

RESEARCH REPORT

The workplace now and in the future

A research report in partnership
with Ricoh

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Institute of Workplace
and Facilities Management

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Foreword - Ricoh

The last few years have brought with them turbulence and change in both our business and personal lives, at a pace we have not seen before. Organisations have navigated the need to put people at the heart of all of their decision making, against the backdrop of a pandemic, Brexit and severe supply chain challenges.

Amidst these defining moments in history, we now find ourselves post pandemic exploring the opportunities and innovation that was born from necessity. Business leaders and employees are designing together, defining what the new world of work will be, and creating new cultures. It's an exciting time to evolve and establish new work practices where all our people feel a sense of ownership.

As we look towards growth and a far brighter future, wider considerations such as empathetic leadership, an importance on the value of our time, whether we are fulfilled at work, will weave into our external offerings and the very way we do business.

This translates directly to the spaces we work in, what the new role of the office will be and how we approach a more fluid hybrid way of working. The hybrid workplace was always on the agenda, even pre-pandemic, the adoption curve has just accelerated, and digital transformation has gathered pace touching every single organisation rather than just those forward thinking, early adopters.

The headlines too are full of consequences of cyber attacks and the importance of security in our more complex environments. Specifically in our office spaces, smart buildings have taken a leap forward due to the pandemic and new requirements for visitor and employee navigation. There are vulnerabilities here amongst this intelligent connected technology which often relies on IoT (Internet of Things) devices such as fire alarms, sensors or lift management.

It is clear that FM leaders and their community have a unique set of challenges before them, and at the same time a unique opportunity to influence digital workplace strategy in ways they would never have foreseen.



They are posed with the question - what is the purpose of the office?

This research in conjunction with the IWFM unpicks insights from key members of the FM community, highlighting their focus areas and providing recommendations to elevate their influence in shaping the office of the future.

It's clear that the office as an institution is not over. It's simply redefining itself for a new dynamic era.

Phil Keoghan
CEO

Foreword - IWFM

As part of our ongoing partnership, IWFM and Ricoh carried out this research about the future of work in a hybrid landscape, including digitalisation as well as cybersecurity.

Alongside this, the space, technology, and culture of our workplaces is rapidly evolving. Workplace and facilities managers have a major stake in how that happens, and they have the potential to lead it in their organisations.

Two years on from the emergence of COVID-19, the virus continues to impact daily life. While the hybrid set up has emerged as the dominant workplace model, the rules of engagement and the borders of this new frontier remain fluid. Yet the swiftness and flexibility shown by thousands of organisations in transitioning to full remote working when the first lockdown commenced, and continuing in hybrid set-ups beyond the crisis, remains a powerful illustration of the workplace discipline's triad of people, technology and workspace converging to enable collaboration and productivity from multiple locations.

With each organisation being unique and requiring a bespoke approach to optimise productivity, underpinned by meaningful engagement it's crucial that facilities professionals are at front and centre of that.

Through this study, thought leaders across our profession offered a current and future-focused take, the future of work, digitalisation, and the on-going threats of Cybersecurity. We felt it was important to establish how we can learn from each other to move forward in these uncertain times and how organisations are dealing with the opportunities and challenges this brings and try and establish 'best case' scenarios.



Peter Brogan
Head of Research and Insight

Executive Summary

Over the past two years, Covid has had a transformative effect on traditional patterns of working. Working from home – once seen as an occasional privilege for office-based staff – became the government-imposed norm and almost overnight, the future of work was full of new possibilities and opportunities, for both staff and their managers.

Thanks to technology and digitalisation advances, it's been demonstrated conclusively that many tasks can be performed just as well from home as from the office. Productivity, so it's reported, is as good or better for most companies compared to before the pandemic, and the majority of staff have been very happy to ditch the grind of daily commuting for a better work-life balance.

Hybrid working is now firmly established, with many employees entering their office just two or three days a week, or even only now and again. Some firms have gone further and now conduct their entire operations remotely. Conversely, others are trying to insist all staff return to the old five-days-a-week office regime. For most businesses, whether hybrid or not, the opportunity to rationalise and downsize their estates is being explored eagerly.

In such new and uncharted territory, it is no surprise that debate has been raging over how best to organise this new working life – and the FM world has naturally been engaged in its own discussions over what is best for the future of the sector.

It was in this ongoing climate of potentialities and uncertainties that IWFM interviewed six senior members of the FM profession, drawn from public and private organisations of varying sizes, and asked them their views on three broad subjects: hybrid working; digitalisation; and cybersecurity.

Each of these subjects is discussed in more detail in the following pages, but some broad observations can be drawn now from the interviews.

