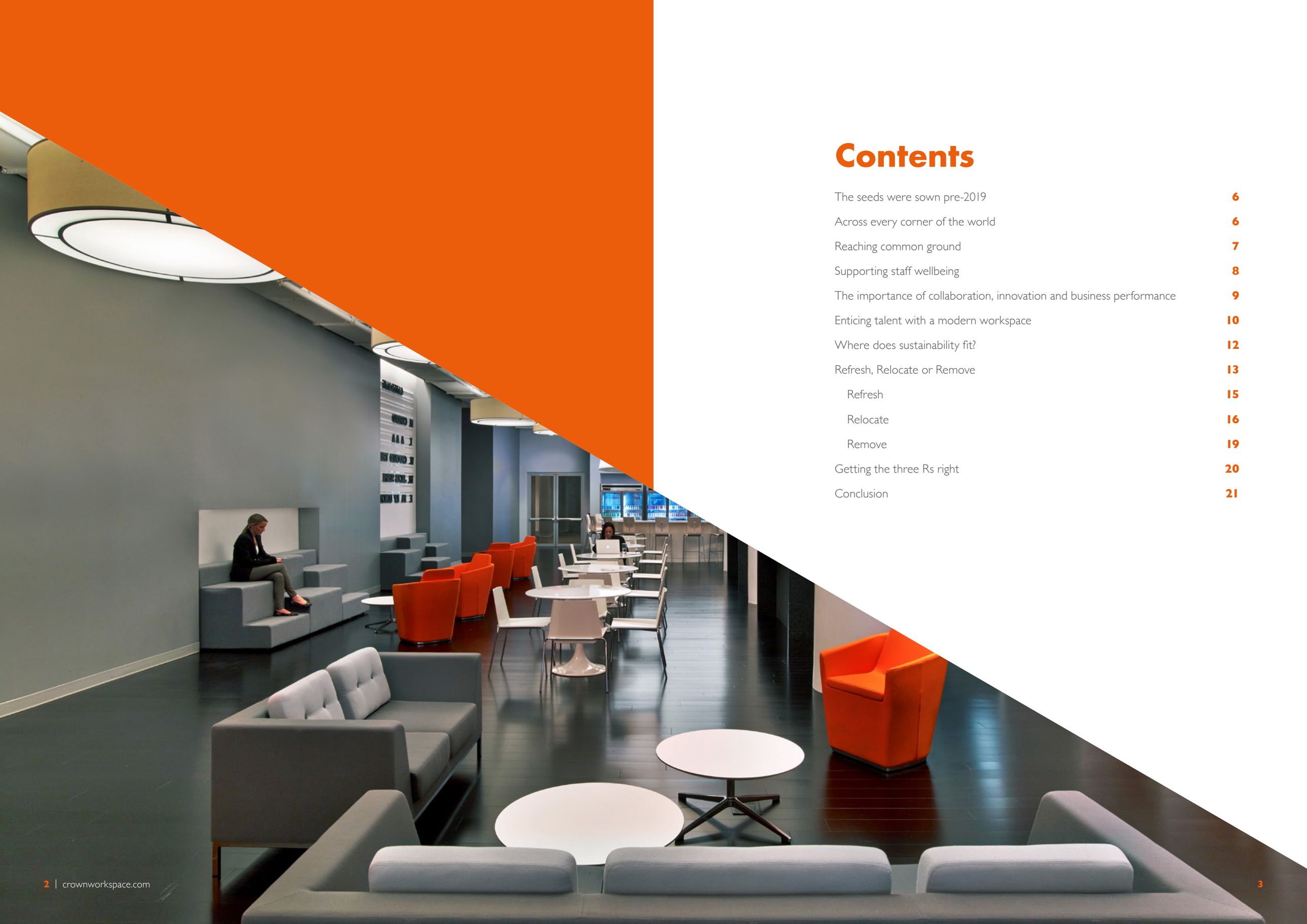
REFRESH RELOCATE OR REMOVE

Making The Best Workspace Decision For Your Business

Inspiring places and performance

CROWN WORKSPACE



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Barry Koolen
CEO EMEA, Crown Worldwide Group

In every market globally, people and workplaces have traditionally been the two biggest investments organizations have had to make. They are inextricably linked and together are key to inspiring better performance.

