

OFFICE **SPACE** 

2023 Workplace Strategy Report



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Executive Summary

Throughout 2022, companies continued their return-to-office strategies, and hybrid workplace models dominated the landscape. But the actual time employees spent in the office—and how they spent that time—is different from pre-pandemic. During the pandemic organizations anticipated employees returning to the office eventually but for most that didn't materialize, and a hybrid method of working emerged as the predominant method.

For many employers, this shift to a more flexible approach to work created a number of questions:

- What stance should leadership take on time spent in the office vs. time spent remotely?
- Should this balance be a suggestion or a policy?
- How can the size and purpose of the office meet employee needs?
- How do companies know the changes they make to the workplace are effective?
- How do companies maintain or enhance productivity through changes to the workplace?
- How can companies address goals around culture and collaboration in the hybrid workplace?

The stakeholders that fund, support, and make the workplace meaningful want answers to these questions to inform decisions on strategic investments for their organization's future. To best understand the paths these decision makers are taking, OfficeSpace surveyed **over 150 workplace leaders** and analyzed **thousands of data points across our 1000+ client base**. The results serve as the foundation for our *2023 Workplace Strategy Report*.

In this report, we call out three key areas of focus for stakeholders as they manage the workplace in 2023:

1. **The hybrid dilemma.** Strike the right balance between office and remote work.
2. **Foster connections.** Create a work environment with purpose.
3. **Agility is key.** Test, measure, learn, and adapt for workplace success.

Key findings

1

There isn't just one right answer when it comes to how often employees should be in the office. Many decision makers are leaving that option up to individuals, or creating policies specific to locations or departments. Workplace leaders are concerned with ensuring the time employees spend in the office is driven by valuable activities employees couldn't accomplish on their own — i.e.: activities that focus on building culture and fostering collaboration.

2

Decision makers are concerned with their space being adequately sized and laid out for employee needs, rather than just the amount of space they own or lease. That could mean implementing changes to better suit collaboration, socialization, or private work. Leadership teams are taking steps to reorganize their offices for purpose-driven work.

3

Leaders understand they must invest in the right technology to effectively measure space utilization, but they haven't necessarily defined success yet. Data that's layered from multiple quantitative and qualitative sources — i.e.: workplace software and employee surveys — will offer a clearer picture of whether a company's hybrid strategy is working once goals and objectives are in place.

HYBRID DILEMMA

71%

of companies have employees coming in 2-3 days per week

45%

of leaders expect an increase in office attendance in 2023

52%

of leaders will create an office attendance policy in 2023

FOSTER CONNECTIONS

65%

of leaders say improved collaboration is the top reason they want employees in the office more frequently

59%

of leaders want employees in the office to build the company culture

150-250%

of desk bookings are up on peak days vs. average days

AGILITY IS KEY

86%

of survey respondents will be using badge data as a source for office utilization

73%

of survey respondents will also leverage desk or room reservation data

21%

of decision makers have established goals and metrics to measure success

THE HYBRID DILEMMA

Strike the right balance between office and remote work

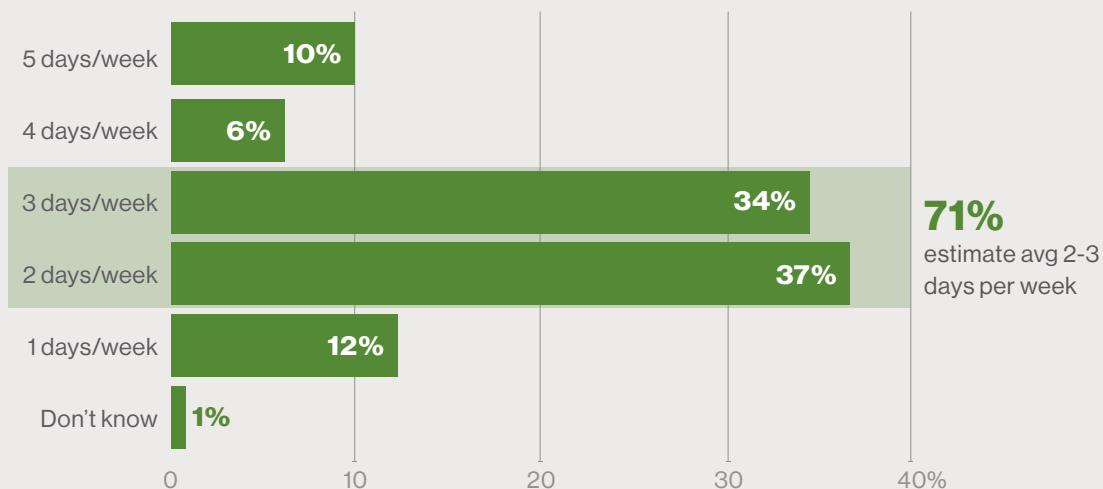
In the wake of uncertainty created by a shifting economy and the pandemic, many companies were left with the difficult task of defining a clear hybrid work strategy for their organizations.