Firstly, there is total unanimity that office working life will not go back to its pre-Covid pattern. Hybrid is here to stay. (Though not for all it must be said: FM service staff working at clients' premises have continued to work in the same way – hybrid was never an option for them.)

For office-based staff, hybrid working can take many forms and firms are currently experimenting with the most appropriate type of hybrid working for their people and culture.

Human interaction is still seen as crucial – staff, it is felt intuitively, need to come together in person at regular intervals. But for people to go back into the office, there has to be a reason. As one interviewee remarked: "I don't want to go into the office for wall-to-wall Teams meetings". A collaborative event, special meetings, after-work socialising and so on will be needed to draw people in. Attendance for attendance's sake is out.

It means that offices need to be reconfigured for collaborative events – with more meeting rooms, different communication systems and technology. And it's important to create spaces that encourage easy and productive human interaction.

In parallel with this, it was observed that the FM function must get better at understanding staff needs and what they want from the office. They need to grasp the psychology of co-workers and help staff feel comfortable about returning to the office. Wellness must take a higher priority.

Further digitalisation will assist this understanding of staff needs. Offices and staff will be far more closely monitored and measured to provide data on how space is being used and work patterns. Sensors will provide information on people, temperature, which rooms are occupied/unoccupied, which need cleaning. IoT will accelerate these processes and will help make office life more comfortable and pleasant for workers.

This and other data will be instrumental in deciding the size of the future office estate and making it run more efficiently.

For office-based staff, hybrid working can take many forms and firms are currently experimenting with the most appropriate type of hybrid working for their people and culture.

Digitalisation throughout real estate and FM is already well established and is advancing fast in many companies. However, a number of firms have still not got far with their digital transformation. And significant numbers of workers – often older workers – struggle with digital processes. More training will be required.

New digital tools are constantly available – and deciding which to utilise can be challenging. Data capture is meaningless without people who can analyse it effectively. And whatever digital processes are invested in, they must make life easier: it can't be investment just for investment's sake.

Cybersecurity is a major concern but FM relies on IT to lead the safeguarding programme. That said, all staff must be trained to be super-conscious of the dangers of careless clicking on hyperlinks. All the more so when home working.

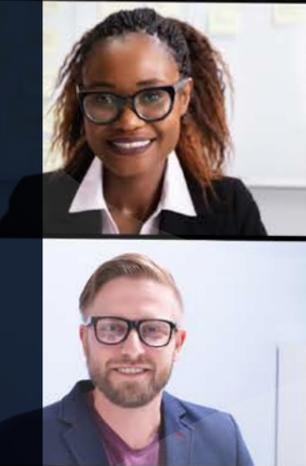
What is most apparent from this series of interviews is that FM is in an unprecedented state of flux. A period of experimentation in deciding the best template will highlight many new ways to operate. It is an exciting time to work in FM.

1 Hybrid working

Working from home during the pandemic succeeded so well that it has become the accepted practice for most office-based organisations. The debate now is over how much time should still be spent in the office in order that the benefits of both modes of working can be maximised.

In-person interaction on a regular basis is still seen as vital to the creativity and culture of an organisation. But to encourage staff to attend their office requires specific purposes or events which deliver something not achievable from home.

Social media polls conducted by IWFM at the same time as the interviews – see graphic on page 9 – indicate the wide range of approaches being taken to hybrid working.



Stan Mitchell

Hybrid working is here to stay. It will never go back to what it was in most corporate organisations which are office based.

From a technical point of view people can function anywhere. You'll find organisations increasingly buying laptops for their staff, rather than desktop computers because laptops give you mobility.

That's easy. What's not so easy to get right is the people dimension. People by their nature require social interaction. They're trying to learn from others, they're trying to work as teams and leverage their strengths. You can't do that nearly as well working remotely.

People can innovate on their own. But most people innovate through brainstorming and the like.

There's nothing better for generating ideas than to have a group of people in a room and a flip chart or a white board. And nobody is going to tell me you can do that as effectively via technology.

David Carr

There is a new rhythm of life, and what we're saying to our people is that you should identify what you're doing and go to the right place to do it.

We give the responsibility to the individual, but we do have quite strong management guidance just to make sure that people are settling into the proper new way of working.

If you've got a day of Teams meetings, you can be anywhere to do that. And when you come into a collaborative space, you come to work collaboratively – and there's a real purpose to getting people together. When I go into the office, what I want is face to face meetings. What I do not want is Teams meetings.

What I say to my support staff is that I would expect to see them on site on average 40% of their time – so two days on site is the kind of balance that I am looking for, to make sure they don't become too centralised, without a good feel for what's happening on site.

Andrew Hulbert

I'm not seeing enough companies doing the new ways of working well enough to encourage many people back to the office at this stage.