This connection arguably remains stronger today than ever, even though the world of work fundamentally changed over the past 18 months. In many ways the pandemic merely supercharged the drivers of change rather than triggering them. In turn accelerating the need for organizations to review workplace strategies.

Therefore, when it comes to workplace change, knowing how to respond and adapt in the wake of the pandemic may be one of the most significant challenges a company has ever had to deal with. Extraordinary times require an organization to react with care and consider the options as they present themselves. Responding to these circumstances will alter the face of your organization, and arguably its profitability for many years to come. Make the right decisions at the right time and you will not only prosper but could also gain a strong competitive advantage and a more inspired and engaged workforce. Alternatively, you could wait and see or do nothing and potentially fall behind your peers. But of course, whatever path is chosen there is considerable downside-risk if not implemented correctly or effectively communicated to your employees.

Barry Koolen
CEO EMEA, Crown Worldwide Group

The seeds were sown pre-2019

Before the pandemic many companies were already seeking ways to innovate their workspaces. The open plan office had been under severe attack for some time, driven by social as much as technological change and financial pressures.

In the ongoing war for talent, employers were starting to acknowledge that younger generations, millennials and Gen Z, needed more. Hot desking, home working and flexible zones were on the rise. Meanwhile social media, smart phones and collaborative technology had been improving rapidly, become more reliable, threatening to seismically disrupt traditional working patterns.

There were other factors too, such as a growing global focus on employee health and wellness as well as corporate sustainability. Newer businesses and start-ups were driven by lean, agile, low-cost teams rather than large, stationary, high-cost workforces. The pandemic magnified these trends almost overnight, employee expectations and business operations were challenged like never before.

Across every corner of the world

So, it's absolutely the case that the way we all work has changed, although the magnitude of change differs across the globe to varying degrees. For instance, 35%[1] of U.K. companies plan to downsize their office space in 2021 to enable remote or hybrid working. Similarly, in the US, a recent CNBC survey[2] indicates that just under half of companies will use a hybrid work model in the second half of 2021 while around one-third say their company will be "in person-first" prioritizing face to face working styles over remote.

In some cities, it's proving challenging getting back to the office with attendance at around 50 per cent below pre-pandemic levels. Weekday workplace mobility in Frankfurt is down by 17% and in Singapore, office attendance is down by 33%[3]. In contrast, in Hong Kong, most workers are already back at their desks with footfall almost returning to pre-pandemic levels.

In Australia, two in five people (40%) worked from home at least once a week in February 2021, compared with 24% before the pandemic, according to the latest Household Impacts of COVID-19 Survey[4].

Circumstances differ in developing countries such as India where there are fewer opportunities to work remotely. In fact, only five percent of workers in India have been able to work remotely between three to five days per week, without affecting productivity. This is because the majority of its 464[5] million strong workforce is employed in occupations such as retail services and agriculture where work cannot be carried out from home.

35% of U.K. companies plan to downsize their office space in 2021

[1] workinmind.org/2021/03/17/35-of-companies-plan-to-downsize-office-space-in-2021-says-new-survey
[2] www.cnbc.com/2021/07/08/how-many-workers-will-be-returning-to-offices-and-how-often.html
[3] www.bloomberg.com/graphics/2021-return-to-office
[4] www.abs.gov.au/media-centre/media-releases/year-covid-19-and-australians-work-home-more
[5] www.mckinsey.com/featured-insights/future-of-work/whats-next-for-remote-work-an-analysis-of-2000-tasks-800-jobs-and-nine-countries

65% of pandemic remote workers want to keep working from home

Reaching common ground

For many employees there is a degree of reluctance to return to the workplace. According to a US survey by job listings site Flexjobs[6], 65% of pandemic remote workers said they wanted to keep working from home, while 58% even said they would look for a new job if they would have to return to the office. Only two percent said they would prefer to return, while 11% said that remote work was not essential for them. A third of respondents cited hybrid working as a preference.

Couple this reticence with a push from some Governments and organizations to return to the workplace and it's clear that a compromise must be established. Apple, for example, has requested that employees return to the office three days each week. Meanwhile, the U.K. Chancellor of the Exchequer Rishi Sunak, has been encouraging employees to get back to the office, warning young people that remote working could hurt their career[7]. In both cases there has been resistance, with some Apple employees even handing in their notice. And according to the Spectator[8], more is needed than just 'words' from the Chancellor to encourage a regular visit to the office in the U.K.