Throughout 2022, companies worked to strike a balance between in-office work and remote flexibility. Our survey analysis combined with OfficeSpace platform data surfaced three insights to keep in mind as organizations refine their approach to hybrid work in 2023.

Offices are welcoming hybrid workers, but the workplace isn't thriving yet

While 2021 saw much more variation in the re-adoption of the office, 2022 showed a more unanimous picture. The survey finds nearly all—**99% of companies**—have employees in the office at least one day a week. And **71% say** employees use the office two or three days a week.

ON AVERAGE HOW MANY DAYS PER WEEK DO YOU ESTIMATE EMPLOYEES ARE USING THE OFFICE?



Source: OfficeSpace Workplace Survey, n=160

Organizations are seeing much lower utilization rates than pre-pandemic levels.

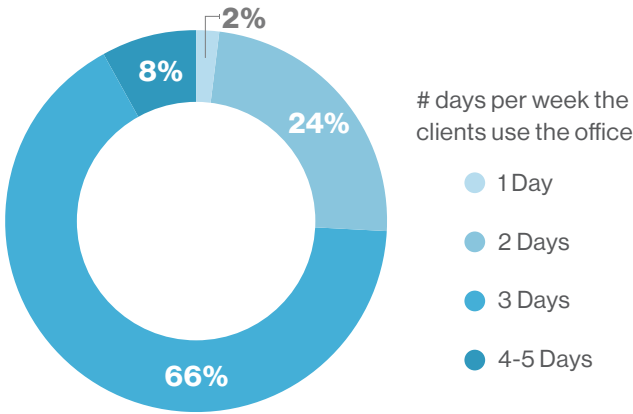
More than 50% of survey respondents plan to enforce a minimum days-per-week attendance policy or offer employee incentives in 2023.



Employees value the flexibility of working both remotely and in-office

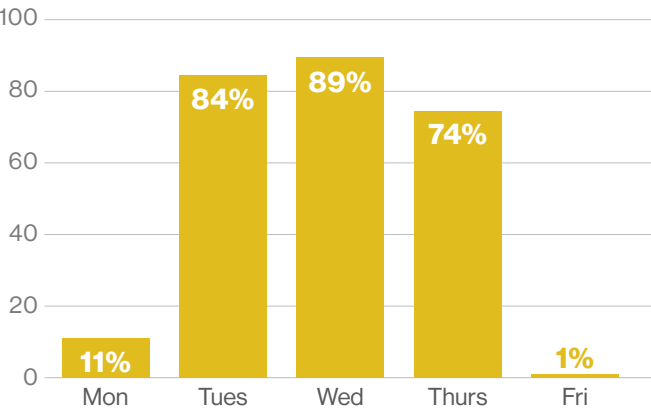
OfficeSpace platform data and survey responses suggest employees aren't interested in an all-or-nothing approach to in-office time. The survey found that **12% of companies** have employees in the office five days a week, while **only 6%** have employees in the office one day per week. OfficeSpace metrics further highlight how many employees are bookending their weeks remotely, with office attendance spiking mid-week.

NUMBER OF DAYS A WEEK OSS CLIENTS ARE UTILIZING THEIR OFFICES



Source: OfficeSpace System Data

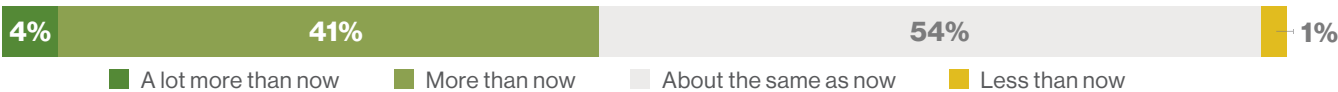
PERCENT OF OSS CLIENTS UTILIZING EACH DAY OF THE WEEK



Source: OfficeSpace System Data

Workplaces will continue to right-size their mix of in-office and remote work. **Almost half of survey respondents** expect more in-office work in 2023.