However, there are a couple of companies we work with who have a great relationship with their staff, and they kept their people coming in. One is moving to what they call destination-based delivery of office space, so people only come into the office for a specific reason. But there's also a feeling that to further your career, you need to be in when senior management are around.

The interesting challenge will be how can you create that 'destination' feeling amongst people so they feel that it's worthwhile to come to the office. A 'town hall' meeting with a few beers afterwards seems to be a good way to do that.

Christoph Rogge

Facilities management is often the glue between the company and the employee.

The task has become more difficult now that half our people are working from home and the other half are in the office.

Our CEO recently very clearly said that working from home has lots of benefits – which we would like to keep. But working from the office also has lots of benefits which we would like to reinstate. So he strongly encourages us to come in – not necessarily five days a week but to ensure you see your colleagues regularly. So we must persuade people to come to the office, and keep them engaged when they're here.

Personally, there are some things that I can do better from home, but there's also a lot of things where the office is best. For all of us, the trick is to find the balance.

Clare Robinson

My personal view is we're not looking to reinvent the wheel. A lot of people will find it easier to access their work online, and that avoids travel time. But in my view, there's nothing like meeting and seeing somebody face to face.

I don't think we have actually decided at the moment how working arrangements for the future should be structured. I think there's a lot of HR related queries that need to be sorted out. For example, does a hybrid approach affect employment contracts? How does it affect employee rights? There's a lot of that still to be ironed out.

Different working models are still being tested. Our surveys show that many of our junior staff really want to work in the office. They want to be sitting alongside someone who can coach and mentor them.

I would say 20% want to be solely in the office; 70% want a hybrid arrangement; and the rest prefer working from home. So I do think most people will be working on a hybrid basis in the future.

James Domm

At the moment, we're working through what a successful future of work looks like. It's a tough challenge, but of course we're not unique in facing this challenge.

The new ways of working present some different risks to those of the previous ways of working - whether that's health and safety, wellbeing and mental health through to fraud and compliance.

Among the specific challenges we face are staff issues such as the talent pool, diversity and retention. And of course, there's also assessing the real estate cost base in a difficult economic environment. All of these challenges are compounded by the cost-of-living challenges that are facing everyone.

“The interesting challenge will be how can you create that ‘destination’ feeling amongst people so they feel that it’s worthwhile to come to the office. A ‘town hall’ meeting with a few beers afterwards seems to be a good way to do that.”

Andrew Hulbert

We're learning as we go, it's one of the key things for us as an organisation - which we've included in our future of work commitments - the more we listen, the more we learn.

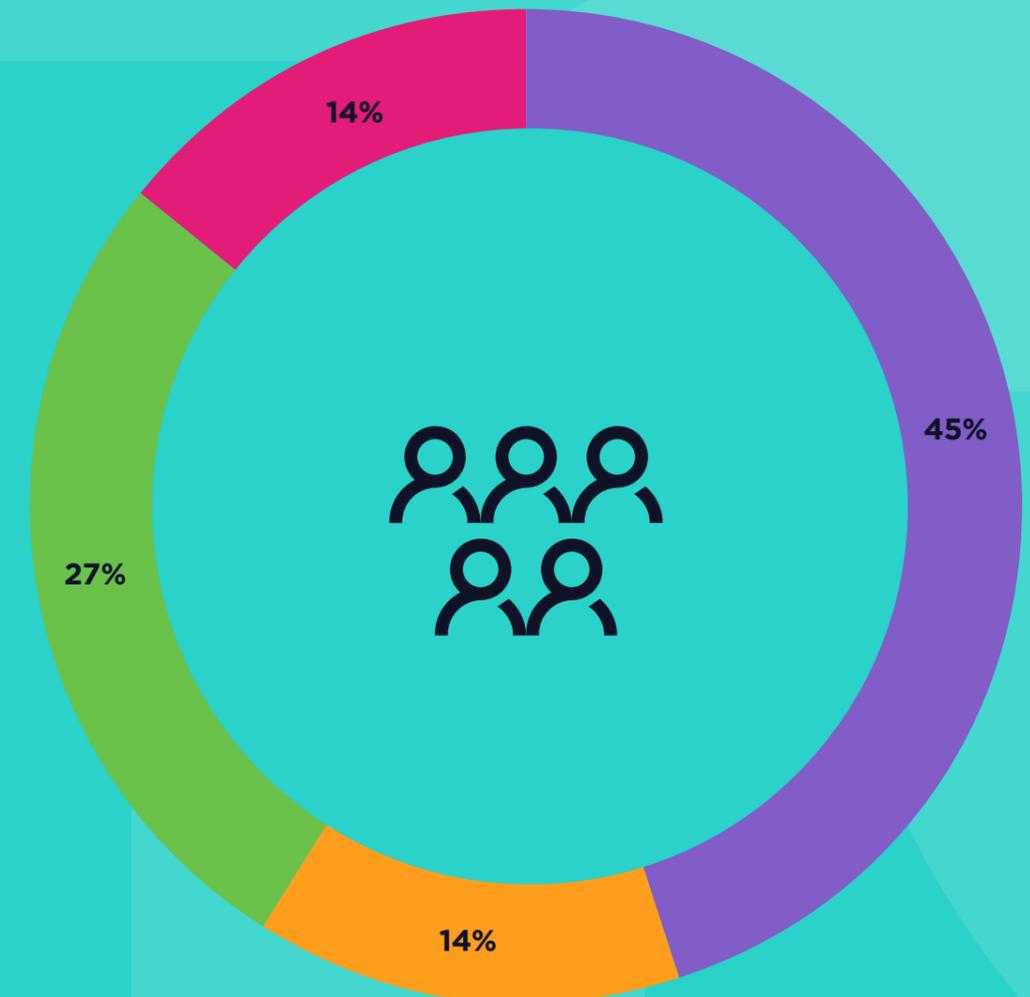
The overwhelming majority of our people have worked from home and are continuing to work from home. However, what we have never done is launch a homeworking-first policy.