[6] www.flexjobs.com/blog/post/flexjobs-survey-finds-employees-want-remote-work-post-pandemic
[7] www.bbc.co.uk/news/business-58068998
[8] www.spectator.co.uk/article/rishi-sunak-s-warm-words-won-t-be-enough-to-persuade-workers-back-to-offices

Supporting staff wellbeing

The years 2020 and 2021 have been tough for so many people dealing with: uncertainty, furlough, health and financial concerns and the loss of loved ones. People's lives have changed dramatically and a return to a physical workspace may be unnerving. A survey of over 4,000 U.K. office workers by Microsoft and YouGov found that more than half (56%)[9] felt they were happier when they were able to work from home.

In contrast, many people working from home have felt isolated and are enthusiastic about a return to the workplace for the social benefits being surrounded by others brings. This is perhaps especially true for the new employee, or first or second jobber, who have yet to establish themselves and build their internal networks.

COVID-19 is likely to leave a legacy of mental health problems, according to work by the University of Sydney and the World Economic Forum[10], which explored how past economic crises had a 'scarring' effect on the mental health of young people. It suggested that the right interventions and investments could help mitigate the impact.

Furthermore, a World Economic Forum Ipsos survey showing variations from country to country cited half of respondents feeling lonely when working remotely. This varied from 75% in Turkey to just 24% in Japan. Most countries showed more than 40% of home workers feeling isolated[11]. If or when an organization chooses to introduce new ways of post-pandemic working such as remote working, a sensitive, supportive and understanding approach is essential.

In the UAE more than 60% of the workforce would like to have the possibility to work remotely full time. In Abu Dhabi, that percentage is a high 70%, but also in Dubai (63%) and the other emirates (60%) where a vast majority of people would like to have the choice to work full time from home[12].

The importance of collaboration, innovation and business performance

According to Indeed.com, 45% of US remote workers have missed in-person meetings with their colleagues, with 46%[13] missing work-related conversations that happen in the office. The absence of water cooler moments, impromptu meetings or huddles in the workspace due to remote working has undoubtedly stymied communication and collaboration. The ability to informally discuss projects, challenges and opportunities face to face, without first logging into Teams or Zoom, has been taken away. As a result, innovation through collaboration has taken a hit. Deloitte's report 'Facing the challenges of COVID-19'[14] offers useful remote collaboration guidance for managers.

Conversely, many leaders now see offices becoming collaboration spaces, with employees attending the physical office two to three days a week with the sole purpose of meeting and collaborating with colleagues. Desk spaces could be replaced with collaboration spaces to drive innovation. Teams would feel connected, share common goals, and feel part of a company culture while also benefiting from the choice of where and how they work when not in the office.

"In New Zealand, where we used to see around 110 staff allocated to 100 desks in an agile environment, it is now 120/140 staff per 100 desks. But as we are typically social creatures - the desire to attend an office environment is still prevalent with employees, along with the increased collaboration demands in the way we now work."

Andrew Fullerton-Smith
National Corporate Services Manager,
Crown FIL Workspace

"An era of employee wellbeing has been highlighted due to the pandemic, with an uncertainty about the future like never before. Companies must now have a duty of care."

Barry Koolen
CEO EMEA, Crown Worldwide

[9] /news.microsoft.com/en-gb/2021/02/15/research-reveals-how-we-really-feel-about-working-from-home
[10] www.weforum.org/agenda/2020/12/why-we-need-to-think-about-mental-wealth-as-we-recover-from-the-pandemic
[11] www.weforum.org/agenda/2021/01/covid-19-work-mental-health-world-economic-forum-ipsos-survey
[12] www.michaelpage.ae/advice/insights/latest-insights/remote-working-can-lead-higher-productivity-and-motivation-according
[13] www.indeed.com/career-advice/career-development/covid-19-what-people-miss-most-about-office-work
[14] www2.deloitte.com/content/dam/Deloitte/de/Documents/human-capital/Remote-Collaboration-COVID-19.pdf

In the US, employees with the least amount of professional experience (0-5 years) want to be in the office more often. 30% of them prefer being remote no more than one day a week compared with 20%[17] of all respondents in PwC's US Remote Work Survey.