WHAT BEST DESCRIBES YOUR COMPANY'S EXPECTATIONS FOR IN-OFFICE ATTENDANCE IN 2023?



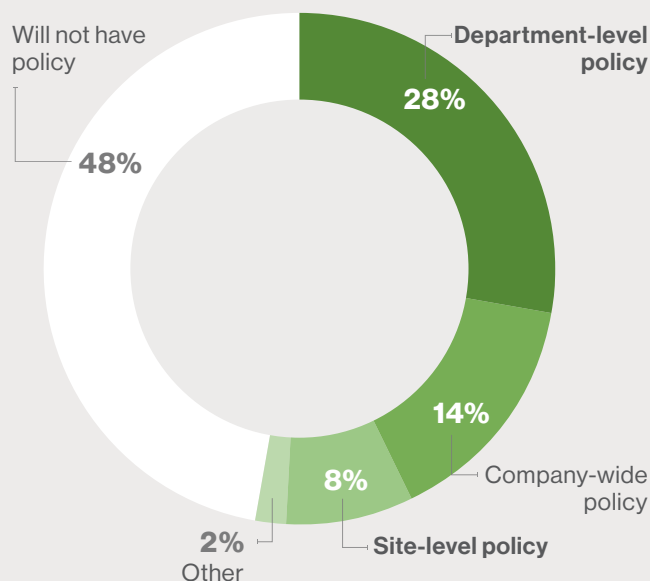
Source: OfficeSpace Workplace Survey, n=160

Employers understand a one-size-fits-all policy won't work

Among respondents planning to enact a hybrid policy, the **majority of companies cited department-level or site-level policies** as the right approach for them over company-wide policies.



WHICH OF THE FOLLOWING BEST DESCRIBES YOUR COMPANY'S APPROACH TO AN IN-OFFICE POLICY?



Source: OfficeSpace Workplace Survey, n=160

Many companies that create policies are doing so with flexibility in mind, understanding that some roles and activities can be done more successfully outside the office than others. To better accommodate for variance between roles, **most companies** are adapting their policies to individual locations and departments.

Data indicates that in-office days and remote days are impacted by multiple factors. These include knowing which roles can be performed remotely (and how often for optimal productivity), as well as values such as how well a hybrid workplace aligns with company culture and how well it fosters collaboration. **The next insight from our research dives deeper into how the new workplace can drive culture and collaboration in a hybrid world.**



FOSTER CONNECTIONS

Create a work environment with purpose

The previous section discusses how often employees are coming into the office. But what will employees find once they're there? If companies determine that employees can complete some of their tasks remotely, how can decision makers realign the office's role to make it more conducive to the activities that must be completed in person?

At a high level, defining and communicating a compelling message about the purpose of in-office time is essential to driving alignment within an organization. Our data shows that leaders understand the need for, and value of, building culture. Moreover, they're taking steps to ensure that their hybrid approaches—and office spaces themselves—reflect this culture.

Our survey analysis, combined with metrics from the OfficeSpace platform, offers three insights into how space can support an effective hybrid environment.