We believe physical presence for the right activities is the way forward. So, we need to promote the benefits of the office and give people a chance to respond and come together, find energy and motivation through meeting others. Some collaboration activities we know is certainly better in person but it's not about being in the office 5 days a week, 9-5.

How are people currently hybrid working in your organisation?

(Source: April 2022 poll survey)

- Complete flexibility
- Designated rota
- Discretionary/MGMT guidance
- There is no hybrid working



2 Digital transformation

Digitalisation is an essential tool for the FM function, and its value in delivering more efficient and agile workplaces is advancing at pace.

Increasing use of sensors and the Internet of Things (IOT) will allow FM to more precisely assess best use of office space and drive estate rationalisation. Temperature and ventilation controls will become more targeted, and help increase staff wellbeing and office comfort.

Digitalisation also allows FM to serve clients' needs more cost-effectively.

That said, digital investment has to be targeted and purpose-driven, rather than purely for its own sake.

Although most staff have embraced digital technology, some staff are being left behind.

The level of digital adoption varies across the sector, and perhaps as many as one-third of firms are failing to integrate technology as effectively as they would like.

Social media polls conducted by IWFM at the same time as the interviews – see graphic on page 13 – indicate just one in six firms working comfortably with digital technology.

Stan Mitchell

Up until now FM has had to take decisions about the workplace that to a degree have been based on perception. However, today's technology allows you to go into the workplace, and see what you can do to be proactive about delivering a more comfortable and efficient workplace.

By interpreting the data, you can make cost effective, efficient and effective decisions about delivering FM.

Digitalisation is with us in the FM industry: the issue is about how you demonstrate the return on investment. There's no point in us saying it's a great idea to digitalise something if it's just technology for technology's sake. But where technology can be evidenced as adding real value, our sector FM has to go out there and promote that and make organisations aware of it.

However, there is a generation which is being left behind by digitisation - they do not have the ability to use many of today's technologies, fortunately there are others who are more than capable to do so.

David Carr

Digitalisation is at heart of service delivery – and the main thing for me is getting the right infrastructure in place and making sure that everybody can connect wherever they are. There cannot be a two-tier digital revolution.

What we need is digital tools that make life easier for everybody, so connectivity is an important feature of that. And I also think it's important to make sure that when you introduce a digital tool, it does make life easier for as many people as possible. As a technology user, I'm a firm believer that you should show me something that makes my life easier, let me get comfortable with it and then come back and show me the additional benefits that go with that. But let's just start with making life easier, and then allow the tools to grow.

“Digitalisation is at heart of service delivery – and the main thing for me is getting the right infrastructure in place and making sure that everybody can connect wherever they are. There cannot be a two-tier digital revolution.”

David Carr

One of the big challenges is that we've got a generation which is very digitalised but alongside them, many others who need to understand how digitalisation works - so there's more training required for those less familiar with technology, and it's got to be the right training.

Andrew Hulbert

Being a fully digital business has enabled us to completely redevelop ourselves and redefine ourselves every time we work with a new customer.

Being digital gives you the ability to change and to flex. What I also like about digital processes is that you can run one process over here, but you can test another process over there at the same time.

For example, we use People HR for the basic things, but we've started trialling writing our own new coding within the HR system so that it can do some more exciting things and we can experiment before implementing new aspects.

Although 95% of our staff are comfortable with digital technology, we have some older people who've really struggled with the tech. We see that as our problem to fix, not theirs.

