees have renewed expectations about how and where they work and have come to rely on greater flexibility. Employers, on the other hand, are struggling to design the right workplace environment that supports business needs and enables the workforce to work and interact in ways that maximizes productivity.

As corporate real estate (CRE) leaders strive to balance evolving expectations, some companies are investing heavily in hybrid while others are putting a stop to fully remote work.

Beyond the provocative press coverage, the reality is that organizations are testing a variety of strategies to meet the new expectations around work and where it's done.

Understanding and bridging the disconnect between employers and employees regarding what's expected is the key hurdle in developing consistent, clear CRE strategies.

How do employees allocate their time during a working day? Does the existing hybrid office support collaboration alongside individual needs? What workplace elements boost performance and which hinder it?

To address these critical questions and challenges, we sought the feedback of 208 CRE decision-makers across the globe.* In addition we drew on the learnings of a year-long survey of 20,121 office workers who are employed by international companies.**

In this report we highlight three hallmarks of a successful hybrid strategy. Employers who are striking the right hybrid balance for their organization, culture, workforce and industry are developing a deep and data-driven understanding of employee needs and wishes and redesigning offices to accelerate employee engagement and performance.

* July and August 2023
** October 2022 to September 2023

Where we are today

Workplace attendance is the most contentious issue creating discontent between employers and employees.

Employees say...

"We want to maintain our flexibility"

The average number of days in the office is increasing steadily but hybrid working remains the employee preference worldwide.

3.1 the average number of days in the office

20% work fully remote or just one or two days a week in the office; 39% said this one year ago

Employers say...

"Fully remote is not acceptable anymore"

Policies to encourage people back to the office prevail and more organizations mandate attendance.

87% encourage working from the office at least some of the time

33% have implemented some form of compulsory attendance

Survey results in numbers

Figure 1a
Average number of days in the office

Current practice

3.1 days

Employee preference

2.8 days
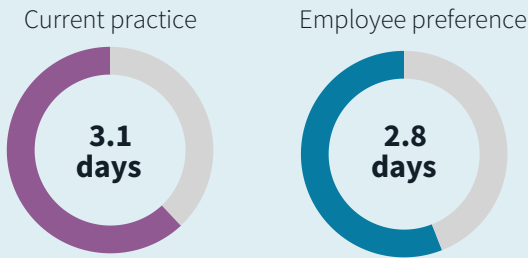
Figure 1b
Days in the office: current practice vs employee preference

	0 days	1 day	2 days	3 days	4 days	5 days
Current practice	5%	10%	21%	23%	14%	27%
Employee preference	4%	12%	25%	30%	17%	12%

■ Current practice   ■ Employee preference
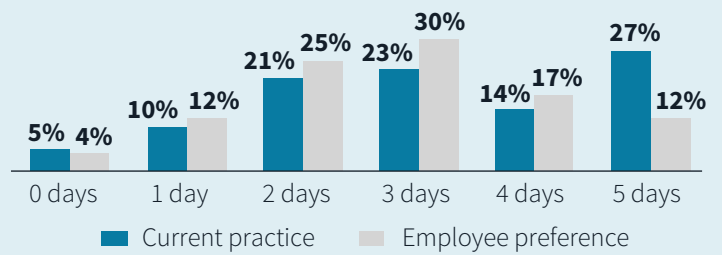
Figure 2a
Working from the office: change over time

	2022 H1	2022 H2	2023 H1
5 days (office resident)	20%	25%	35%
3-4 days (office-hybrid)	31%	34%	45%
1-2 days (remote-hybrid)	35%	36%	18%
0 days (remote)	14%	5%	2%

■ 0 days (remote)
■ 1-2 days (remote-hybrid)
■ 3-4 days (office-hybrid)
■ 5 days (office resident)
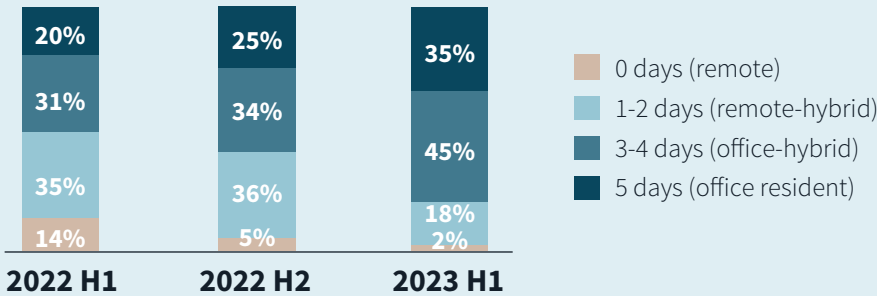
Figure 2b
Working from the office: by country

Current practice

Asia Pacific

India	4.4
China	4.7
South Korea	4.2
Australia	3.1
Thailand	3.3
Singapore	3.4
Japan	3.8

EMEA

Belgium	3.7
Germany	2.7
France	3.5
Switzerland	2.9
UK	2.2
Netherlands	2.6

North America

Canada	3.6
US	2.0

Employee preference

Asia Pacific

India	3.8
China	3.7
South Korea	3.2
Australia	2.9
Thailand	2.8
Singapore	2.7
Japan	3.8

EMEA

Belgium	3.4
Germany	3.1
France	3.1
Switzerland	2.8
UK	2.2
Netherlands	2.1

North America

Canada	2.9
US	1.9

How to make hybrid work

Our research reveals that the most forward-looking companies, which have been more successful than their peers in making hybrid work for their organization, do three things better than others.

