Colliers INTERNATIONAL

Knowledge Leader
INFORM. INSPIRE. ENGAGE.

THOUGHT LEADERSHIP

WHO COMES BACK TO THE OFFICE FIRST?

June
17
2020

As the world emerges from quarantine, businesses leaders have been tasked with determining how best to re-enter the office. Recently, we have seen the trend of a more prolonged and cautious approach to office re-entry. The primary goal is to keep everyone safe as we settle back into a new way of working. An extensive list of research illustrates that proximity to one another and social interaction can boost motivation, productivity and innovation. However, perhaps there's a healthy balance between working in the office and from the home. Colliers' preliminary research shows that 45% of Americans would like to work from home one to two days a week.

What is the best way to bring people safely back to the office in a way that respects their psychological, emotional and physical needs for safety while providing for the opportunity to spur creativity and innovation?

BACK-TO-WORK DECISION SUPPORT MODEL

Colliers' Client Experience (which includes our Workplace Advisory and Portfolio Strategy Consulting teams) has developed a framework that considers the intersection of infrastructure, business requirements and people as critical criteria to help determine who to bring back and when.

By analyzing the conditions of these three key business and real estate drivers, employees who fit the conditions of all three parameters would be the primary candidates to return to the workplace.
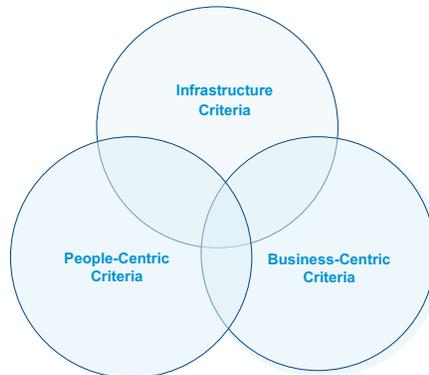
These conditions should be examined in concert with one another. And while some criteria within each sphere can be mitigated (for example, instead of taking public transportation to work, an employee can drive), others cannot be.

While we don't portend to know the future, and our lens is limited by our own experiences and a reflection of the past, it is in times of great disruption where great opportunity abounds. It is not just across the spectrum of the industries shared above, but among others that we cannot even imagine.

Our commitment at Colliers is to continue to look with a sense of curiosity towards change, strive to gain an understanding and share our interpretations with the people and organizations that will strive to embrace and build the new future.

INFRASTRUCTURE

Infrastructure-centric criteria are those areas of impact that fall outside the control of the business and employee. Commutes, access to buildings and offices, government regulations and workplace readiness are four key considerations. We continue to be very concerned with the practicalities of travel and ease of access to working in buildings by non-essential personnel.

Questions to be analyzed and answered relative to infrastructure include:

- **Government regulations:** Are shelter-in-place orders still in effect? Has testing become ubiquitous to ensure the physical safety of the employees' population?

- **Commute:** Is mass-transit running on-time with enough capacity to accommodate all who desire to use while allowing for social distancing?

- **Workplace readiness:** Is building access safe and practical?

THOUGHT LEADERSHIP

WHO COMES BACK TO THE OFFICE FIRST?

June
17
2020

Knowledge
Leader
INFORM. INSPIRE. ENGAGE.

Colliers
INTERNATIONAL

Is there enough social distancing space available to get people on elevators and up to their floors? Once in the office, have actions been taken to make the workplace safe?

As these infrastructure-related tollgates are satisfied, the firm can allow employees to return to the office.

Some of the criteria can be mitigated for those who can support alternatives. For example, if mass transit is not available, an employee can drive to work. Employers can consider providing short-term subsidies for support.

BUSINESS

Business-centric criteria are focused on the management and operational priorities to keep the enterprise moving back to in-house management. We have developed two different models presented that help businesses prioritize who to bring back and when. Moving from the core to the outer ring, the first model divides the office population by function and prioritizes leadership and "core" functions to return to the office before "aligning" and "flexible" employee populations. This approach excludes those who are immune-compromised and emotionally stressed.

The model focuses on the types of spaces required for each of the different worker types and aligns priorities to bringing employees back to align to those space type availabilities. Core employees typically occupy dedicated space, whereas shared space can be taken up by functions fitting in the 'aligning' area. Flexible workspace can be used for non-space-critical workers and administrative and non-customer-facing functions, if and when these workers return to the office.

An alternative model focuses on analyzing the relationship of in-person collaboration and the criticality of space to function. In this framework, a key reason to come to the office is based on the need to use space to facilitate meetings and collaboration. As humans, we are by nature social beings; in-person collaboration is fundamental to getting business accomplished and to spurring innovation. The need for space and collaboration variables can be plotted to help determine which of the employees should be prioritized. This model prioritizes internal and external meetings as the key driver to determining how to phase the workforce back to the office.