It would be easy for Pareto to hire just people in their late 20s, who love tech, but you need a balance and diversity.

Christoph Rogge

We're quite advanced digitally on the scientific side but on the facilities side, not so much so. We can do more and we need to do more.

Four years ago, I introduced our global occupancy dashboard for our 40,000 staff, which now shows in real time how many people are using space throughout our buildings.

It's been proving especially useful in the current climate with discussions on how much real estate we need.

We're looking at technology based on optical sensors that can tell the difference between a human and a laptop, so it can tell how spaces are being used and people can discover where the empty spaces are, a bit like a Google street map of traffic jams.

I deeply believe that once we collect data, we have an obligation to use it - not just collect data for data's sake. We provide this data to everyone on an open data approach, so it's up to them to use it and build their own case.

In the near future, we'll be looking to explore machine learning and AI - that's where we'll be focusing in the future.

Clare Robinson

My own opinion is that for digitalisation of property, BIM and BIM modelling is key. This works well for the new builds, but there's an issue with the older properties. BIM can get new air conditioning plants talking to each other, which helps with the green agenda. But how to apply this retrospectively and bring everything together is the big problem.

The digitalisation of our estates will be helped by a new data system we're rolling out to replace our previous, rather clunky system, which had very limited functionality. In layman's terms, it will see us transition to more of a Google Earth platform.

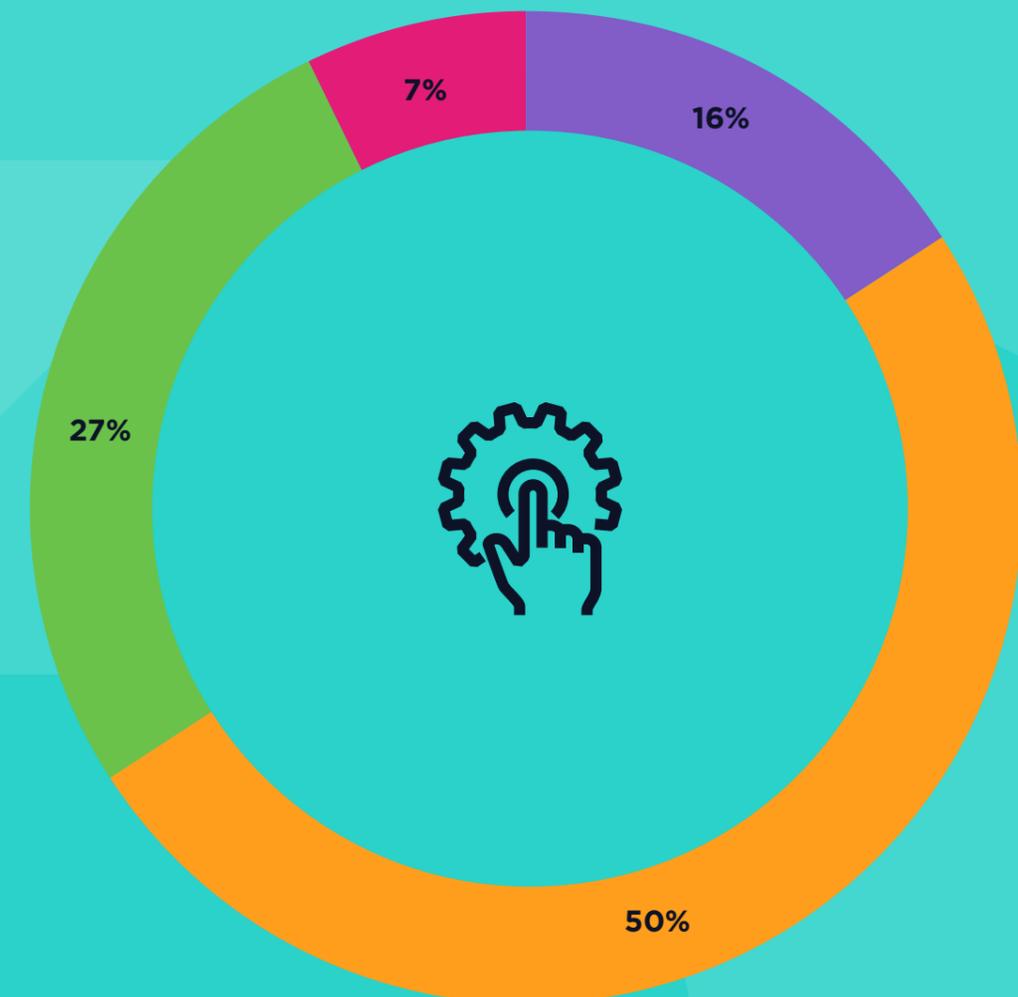
It will hold all the data, and you'll be able to look at any part of the estate and see what condition it's in. This will really benefit us with planning our strategy and help us make the best use of space across the government estate.