They **know what drives performance** in their organization. They understand how physical space and employee expectations impact performance and productivity. They acknowledge the needs of a neurodiverse workforce to create the right mix between social space and areas for focus and privacy.

They **develop a hybrid playbook** to support behavioral change and balanced office usage. They monitor working habits and empower managers to orchestrate their teams efficiently in each location throughout the week. They create real value in being on site.

They **leverage data and design an adaptable space** that reconciles flexibility, sustainability and comfort. Space is designed around work habits and decisions are backed by data.

Key actions to deliver a successful hybrid strategy

Even within the same organization, there is no blanket solution to perfecting the hybrid workplace - the approach needs to be tailored to each team and each job type and requires constant adjustments over time.

1

Crack the code of performance

- **Understand and decode the new levers of performance of your workforce** in a hybrid environment. Acknowledge that the office has to address the needs of a neurodiverse workforce.

- **Design offices that are not just social hubs** but places that can support focused work and privacy. Make sure you balance collective and individual needs, bringing together technology and design to improve the mix of collaboration spaces with spaces dedicated to privacy and concentration, providing hi-tech, ergonomic workstations across the board.

2

Balance office usage

- **Develop your hybrid playbook and clarify house rules around flexibility.** Define when employees have to be in the office and when it is optional. This minimizes workforce frustration and helps to maintain the work-life balance they have come to expect while driving commitment to core team and work requirements.

- **Empower your managers** to play a role in orchestrating hybrid work. Train them to manage in a hybrid environment so they develop a workplace community and encourage collaboration during time on site, rather than simply operating as supervisors.

- **Support your employees while planning on-site work** so they make the most of the new types of spaces on offer, and provide the relevant tech support.

3

Redesign office space

- **Adopt a data-driven approach.** Measure and identify how offices are occupied to define your approach to the hybrid workplace and explore the possibilities of shared spaces and equipment. Decode utilization patterns and working rhythms to create an optimal work experience.

- **Continuously assess employee satisfaction and measure the impact** of the changes introduced in terms of wellbeing, performance and sustainability. Identify opportunities for improvement and create an agile environment to support the evolving needs of your organization.

1

Crack the code of performance:

Balance the need for social and focused workspace

New hybrid environments better address the collective needs of an organization than those of the individual.

Beyond the time and cost of commuting, the biggest issues impacting employees' time in the office relate to acoustics and the ability to focus.

When designing new workplaces, employers must better assess the different types of needs to create a place that allows people to perform their best regardless of sensitivities and differences. This means for instance acknowledging the needs of a neurodiverse workforce to design an environment that not only enables people to collaborate but allows individuals to extract themselves from the hustle and isolate for managerial or focused work.

Space that delivers this mix will reconcile any tension between employers' and employees' views on how to improve performance.

Employers question the productivity gains that were attributed to remote work during the pandemic. They are afraid of the long-term impact on organizational performance and on the ability of the company to create social connections and innovate.

51%

rank expected productivity gains as a key reason to ask people to return to the office

Employees highlight the shortfalls of the new hybrid offices. Poor office experience and noise are major barriers to working from the office.

58%

of office workers think that their home environment better supports focused work

45%

consider their home environment to be better for their productivity overall

28%

of employees say that noise is a major barrier to working from the office

22%

complain about the lack of privacy for virtual calls and 18% the lack of focus spaces

The productivity perception gap

Productivity is at the center of workplace discussions today but organizations struggle to empirically define and measure what best supports it. Misalignment exists between employers and employees about what type of tasks and activities should be done in the office, or what it means to be productive in a hybrid context.

After three experimental years of hybrid work, a new awareness of the importance of the office is emerging. Employers associate on-site work with new benefits, beyond improving collaboration, social connection and cultural bonds; they see

it as a significant contributor to employee productivity (Figure 3).

In part, this is due to employers' shifting attitudes to performance. They no longer consider the number of hours worked per day as a proxy for productivity but, when people work from home, they do expect that the time spared from commuting will be reallocated, at least partially, to work. They also recognize the power of chance meetings and face-to-face collaboration in the office to boost employee engagement and their ability to innovate.