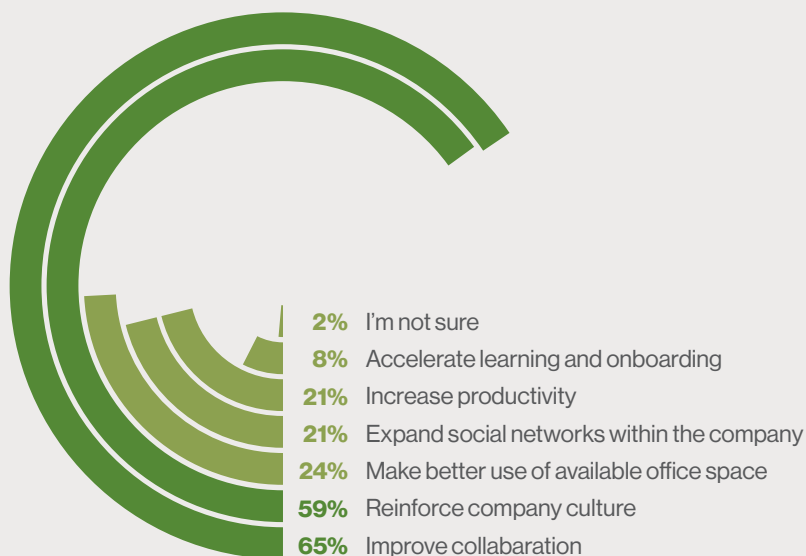


This year's mantra is 'better together'—why the office is critical

Decision makers want to recapture the benefits of in-person interaction, with **65% of survey respondents** signaling that improved collaboration is a top motivator behind their workplace strategy. Organizations also believe face-to-face interaction will instill a sense of camaraderie—**59%** feel getting employees back into the office will reinforce company culture.

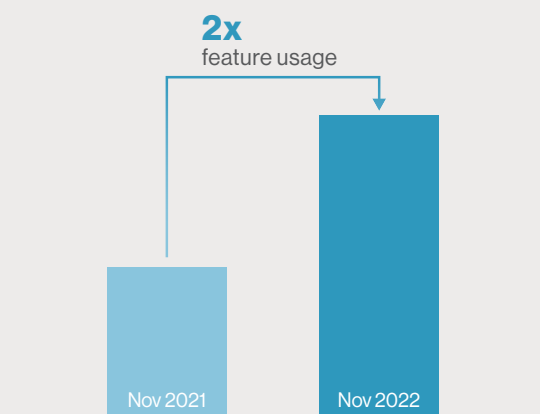
Data from the OfficeSpace platform indicates that employees coming into the office also view it as an opportunity to collaborate with their coworkers. **Over 90% of OfficeSpace clients** use Who's In?, a tool that allows users to see whether colleagues have booked time to work in-office. This helps promote ad hoc in-person collaboration (i.e.: quick huddles, whiteboard sessions, etc.).

WHAT ARE THE TOP TWO REASONS YOUR COMPANY LEADERSHIP WANTS EMPLOYEES IN THE OFFICE MORE FREQUENTLY?



Source: OfficeSpace Workplace Survey, n=160

INCREASE IN USAGE OF WHO'S IN FEATURE FOR COLLABORATION

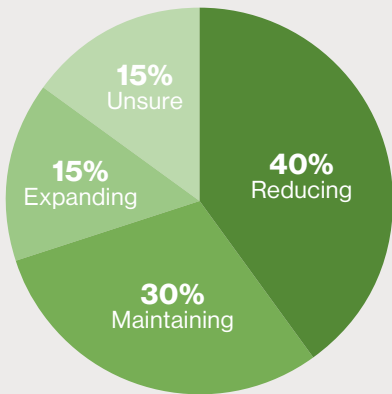


Source: OfficeSpace System Data

Utilization outranks size when it comes to what's most important

In the current macroeconomic environment, decision makers are continually re-evaluating their office spaces to ensure they maximize returns on their investments. When asked about real estate plans within the next two years, **70% of survey respondents** indicated maintaining or reducing space. Many companies recognize the opportunity to consolidate space and optimize existing spaces.

IS YOUR COMPANY PLANNING ON EXPANDING, MAINTAINING, OR REDUCING ITS OFFICE SQUARE FOOTAGE, WITHIN THE NEXT TWO YEARS?