As part of our new FM strategy, we've created a new asset data standard, which we're getting departments to measure against because we know our departments are in very different places with their data.

How well is digital technology intergrated in your organisation to help you work efficiently?

(Source: April 2022 poll survey)

- Very well - no problems
- Quite well - few problems
- Not very well - frequent problems
- Not at all intergrated



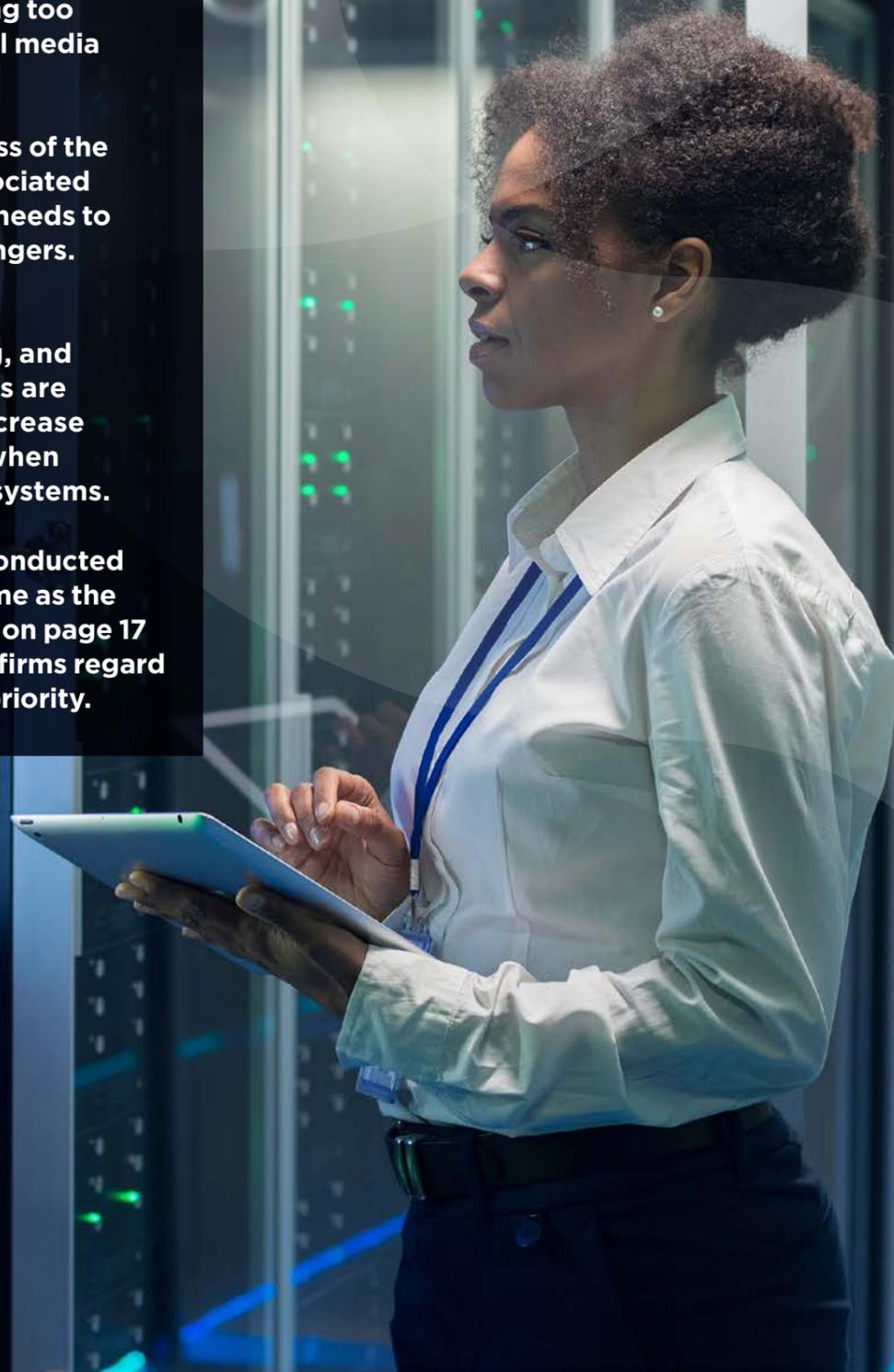
3 Cybersecurity

Cybersecurity is a major issue for FM operators interviewed here, even though not generally a core FM function, being too specialist (but see social media results, below).

FM needs high awareness of the potential problems associated with cybersecurity and needs to sensitise staff to the dangers.