Figure 3

Employers' reasons for encouraging employees to work from the office

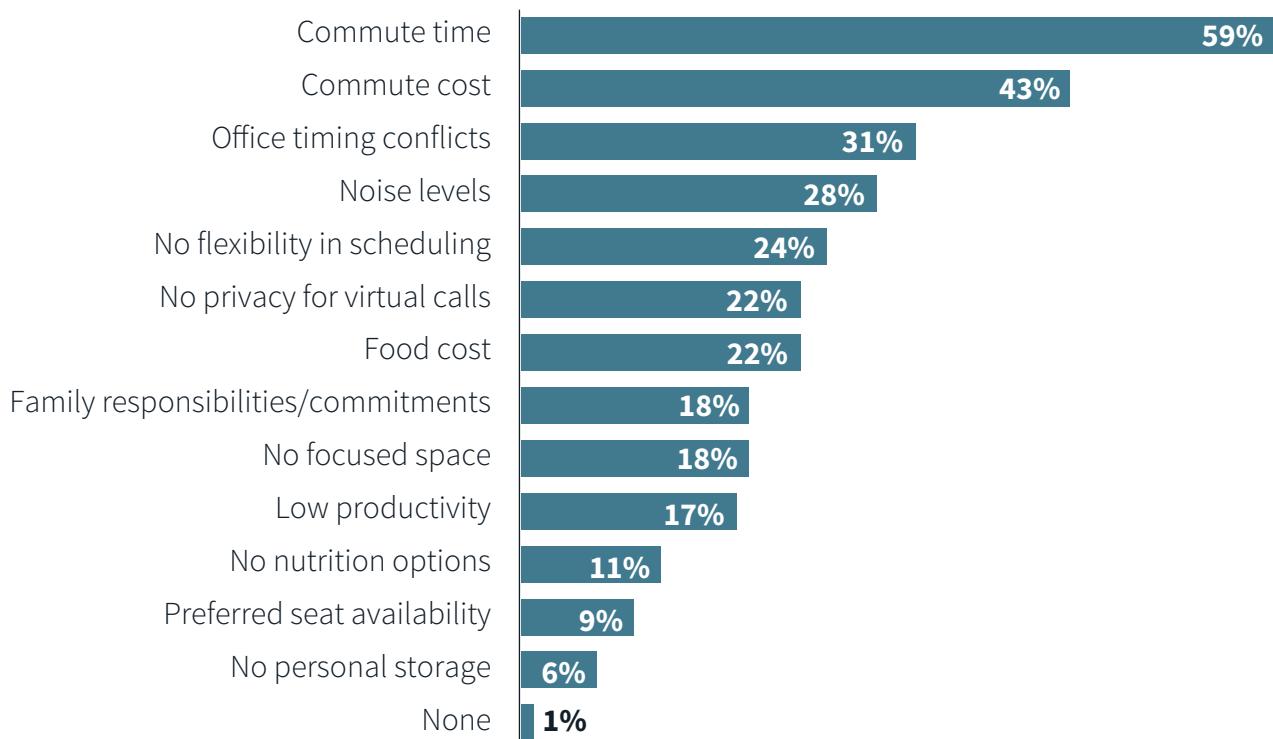|	
Face-to-face collaboration	87%
Cultivating company culture	61%
Potential productivity gains	51%
Increased social connections	47%
Ability to manage people	39%
Increased innovation	32%
Mentorship and development	32%
Technology capabilities and resources	25%
Improved onboarding and training	23%
Focus on wellbeing	18%
Employees allowed to choose work location	11%
Increased cybersecurity	11%
Other	9%

Source: JLL Research, 2023

Employees value socialization and collaboration as much as their employers do, but cite many challenges when working on site. The greatest barriers are the cost and duration of the commute with employees arguing that they can be more efficient with their time working from home.

With hybrid work now mainstream, there is greater awareness around working conditions, with employees becoming more vocal about traditional working models and pushing for more flexible policies to support new expectations.

Figure 4

Employees' barriers to working from the office

Barrier	Percentage
Commute time	59%
Commute cost	43%
Office timing conflicts	31%
Noise levels	28%
No flexibility in scheduling	24%
No privacy for virtual calls	22%
Food cost	22%
Family responsibilities/commitments	18%
No focused space	18%
Low productivity	17%
No nutrition options	11%
Preferred seat availability	9%
No personal storage	6%
None	1%

Source: JLL Research, 2023

Office space needs to change to better support hybrid workers

Hybrid workers find it difficult to plan their office time solely for collaborative tasks, making it crucial for offices to enable focused work and to accommodate privacy. Yet privacy and the ability to focus present the highest gaps between hybrid workers' view of what is most important and their current level of satisfaction (Figure 5), suggesting that hybrid offices and unassigned desks do not cater to this need. This marks a shift from a year ago. In 2022, workforce dissatisfaction primarily related to wellbeing and workspace choice.

That said, hybrid workers do value offices that support collaboration and socialization and they appreciate the sense of belonging which comes with working alongside their colleagues on site.

Understanding the office performance factors most valued by employees will help companies to make improvements to the physical space, technology and flexible work arrangements they offer.