Enticing talent with a modern workspace

When younger employees search for work, they typically request flexible or hybrid working as a prerequisite. According to Deloitte, twice as many under-35s want permanent flexible working options post-pandemic compared to over-55s[15]. They are also more inclined to choose a workplace that looks impressive and feels modern. A modern workspace helps to attract and retain top talent, drives innovation, collaboration and even mental health benefits, all critical for competitive advantage.

A survey of over 1,500 office staff aged between 18 and 65[16] revealed that, a top priority for millennials are workspaces that help to improve mental health and employee productivity, not the bland office environments of the '90s and early '00s.

Recent times have therefore given employers cause to consider not only the way people work and where from, but also ways to improve the office space they have. The aim is to make the workplace inviting, collaborative, and attractive to new talent seeking their first or next career move.

"My sense is that health and wellbeing are front of mind. Employees do not want to go back to small, shared spaces, no matter how inspiring they are."

Mark Camner
Workspace Sales Manager, Crown, USA

[15] www2.deloitte.com/uk/en/pages/press-releases/articles/two-thirds-of-gen-z-and-millennials-seek-permanent-home-working-as-covid-19-reveals-workplace-generational-divide.html
[16] www.freeofficefinder.com/article/a-third-of-millennials-choose-jobs-based-on-office-environment
[17] www.pwc.com/us/en/library/covid-19/us-remote-work-survey.html

"In the UAE there is a strong preference from companies to occupy environmentally sustainable developments. Landlords are now evaluating the feasibility of certifying their buildings with globally recognized accreditations such as LEED among others."

Nitin Alex
Business Development Manager, Crown Workspace

Where does sustainability fit?

The Intergovernmental Panel on Climate Change (IPCC) continues to highlight severe environmental concerns, which all companies must take seriously. Like the pandemic, the growing environmental agenda, fueled by consumer demand and strengthened by tightening legislation, is also accelerating the need for action. Sustainability ratings and certifications are becoming commonplace, such as those provided by Ecovadis and LEED (Leadership in Energy and Environmental Design). Where there is also growing interest in achieving B Corp status and working with global environmental disclosure entities, such as the Carbon Disclosure Project[18], getting on the front foot here is key.

All of these can help influence workplace change strategy as the choices are not always obvious. For example, the sustainability benefits associated with hybrid working include fewer people driving cars to and from work every day, resulting in less pollution and reduced fuel consumption. However, there are questionable pitfalls in terms of millions of remote workers each using more energy in their own homes, particularly in winter. In some parts of the U.K. during lockdown, average home electricity consumption rose more than 20%[19] on weekdays. According to the International Energy Agency in France, workers who use public transport or drive less than four[20] miles each way could increase their total emissions by working from home.

Sustainability and reducing your carbon footprint, requires considerable thought when shaking up office environments. It's becoming a top consideration for many countries across the world. From reducing the number of desks to creating collaboration spaces, to mothballing – or emptying – offices altogether, companies must consider the most sustainable ways to relocate, refresh or remove their offices.

[18] https://www.cdp.net/en
[19] https://www.theguardian.com/environment/2021/aug/02/is-remote-working-better-for-the-environment-not-necessarily
[20] https://www.iea.org/contact

"In many regions, sustainability is a big priority, particularly in light of the global climate crisis. The choices companies make when changing their office environments impact the planet in terms of recycling, landfill and energy consumption. Crown Workspace has a strong track record in sustainability and contributing to the circular economy."

Phil Oram
Regional Director, Crown Workspace

Refresh, Relocate or Remove

The three Rs – Decision Time

As the world slowly opens again, and employees return to the workplace in many locations, businesses must now look beyond their recent reactive work policies and consider how best to evolve their physical workplace offering.

This is a key strategic decision and must consider the long-term approach to remote working and flexible working. This includes the key role of the modern workspace to motivate and keep staff energized, collaborative, productive and happy at work, while competing with the comforts of home.

All employers across the globe are facing this critical decision, how to evolve their physical workspaces and ensure their employees remain inspired, engaged and committed. This choice essentially distils down to three outcomes – or the three Rs – **Refresh, Relocate or Remove**.