The top right-hand box (where in-person collaboration is high, and where space

is required to function is critical is also high) are the first group that should be prioritized to return to the office. This can be different for every organization and should be analyzed per department or business unit. We developed the example below which shows leadership teams and department managers as a priority. Sales and marketing teams and operations teams which fall on the high end of the spectrum for collaboration but where space is not as critical, indicate their return to the office is secondary. Finally, those functions where in-person collaboration is low in the space occupancy is non-critical should be the considered to migrate to the space last.
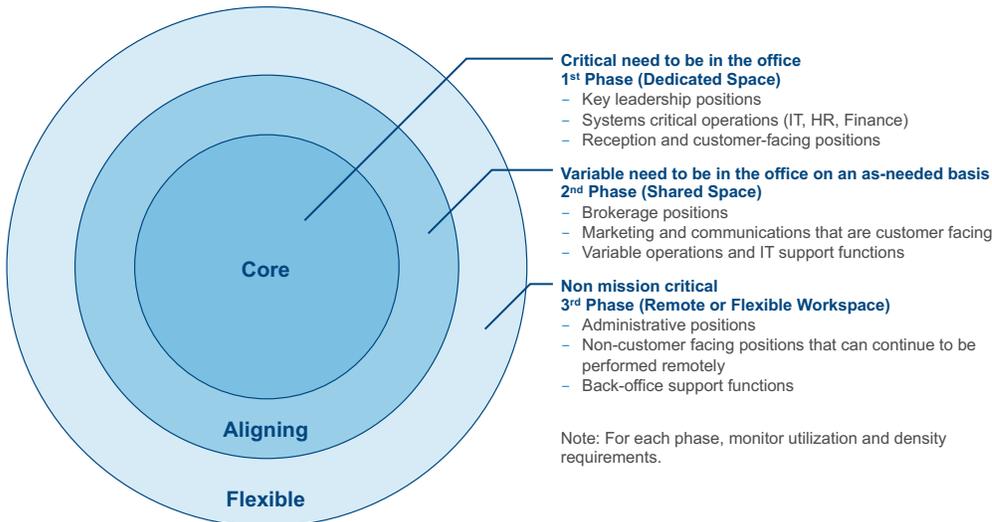
Back to Work Prioritization | Right-of-Way Process (Illustrative Sample)

Note: This excludes immuno-compromised and emotionally stressed employees.

Other factors which need to be considered are the following:

- Requirement to use special equipment – do certain employees' functions require equipment only to be found within the work environment?

- Maintenance of IT and cloud platforms – similar to the above.

- Access to classified and secure systems – sensitive information that cannot be accessed remotely.

Back to Work Prioritization | Core, Aligning and Flexible (Illustrative Sample)

Critical need to be in the office
1st Phase (Dedicated Space)
– Key leadership positions
– Systems critical operations (IT, HR, Finance)
– Reception and customer-facing positions

Variable need to be in the office on an as-needed basis
2nd Phase (Shared Space)
– Brokerage positions
– Marketing and communications that are customer facing
– Variable operations and IT support functions

Non mission critical
3rd Phase (Remote or Flexible Workspace)
– Administrative positions
– Non-customer facing positions that can continue to be performed remotely
– Back-office support functions

Note: For each phase, monitor utilization and density requirements.

Note: This excludes immuno-compromised and emotionally stressed employees.

PEOPLE

People-centric criteria are focused on employees' overall health and fitness to come back to the office, both at the individual and family levels. Physical and emotional health should be analyzed in concert with one another.

- **Physical health:** Are all family members healthy or have tested negative for COVID-19?

- **Assurance of emotional safety:** Does an employee feel safe returning to the workplace? Are there family safety concerns that must be addressed including? Is there childcare and/or elder care? Self-assessment and reporting back to the company will be key to enable this parameter.

Company leaders need to be working with their human resource and business unit leader task forces in order to identify which talent is crucial to bring back and how best and when to bring them back. Again, keeping everyone emotionally and physical safe is the priority.

EXAMPLES

We provide two personas of different individuals in separate geographic areas to illustrate how different realities on the ground can affect the parameters and the decisions business leaders need to make.

EXAMPLE 1

Current Scenario:

- Anna is a CIO for a multi-national financial services company headquartered in downtown Manhattan.

- She lives in New Jersey and takes the PATH regional transit train daily to get to the office.

Considerations:

- From a "Business" parameter perspective, as a leader, Anna should return to the office.

- From the "People" parameter sphere, she has tested negative for COVID-19 and does not show any symptoms. Her partner remains at home and cares for their young children.

- Regarding "Infrastructure," Anna needs to consider both the New Jersey and New York stay-at-home orders before she can come into the office. She needs to consider how often the PATH trains run and how many people the trains can accommodate while also maintaining social distancing.

- Once at her office, she needs to consider how long it will take to wait before she gets into the elevator to get up to her floor. When she goes home, she'll need to do everything in reverse. What once was a 30-40-minute one-way commute has now turned into a grueling one hour and 30 minutes.

Conclusion:

- As Anna is a part of the C-Suite leadership team, she is one of the first people back to the office. And while the mitigation efforts add time to her commute, she can come back to the office. Her company can mitigate the effects by developing phasing and alternative work schedules for the employees who are challenged with infrastructure and space requirements.