Figure 5

Human experience in the office - where employers should focus their efforts

Top 12 workplace factors with the greatest gap between importance and current levels of employee satisfaction
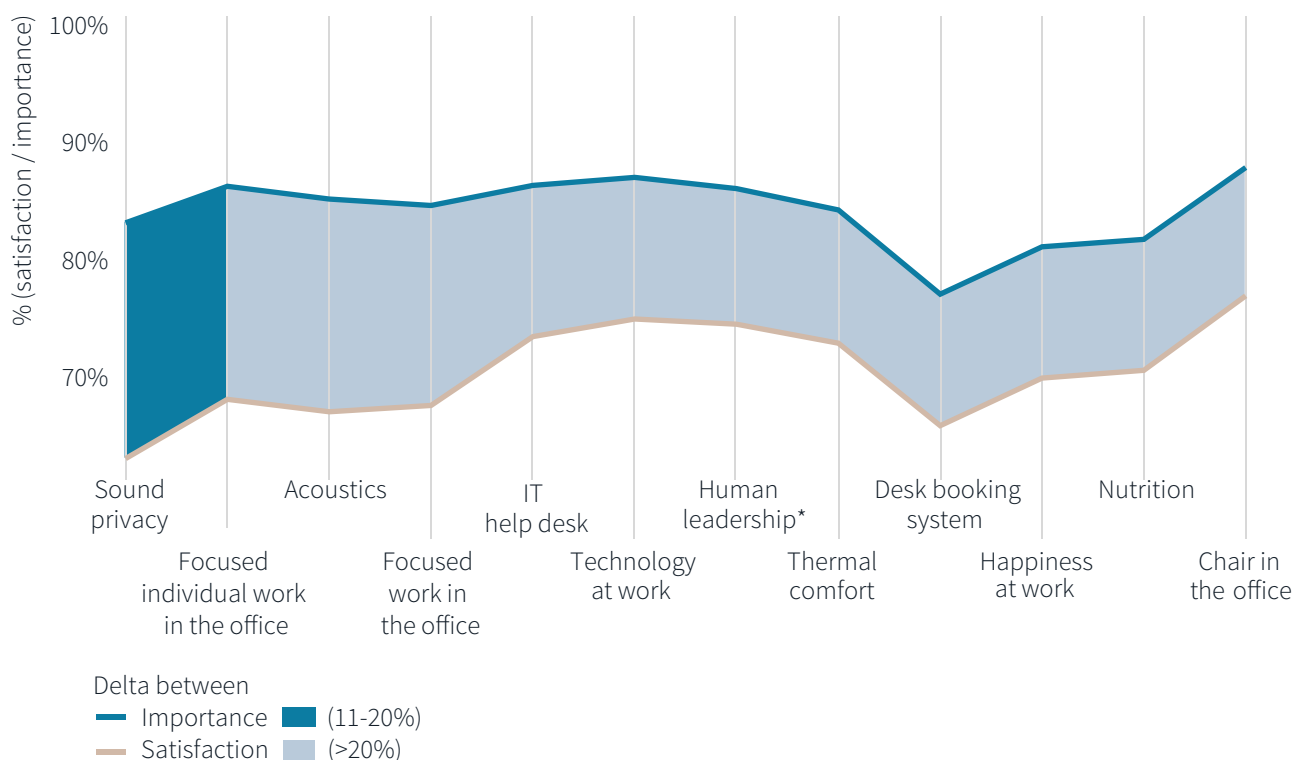
*My organization provides a nurturing and inclusive work environment that promotes leaders who put employees first and encourages a positive culture

Note: A total of 60 factors were assessed in the survey

Source: JLL Research, 2023

2

Balance office usage:

Develop a hybrid playbook, monitor working habits and empower managers to orchestrate hybrid

With the goal of supporting productivity at the center of both employer and employee needs, there's an opportunity for organizations to meet the needs of both through an evolved workplace strategy.

Measuring on-site space usage and clarifying expectations for employees are key ingredients in developing an effective hybrid playbook. Understanding how teams are using the office and what enables their productivity are necessary in getting it right.

Managers can play a crucial role in defining what must be done on site versus what may be done remotely. They can also create engaging opportunities for face to face collaboration and teamwork.

Employers have low visibility and influence over when people come on site and want to measure this better without being accused of 'surveillance'.

58%

of employers have implemented a flexible approach to hybrid

Only **36%**

are tracking their employees' workstyles today, making it difficult for CRE teams to optimize footprint and occupation

Employees have become accustomed to flexibility and autonomy over how and where they work, and have altered how they manage work alongside personal commitments.

Only **23%**

say they have no preference in terms of days in the office - down from 29% a year ago
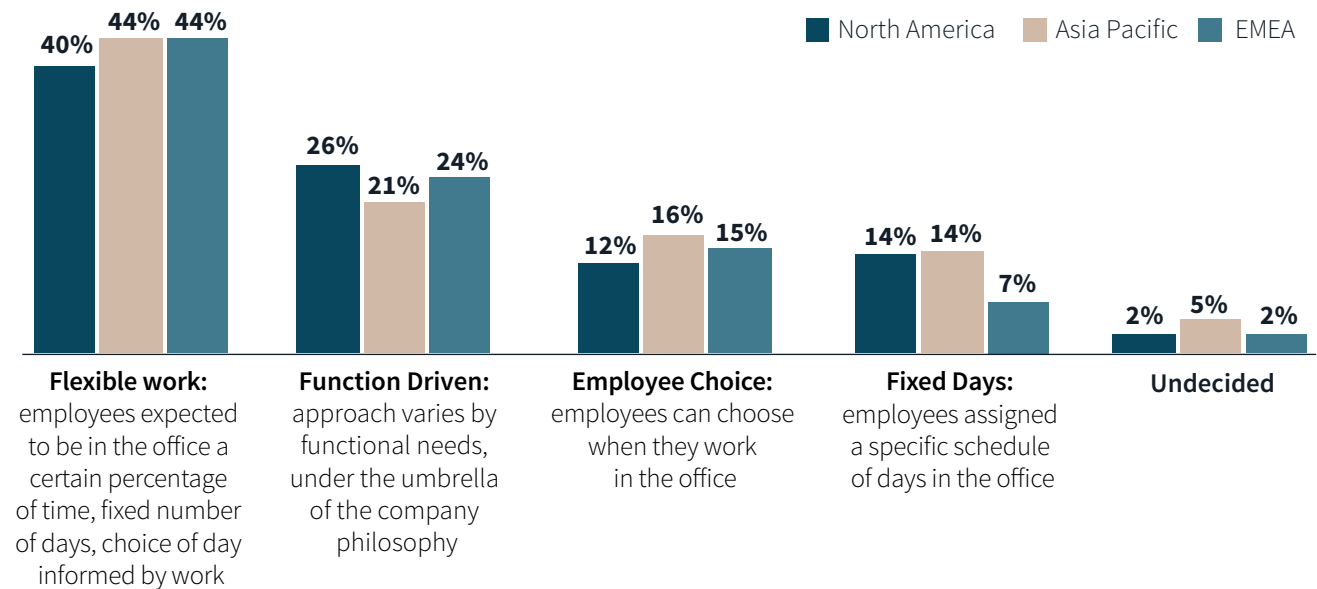
18%

state that family commitments are a key consideration when planning days in the office