Refresh

If companies decide to stay on in their current office locations, it's an opportune time to overhaul the design, look and feel of the office environment while many employees are still working from home. Leaders can decide how the office environment should work, from hot desking spaces to collaboration areas and larger meeting rooms for social distancing. Companies may seek external support, inspiration and best practice to do this. They may also want to consult with the employees working in those spaces and ask them for their ideas on ways to improve their workspace. There may even be opportunities to add touches such as living green walls or vertical gardens. These purify the air, reduce the ambient temperature, and create an enhanced sense of wellbeing. Or even review other workplace policies, such as the presence of pets within offices. It's important to consider that employees will be comparing the workplace with their home environment through new eyes.

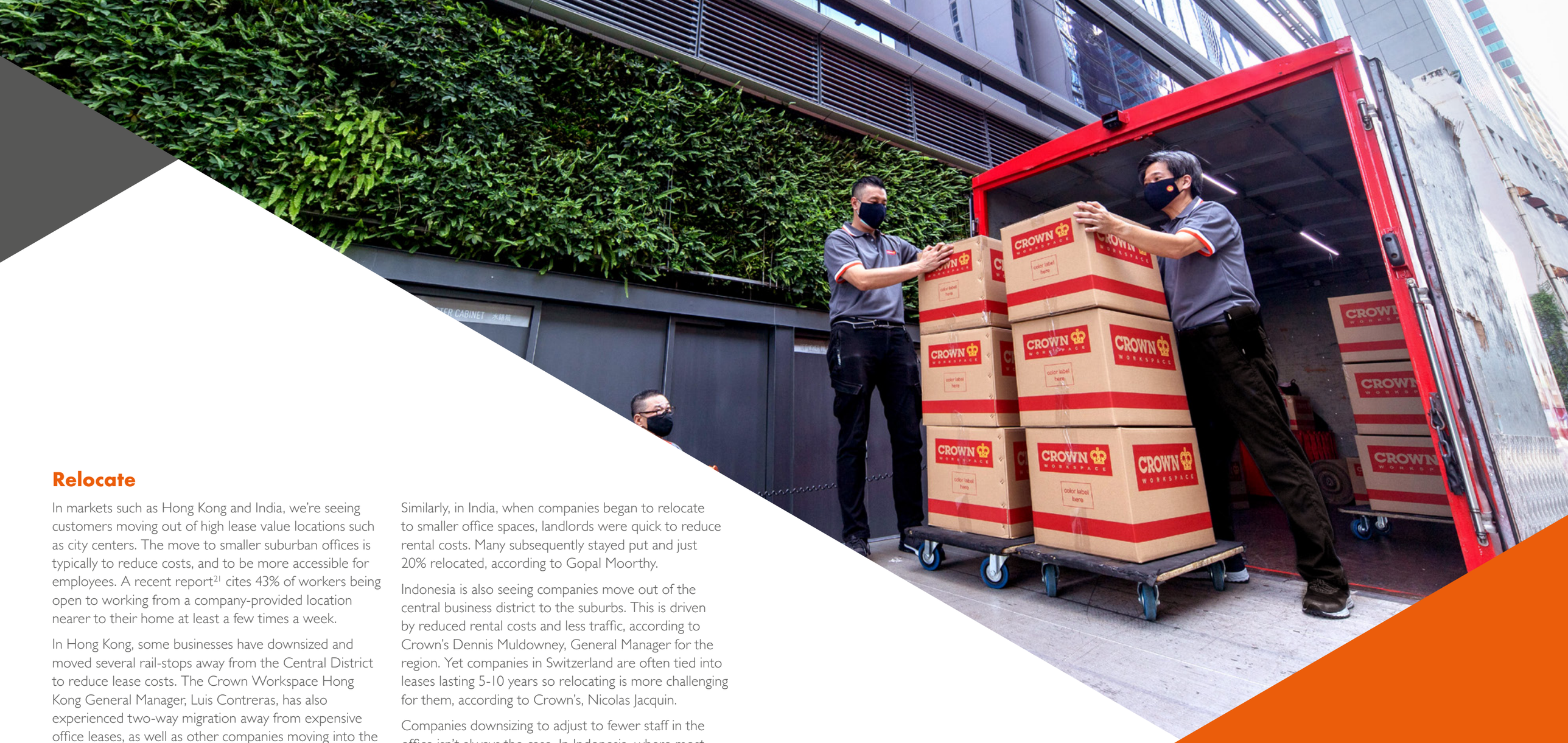
Organizations in India took the opportunity to review statutory compliance and legal requirements as part of their refreshes, according to Gopal Moorthy, Head of Workspace, Crown South Asia. Many have also reviewed and refreshed hygiene and social distancing procedures.