Alternative work schedules are agreements established between an employee and a supervisor where any of the following occur:

- A change to the customary arrival/departure time

- A change to the regular work location (e.g. home office) on a temporary or consistent basis

- A job/shift share or job duty arrangement

- Temporary changes to arrival/departure times or a location of work are made

Here is an example of how it might work. Employers configure modified work assignments for their respective areas so that staff exposure is reduced by 50%while remaining operational. Staff in each responsibility area will be divided into two equal teams, A and B, and will divide their work between on-site and remote presence on a rotating cycle. The first week, Team A will work M/W/F on site and T/Th remotely, while Team B works M/W/F remotely and T/Th on site. The next week, Team A and B alternate. Over two weeks each employee will work an equal number of days on site and remotely.

EXAMPLE 2

Current Scenario:

- Jason lives and works in Kansas City, MO and is the regional financial controller for his business line.

- Most of Jason's work is computer-based and he is generally autonomous as he goes about his duties.

Considerations:

- From a "Business" parameter perspective, Jason is secondary to come back to the office as collaboration is low and his need to be in the space is somewhat low.

- From the "People" parameter sphere, Jason had tested positive for the virus, self-quarantined for two weeks, and does not show any symptoms. His partner works part-time, and they leverage a daycare service when school is not in session. The quarantine has forced the closure of the daycare facilities, so Jason has had to work from home and watch the children while his partner works. As the quarantine is lifting, daycare centers will begin to re-open.

- Regarding "Infrastructure", Jason usually takes the light rail system, but since he's unsure of social distancing space on the train, he's decided to drive to work.

- Once at the office, Jason easily climbs the steps up to the second floor where his workstation is. While his usual 20-30-minute commute has become 30-40 minutes, Jason is happy to be back in the office. Working from home, while enjoyable, is tough with kids home all day long.

Conclusion:

- Given Jason's profile, he would not be a candidate to be first back to the office. Jason should work with management and provide feedback only when daycare becomes available so he can feel comfortable traveling back to the office.

Each business will have to assess the parameters for themselves to determine who they will bring back to the office and when. As shown in the sample persona with Anna and Jason's, Business, Infrastructure and People considerations will have different criteria and outcomes based on geography, spread of the virus, and the individual's personal situation. As you continue to analyze your decision-making process, your recommendations should continue to focus on ensuring the employees' physical, emotional and psychological well-being when considering a return back to the office.
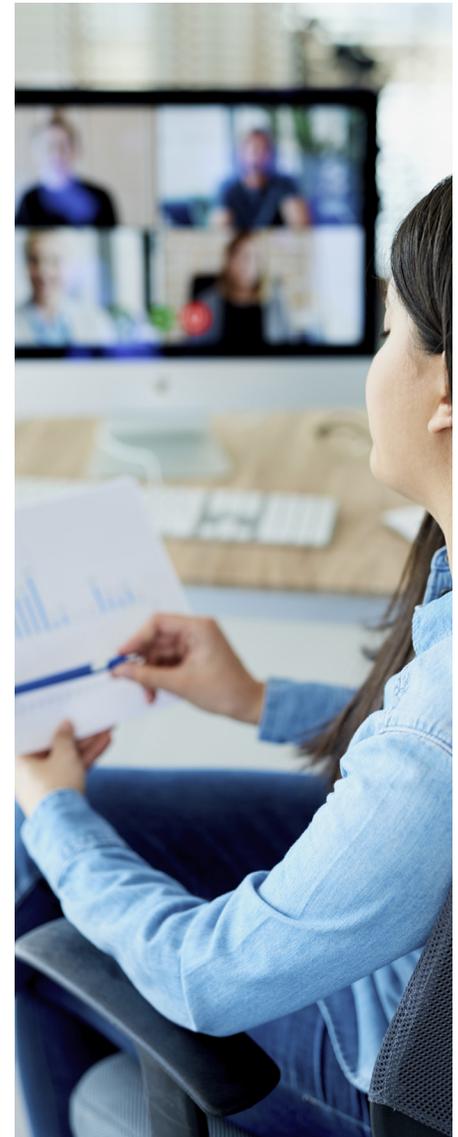
ABOUT THE AUTHORS

RON ZAPPILE

Ron leads Colliers' Portfolio Strategy Consulting services for Occupier Services in the Americas focusing on providing strategic corporate real estate advisory services and delivering high-quality portfolio and workplace optimization plans for corporate and institutional clients

.

KEITH PERSKE

Keith leads the Workplace Advisory practice for Colliers International in the Americas. His team helps create environments that engage employees, drive culture, promote wellness and enable productivity leading to competitive advantage.

CHRIS ZLOCKI

Chris leads Consulting for Colliers' Occupier Services platform. He oversees service lines including portfolio strategy, workplace advisory, flex workspace, supply chain solutions and workforce analytics. As the Head of Client Experience, Chris also leads efforts to grow client relationships and expand service offerings for our global enterprise clients.