Figure 6

How employers approach hybrid work and manage office attendance

Legend: North America | Asia Pacific | EMEA

Flexible work:
- North America: 40%
- Asia Pacific: 44%
- EMEA: 44%

Function Driven:
- North America: 26%
- Asia Pacific: 21%
- EMEA: 24%

Employee Choice:
- North America: 12%
- Asia Pacific: 16%
- EMEA: 15%

Fixed Days:
- North America: 14%
- Asia Pacific: 14%
- EMEA: 7%

Undecided:
- North America: 2%
- Asia Pacific: 5%
- EMEA: 2%

Flexible work: employees expected to be in the office a certain percentage of time, fixed number of days, choice of day informed by work

Function Driven: approach varies by functional needs, under the umbrella of the company philosophy

Employee Choice: employees can choose when they work in the office

Fixed Days: employees assigned a specific schedule of days in the office

Source: JLL Research, 2023

Monitoring office usage

The majority of companies do not actively monitor hybrid workstyles, and office attendance is flexible depending on the work in-hand (Figure 6). When attendance is assessed, it is done through badge swipes and access systems. Very few companies use managerial and HR governance, IP login data, office booking software, or sensor data – most likely because they find it difficult to tread the line between monitoring and surveillance. Tech is advancing in this space, with tools available for organizations looking to advance insights through data and metrics by dynamically monitoring buildings and people.
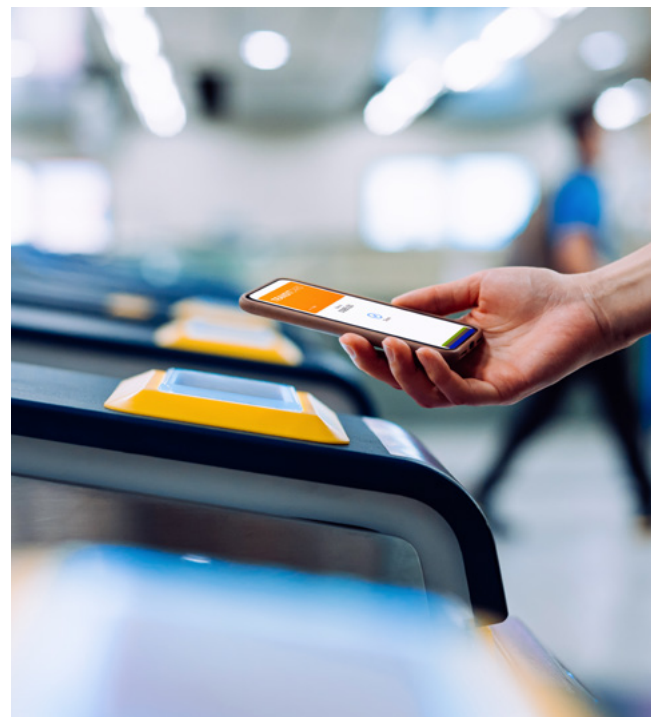
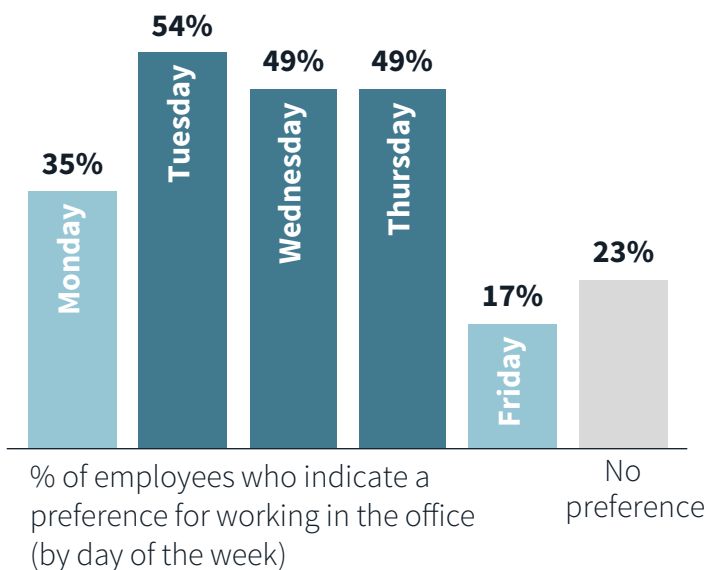# Clarifying house rules and expectations around flexibility

While working remotely, employees made new arrangements to reconcile their professional and personal lives. Family and other personal commitments now dictate which days they spend in the office.

Because companies do not, on the whole, impose fixed office days, patterns of peak attendance are emerging with most people preferring to work in the office on Tuesdays, Wednesdays and Thursdays (Figure 7), reinforcing the pattern we observed in 2022. It's likely that this is related to the increased desire to blend work and personal commitments. Very few employers have pushed back. Globally, only 11% have implemented fixed days in the office. While North American organizations prefer a more structured approach, fixed days are less popular in EMEA.

Figure 7

Days when employees prefer to work in the office

| Monday | Tuesday | Wednesday | Thursday | Friday | No preference |
| 35% | 54% | 49% | 49% | 17% | 23% |

% of employees who indicate a preference for working in the office (by day of the week)

Source: JLL Research, 2023

Managers should take the lead and open the discussion with their team to clarify when they are expected to be on site and when they can work remotely. This is an opportunity for companies to define their approach to hybrid working and to adapt to each team's constraints and job functions alongside an individual's desire for flexibility.