Particular focus is placed on wellbeing in the workplace in France where Crown's Workspace Division Manager, Youenn Rayer has even seen vacancies advertised for 'Chief Happiness Officers.' He believes wellbeing at work is now more important than ever before.

Companies in Vietnam are trying to work out how to keep employees actively engaged and motivated while maintaining clear communication and fostering a sharing business culture. The current challenge is how to do this remotely, with the country in limbo due to lockdowns, travel restrictions and curfews, according to Jamie Rossall, Director Crown Vietnam. Pre-COVID the country was embarking on a trajectory of business growth, with many new office buildings constructed, that now remain unoccupied.

"The focus is on the people, in creating a psychologically safe working environment. It's change management, helping to build safety, teamwork, and creating a high level of trust to bring spontaneous creativity and ultimately positive business performance."

Jamie Rossall
Director Crown, Vietnam



Relocate

In markets such as Hong Kong and India, we're seeing customers moving out of high lease value locations such as city centers. The move to smaller suburban offices is typically to reduce costs, and to be more accessible for employees. A recent report[21] cites 43% of workers being open to working from a company-provided location nearer to their home at least a few times a week.

In Hong Kong, some businesses have downsized and moved several rail-stops away from the Central District to reduce lease costs. The Crown Workspace Hong Kong General Manager, Luis Contreras, has also experienced two-way migration away from expensive office leases, as well as other companies moving into the vacant central office spaces to take advantage of reduced rates. Luis has seen companies in Hong Kong re-evaluating cash flow and office footprints, as well as moving staff to multiple office locations to enable social distancing. They are also introducing rotational shifts for staff and reconfiguring office spaces to improve health and safety and provide greater opportunities for collaboration.

Similarly, in India, when companies began to relocate to smaller office spaces, landlords were quick to reduce rental costs. Many subsequently stayed put and just 20% relocated, according to Gopal Moorthy.

Indonesia is also seeing companies move out of the central business district to the suburbs. This is driven by reduced rental costs and less traffic, according to Crown's Dennis Muldowney, General Manager for the region. Yet companies in Switzerland are often tied into leases lasting 5-10 years so relocating is more challenging for them, according to Crown's, Nicolas Jacquin.

Companies downsizing to adjust to fewer staff in the office isn't always the case. In Indonesia, where most offices are closed, telecommunication, technology and pharmaceutical industries are growing and moving to larger premises.

Co-working also plays a role in relocation, with several regions leaving their own premises in favor of co-working spaces. This is the case particularly in France and Vietnam according to our regional experts.

43% of workers being open to working from a company-provided location nearer to their home

[21] allwork.space/2021/03/coworking-is-the-new-normal-and-these-stats-prove-itt

"More and more staff are working from home, and at some point, offices will need to be consolidated and made smaller to save on rental costs."

Ian Pettey
Senior Cluster Manager Africa

"All industries regardless of size are struggling to manage assets related to offices and industrial sites."

Mark Camner
Workspace Sales Manager, Crown, USA

Remove

There were unparalleled global employment losses in 2020 of 114 million[22] jobs, mainly caused by the impact of the pandemic. With fewer employees, some companies have closed or 'mothballed' offices if their lease is set to continue for years. Furniture has been placed into storage to reduce business rates in regions where this is possible. If companies have shorter leases, they may have closed down the offices altogether. Equipment and furniture removal can become a real challenge and many companies seek external support to manage the safe and secure removal, recycling or donation of office equipment.

Of course, it's important that companies ensure employees have the right work set-up at home. There are many posture-related hazards exacerbated by poor seating. While other home environmental factors such as lighting and heating, as well as other poor ergonomic factors, can cause long-term ill health. The company still has a duty of care to its employees even when they are working from home.