The threat of hacking/ ransomware is growing, and potential vulnerabilities are created through the increase in home-working and when integrating with client systems.

Yet social media polls conducted by IWFM at the same time as the interviews– see graphic on page 17 – indicate nearly half of firms regard cybersecurity as a low priority.



Stan Mitchell

It's a big, big issue and I don't think most organisations realise that. There are many companies that are very vulnerable and there are a lot of very good hackers out there who will attack these vulnerable organisations.

We have a major corporate client who were the subject of a very well organised ransom cyber attack, which shut down their global systems. They then had to use our systems for two and a half weeks in order to function until they paid the ransom and were able to get back up and running.

Many of the organisations we work with have huge IT departments, and impose contractual obligations on us. We have to be able to demonstrate that we have robust security protocols within our own operations in place to protect them.

I wouldn't say FM is at the heart of cybersecurity, but it certainly needs to be aware it has a part to play - because FM typically will often be responsible for the networks, the cabling, and robustness of it all. If there is an attack, you need an independent system that keeps communication online and to be able to provide business continuity.

David Carr

FM's role in cybersecurity is key.

The biggest risk factor in cybersecurity is people's behaviour. So, first of all, we need to make sure that our people are incredibly conscious of cyber security - which means organising awareness exercises with our people.

It's about making sure that we are constantly looking at points of access and looking to make sure that we've got that cybersecurity frame of mind, and that everyone is aware of the potential risks.

It's also about what your Plan B is in the event that you do have a cyber attack.

“Many of the organisations we work with have huge IT departments, and impose contractual obligations on us. We have to be able to demonstrate that we have robust security protocols within our own operations in place to protect them.”

Stan Mitchell

We transferred our former head of IT and gave him the challenge of taking the lead on cybersecurity. We wanted somebody who was very IT literate and understood the importance of working with cybersecurity bodies, identify where the gaps are and then bridge them.

Some people are serial clickers on things, so they need to go on training courses to understand the consequences of clicking on unknown items - as well as all the other technical aspects and the technical filters they need to be aware of. It's also very important to be aware of the cyber security implications of new systems that are constantly being implemented.

Andrew Hulbert

Cybersecurity is something we take incredibly seriously. We carry out regular testings on our systems and we employ an external company to try and hack us. The first time they did it, they hacked us within about five minutes and turned off all of our Internet. We invested in some new hardware and since then we've never had any successful attacks.

We're externally accredited for validation of our approach. And we have a Chief Technical Officer, who's tasked to make sure that we are cyber secure as much as we can be.

We sometimes encounter issues when we're integrating with a client system because they're the ones with way more complex systems than we have. We liaise with their IT and legal teams to see what needs to be done around system integration. If there is an integration issue, there's always a way round it. Sometimes we've bought additional laptops for our staff so they don't have to integrate with the client system. Ultimately, it's about being agile.

We're starting to see more sensor tech coming in. We're rolling out sensor tech across six or seven customers at the moment, everything from environmental conditions of an office, to staff flow patterns and temperature and lighting levels in a meeting room.

James Domm

Cybersecurity is a specialist area. We ourselves run a process that risk assesses all of the risks and threats in the new ways of working, and we make sure people understand the risks. But we don't get involved in the detail, that's for the specialists.

What I would say is new types of risks have emerged with the new ways of working. For example, conflicts of interest if one of our people is at home working alongside their partner, who works for a competitor organisation. And, of course, because you have access to data at home, you can potentially share it more easily - though let's not forget you could print that off at work and take it home anyway if you wanted to.

Our core cyber security controls and systems will adapt to all this, and any other material risks that emerge.

Christoph Rogge

We don't provide input to server security.

Clare Robinson

FM doesn't get directly involved in this area. It's dealt with elsewhere in the Cabinet Office.

We do contribute to contingency planning but it's more of an IT function.