3

Redesign office space:

Think holistically about employee wellbeing, performance and sustainability

Employers find themselves in a situation where there are not enough desks on busy days, driven by the competing desires to cut costs and encourage office attendance. Shared spaces and technology are seen as the only way to address this. Companies are investing heavily in a mix of personal and shared spaces that can address a diverse set of needs - from wellbeing to the ability to work productively. Yet this does not align with the fact that most people spend the majority of their time at an individual workstation while in the office.

Adopting such redesigned workplace relies on effective change management to help employees make the most of their work environment. It also requires a data-driven approach to ensure space is used efficiently to achieve optimum usage.

Employers face competing demands to cut costs and encourage office attendance. Shared spaces are seen as the only way to address this.

86%

of CRE leaders are focused on reducing operating costs

39%

record office utilization levels below 40%

69%

of organizations have a mixture of assigned and shared seating today

42%

of space has been adapted for hybrid work

Employees find their working habits are out of sync with the new space they are provided with.

51%

of the time is dedicated to individual work in hybrid offices

52%

of the time is spent at individual workstations

Optimizing office occupancy

Reducing operating costs is the primary concern for 86% of CRE leaders. With office utilization levels below 60% for most, companies may be tempted to reduce office space - but cost optimization is only one of a number of competing demands. To entice employees back on a regular basis, leaders must also strive to improve the experience, meet increasingly stringent sustainability standards and address evolving DEI expectations. In this context, shared seating stands out as as a good solution: 69% of organizations indicate that they have a mixture of assigned and shared seating in their offices today.

Figure 8

Office utilization on a typical working day

Less than 20%	20% to 39%	40% to 59%	60% to 79%	80% or more	Difficult to assess
14%	25%	31%	12%	11%	7%
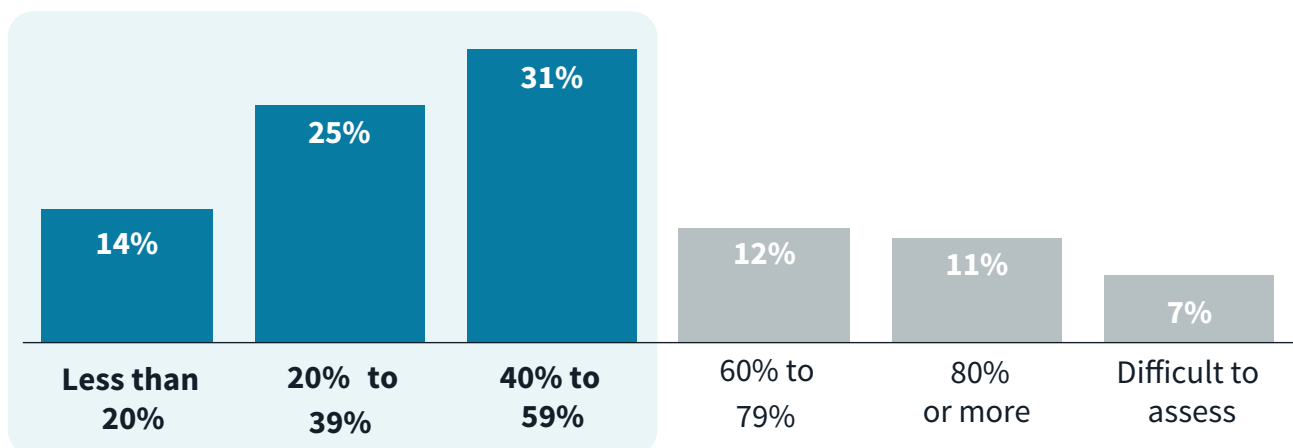
Source: JLL Research, 2023

But hybrid workers say this set up does not meet their needs and expectations (Figure 9). People continue to spend the majority of their time (51%) on individual tasks and at their desk (52%) when they come to the office, with only a small fringe taking place in specialized focus areas (6%). Virtual collaboration accounts for 23% of the time spent in the office and half of it takes place at the workstation, potentially creating noise and disturbance to colleagues.

Informal and social space is used less than 40% of the time; people prefer to conduct face-to-face collaboration in formal spaces.
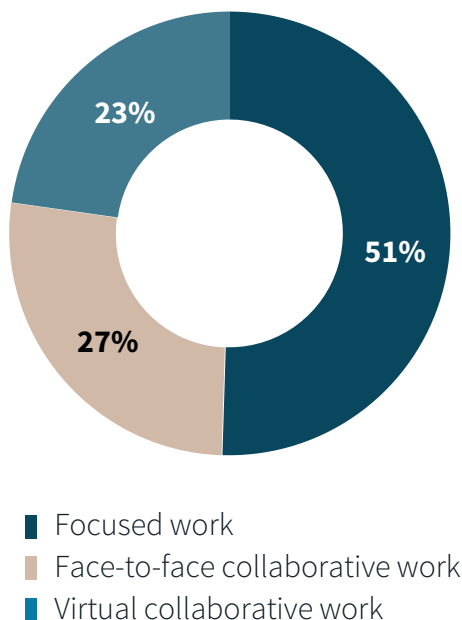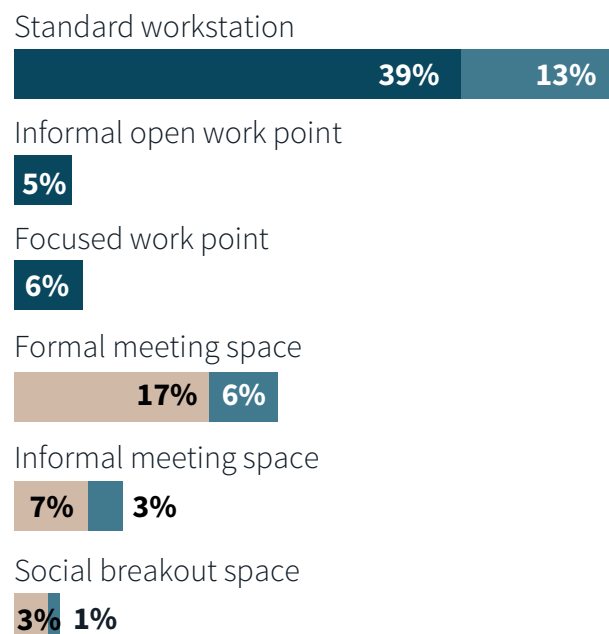
Figure 9a