Malaysian companies are less likely to choose storage as an option. This is due to depreciation costs that negate asset value if lockdowns continue. Malaysia is currently in its fourth wave and seeing a new surge in infections, according to Crown's, Reuben Nayagam, who is working in the region.

Sustainability and the circular economy are front of mind for many companies. Sending technology and large items of furniture to landfill is not an acceptable option. In France, Crown Workspace is seeing many more companies enquiring how we manage furniture disposal, charity donations and buyback agreements.

[22] www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_767028.pdf

"We were all delighted with Crown's professionalism and approach to our office relocation. It was a tough undertaking but they exceeded our requirements and expectations on all levels."

Head of Facilities and Environment Management
WWF (UK)

Getting the three Rs right

Companies that get their approach to the three Rs right will benefit from the positives associated with having a satisfied and motivated workforce resulting in better performance. Choosing the approach that's the 'right fit for your organization' is therefore a key strategic decision.

Arguably the critical time for considering this decision is before employees return at scale to the workplace. This is so the organization is well prepared for the questions and concerns employees will predictably raise. Many organizations may be tempted to wait and sit it out, but delaying this choice entails risk. Returning employees will want to know what the future holds, especially as they re-evaluate their work-life priorities in ways that were previously unthinkable.

Of course, no-one can predict the future challenges that may impact the workforce and workplace. Yet communicating your intentions to your employees is also of the greatest importance. Leaving employees in the dark around your plans for the workplace and the workforce can breed distrust and demotivation. Regardless of the path you choose, keeping staff informed - and even better involved - in your decision making is crucial. This after all is a battle for both hearts and minds.

It is important to keep in mind that at some point in the near future companies across the world will be making their decision on next steps. Getting ahead of the game will ensure you have the resources and support to help you on your way. Reticence to make a decision could see you getting left behind.

"The team at Crown were brilliant at providing effective solutions to the challenge of moving an entire office at pace."

Global Managing Partner
Finsbury Group

"We're now seeing pent up demand for workspace transformation. We're encouraging our customers to start planning for the changes they need before a predicted shortage of labor, expertise and materials that are required to get the work done."

Phil Oram
Crown Workspace

Conclusion

Every organization has changed in the last 18 months in ways that were perhaps previously hard to imagine. As has the role of the workplace in light of exceptional levels of remote working. Maybe you have fewer employees, or you've chosen hybrid working for the long-term. Perhaps you're turning your offices into collaboration or hot desk hubs or you're relocating to the suburbs. Employees' attitudes to the workspace will almost certainly also have changed, particularly amongst younger generations who seek modern workspaces that benefit wellbeing and drive collaboration and innovation. Of course, the scale and impact of this change will vary greatly from region to region, and from business to business. So, it's important that your choice is shaped by your own unique circumstances.

Whether a company decides to Refresh, Relocate or Remove office spaces will therefore depend on many different variables.

It seems that most companies will change their workspaces in some way to adapt to and embrace new working styles. Clearly there are frontrunners in dealing with this change. We are seeing even high-profile enterprises such as Apple facing resistance and criticism for the manner in which they have dealt with and communicated change.

So, making a decision on when and how to change your workplace is extremely challenging. Therefore, many companies can benefit from turning to experienced and knowledgeable organizations such as Crown Workspace for insights and guidance on what to do next. Especially, to ensure the return on investment is maximized in the long term.

Barry Koolen
CEO EMEA, Crown Worldwide Group

Why Crown Workspace?

Work with Crown Workspace to transform your workplace into a location that innovates and motivates teams to drive the goal of business success. Our workspace vision, based on decades of experience and regional expertise from our teams across the world, supports collaboration, agility, hybrid working, the circular economy and employee wellbeing.

We understand the intricate changes involved in relocating, refreshing or removing offices. We know what it takes physically and mentally – it's in our DNA. Work closely with us throughout the process, minimizing disruption while considering the multiple factors that are important to you, from making cost savings to sustainability, through to creating a standardized approach for a global rollout. Draw on the experience of our fully trained and qualified team and we'll ensure you get your unique workspace changes right first time.

Contact us

Crown Workspace is your one-stop-shop for workplace change and an ideal partner for advising on and managing change right across the globe.

Get in touch to discuss your workspace challenges and requirements.

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Web: **crownworkspace.com**

Discover Crown.

Inspiring places and performance

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