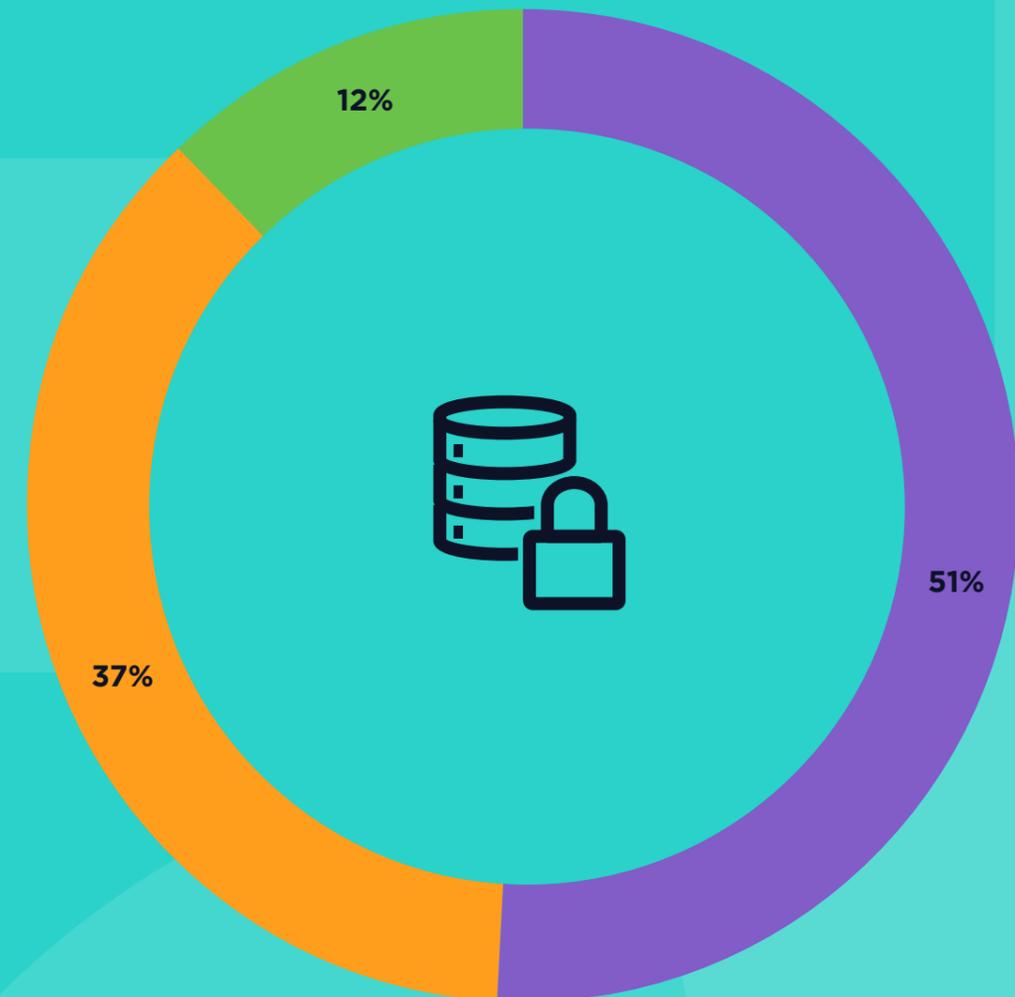
“Cybersecurity is a specialist area. We ourselves run a process that risk assesses all of the risks and threats in the new ways of working, and we make sure people understand the risks.”

James Domm

How much of a concern is cybersecurity in your organisation?

(Source: April 2022 poll survey)

- Currently a top priority
- Moderate but not top priority
- Not a priority right now



Conclusions

Hybrid working is clearly here to stay, in whatever format firms adopt, but there is still much experimentation ahead in new working patterns and what they mean for the future office. It will take time for individual firms to decide how best to accommodate staff wishes while still aligning them with the needs and ethos of the organisation – and avoid the emergence of a two-tier culture.

In the process, terms and conditions of employees may be altered to reflect the new working arrangements.

Firms will need to design attractive collaborative spaces in order for workers to enjoy working in the office.

This process will be helped by improved methods for communicating easily and effectively across the company – and also for gauging staff mood and concerns.

Digitalisation will play an increasingly important role in the FM function. It will provide FM with more real-time data on how offices can become more efficient and better places to work, as well as inform real-estate rationalisations.

It will be important to ensure the less technically able are not left behind. Much digital training will be required, especially for older workers

Similarly, more cybersecurity training for all will be essential.

Digitalisation's increasing momentum will offer FM exciting opportunities to re-shape the future of work.



Participants



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Chairman & CEO
Key Facilities Management



David Carr
CEO
Bouygues E & S UK Limited



James Domm
Head of Workplace Strategy
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Managing Director
Pareto FM Limited

The Institute of Workplace and Facilities Management (IWFM) is the body for workplace and facilities professionals.

We exist to promote excellence among a worldwide membership community of around 14,000 and to demonstrate the value and contribution of workplace and facilities management more widely.

Our Mission: We empower and enable professionals to reach their full potential and have a rewarding, impactful career. Together we create the conditions for the profession to thrive through leading edge thinking, sharing best practice and upskilling our people.

Our Vision: As the pioneering workplace and facilities management body, our vision is to drive change for the future. To be the trusted voice of a distinct profession recognised, beyond the built environment, for its ability to enable people to transform organisations and their performance.

The IWFM was established in 2018. It builds on the proud heritage of 25 years as the British Institute of Facilities Management.

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