Types of activities in the office

23%

51%

27%

- Focused work
- Face-to-face collaborative work
- Virtual collaborative work

Figure 9b

Office space used by type of activity

Standard workstation

39% 13%

Informal open work point

5%

Focused work point

6%

Formal meeting space

17% 6%

Informal meeting space

7% 3%

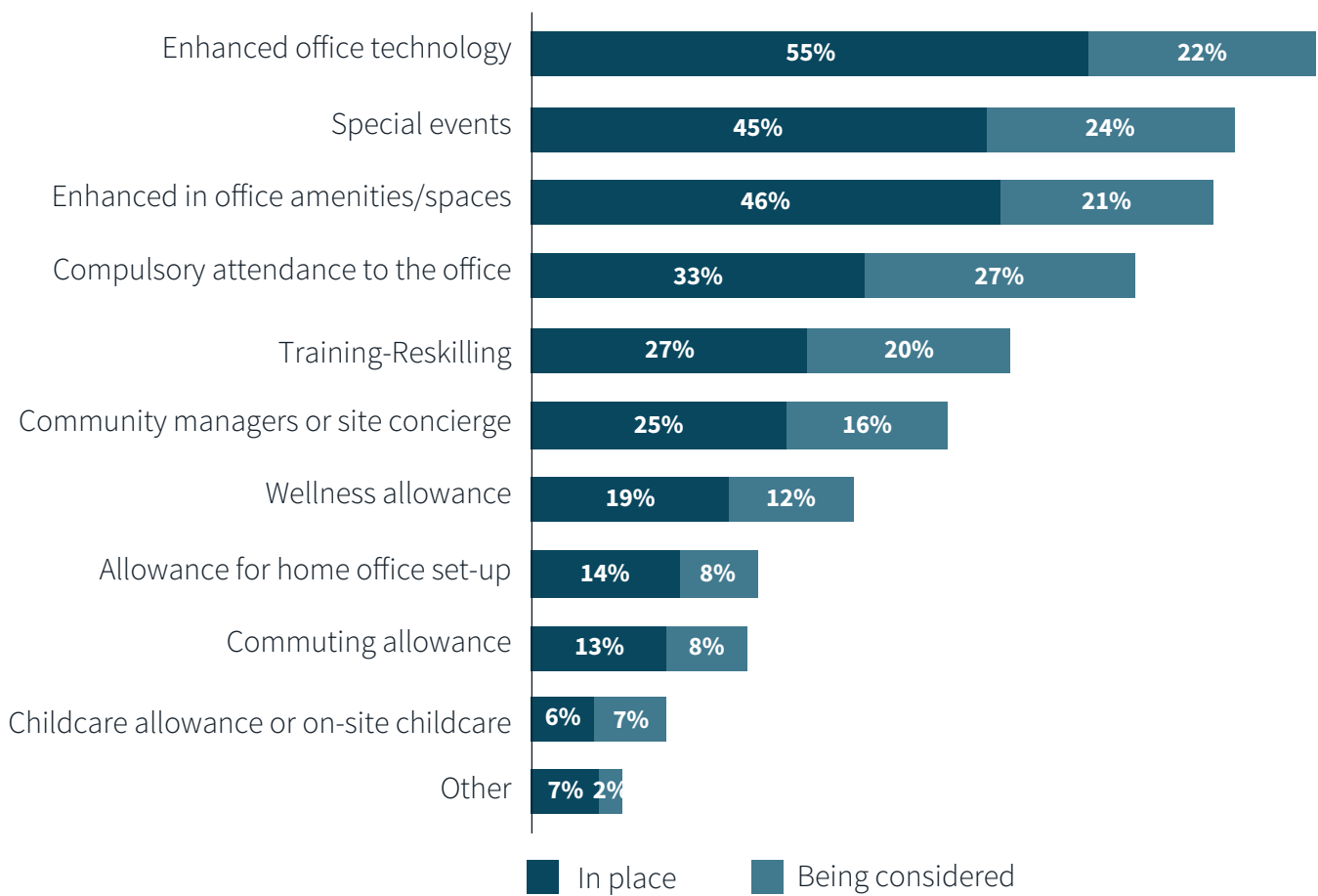Social breakout space

3% 1%

Source: JLL Research, 2023

There is clearly room for improvement when it comes to the use of space in the office. In an attempt to address this, employers continue to introduce new tools and incentives to encourage working from the office (Figure 10).

Figure 10
Tools and policies to encourage employees to work from the office

Category	In place	Being considered
Enhanced office technology	55%	22%
Special events	45%	24%
Enhanced in office amenities/spaces	46%	21%
Compulsory attendance to the office	33%	27%
Training-Reskilling	27%	20%
Community managers or site concierge	25%	16%
Wellness allowance	19%	12%
Allowance for home office set-up	14%	8%
Commuting allowance	13%	8%
Childcare allowance or on-site childcare	6%	7%
Other	7%	2%

Source: JLL Research, 2023

Technology, amenities and social events play a part in enticing people back to the office, but employees also expect personal comfort (Figure 11). This extends to space to focus, a healthy environment and a comfortable desk and chair.

In fact, cleanliness and comfort rank as the most important office factors. This should encourage employers to look at all aspects of employee needs and address the in-office experience alongside policies that support remote work.

Figure 11

Aspects of human experience that employers should not neglect

10 factors with the highest importance score			
No	Factor	Importance	Satisfaction
1	Workspace type	90 %	82 %
2	Cleanliness	89 %	85 %
3	Chair in the office	89 %	78 %
4	Flexibility and work-life balance	89 %	78 %
5	Secure remote access at work	89 %	80 %
6	Desk in the office	88 %	80 %
7	Air quality at work	88 %	79 %
8	Technology at work	88 %	76 %
9	Health and safety	88 %	84 %
10	Light quality	87 %	81 %

Source: JLL Research, 2023

Workplace stategy in action

Creating a productive workplace for a dynamic workforce

Based on surveys carried out by our Global Benchmarking team, employee satisfaction rates can improve dramatically following office redesign projects, where employees' needs, preferences and workstyles are taken into account. In JLL's own recent office move in Bangkok, for example, we saw Human Experience scores improve from 85 to 96, moving this office from the 'acceptable' to 'exceptional' performance category.

Factors with the highest improvement scores following office redesign can be directly linked to improved performance and wellbeing

Figure 12

12 Factors with the highest improvement in satisfaction score

Satisfaction: ● Pre office redesign ● Post office redesign
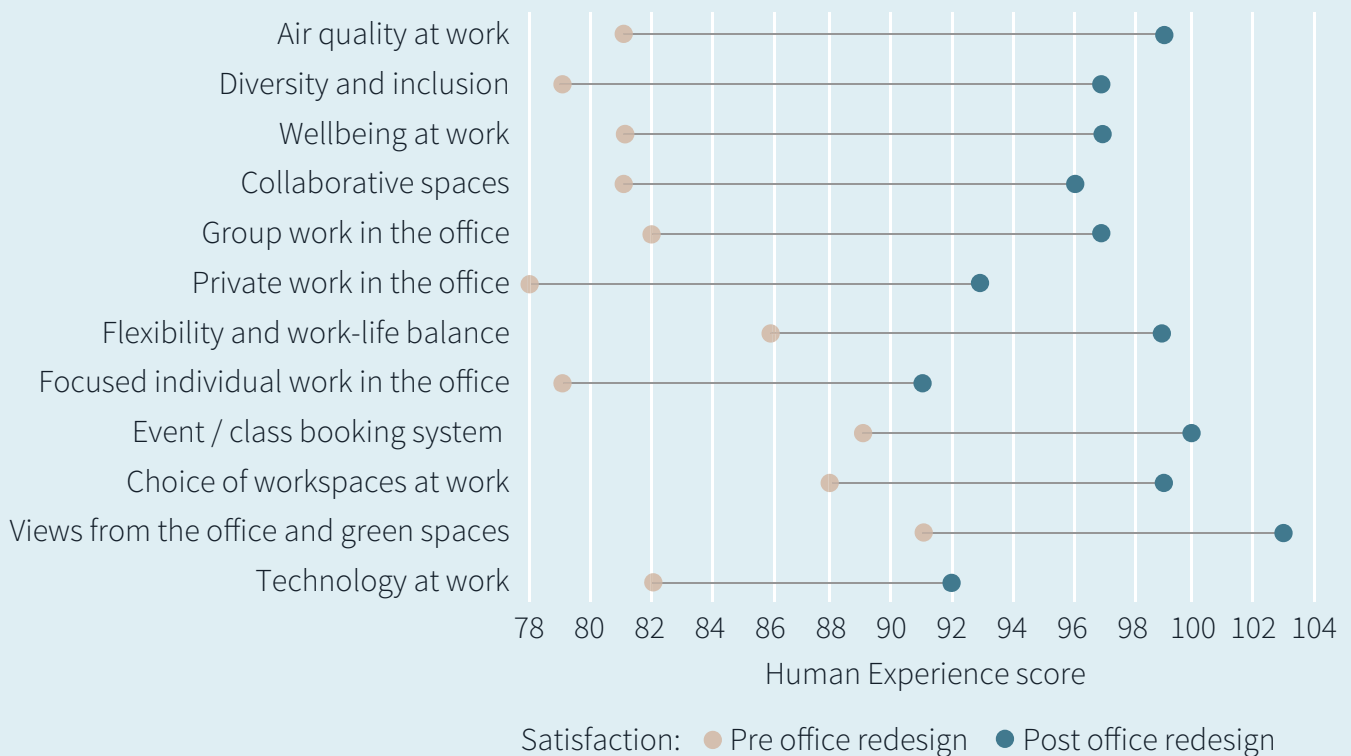
*Based on surveys (pre and post improvement) undertaken by our Global Benchmarking team on 20 office improvement projects carried out by our clients between 2021 and 2023

Source: JLL Research, 2023

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