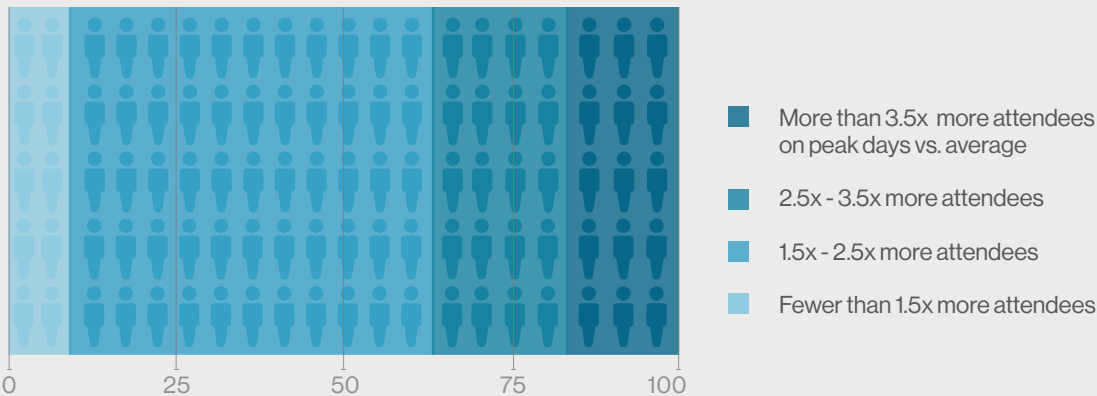


Source: OfficeSpace Workplace Survey, n=160

A shift in where employees work doesn't necessarily justify a hasty downsizing of real estate. Instead, leaders should ensure they can right-size their workspaces for the way employees use the office. OfficeSpace platform data suggests that employees are gravitating toward specific days of the week to come in—with desk bookings up **1.5 to 2.5 times more** on peak days vs. average days. This data point demonstrates that leaders cannot plan their space to accommodate average attendance and must keep peak days in mind.

VARIATION BETWEEN PEAK AND AVERAGE ATTENDANCE LEVELS

Share of OfficeSpace Clients, by peak vs. average day variation



Source: OfficeSpace System Data

“We’re trying to rethink our workplaces and consider how they make it valuable for someone to come in. Prioritizing collaboration and hospitality in our new office, we are experimenting with purpose-driven neighborhoods—grouping people together based on a particular goal or focus.”

Andrea Diieso

Director of Workplace Experience
Rapid7

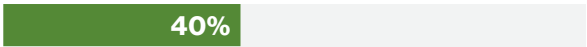
Each space—no matter its use—should align with the needs of a hybrid workforce

Looking to make the most of their square footage, organizations are investing in technology upgrades and reconfiguring spaces to maximize the benefit of in-office work. **Two in five survey respondents** are adding more conferencing and remote collaboration technology to their workplace to ensure workers can fully participate in hybrid meetings with mixed presence attendees.

In all, **35% of survey respondents** plan to add more collaborative spaces, while **31% will increase** the number of social spaces, and **26% will increase** private spaces. Companies will maintain these private workspaces for heads-down work, personal calls, etc. between on-site meetings.

WHAT CHANGES ARE YOU PLANNING TO MAKE TO YOUR OFFICES IN 2023?

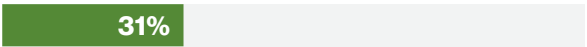
Adding more conferencing/remote collaboration technology



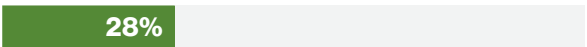
Remodeling to add more collaboration spaces



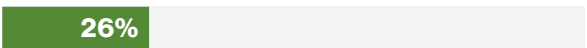
Remodeling to add more social spaces for employees to gather



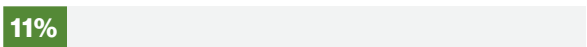
No change—our offices are set up to meet our needs



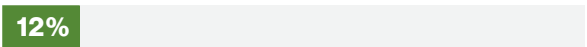
Remodeling for more private spaces for virtual meetings/calls



No changes—due to resource or fiscal constraints



Other



Source: OfficeSpace Workplace Survey, n=160

The office may no longer be the place where individual tasks happen—and if so, that’s OK.

The purpose of in-office time in a hybrid environment will differ from company to company. The data indicates decision makers are rethinking their spaces to ensure every inch is valuable for the activities that do happen in the office, the activities that are crucial for culture and collaboration. Our final area of research looks at how businesses will measure and refine their workspaces, ensuring they continue to align with company culture as it evolves.

AGILITY IS KEY

Test, measure, learn, and adapt for workplace success

OfficeSpace platform data paints the picture of a work environment that requires embracing experimentation in order to achieve desired results. How often can employees work remotely vs. coming into the office, and how can office space be maximized for in-office productivity? I.e.: How much space does a company need for collaboration vs. socialization? The metrics evaluating these balancing acts continue to evolve at a rapid pace. Companies need methods of measurement to ensure space utilization doesn't fall behind employee needs.

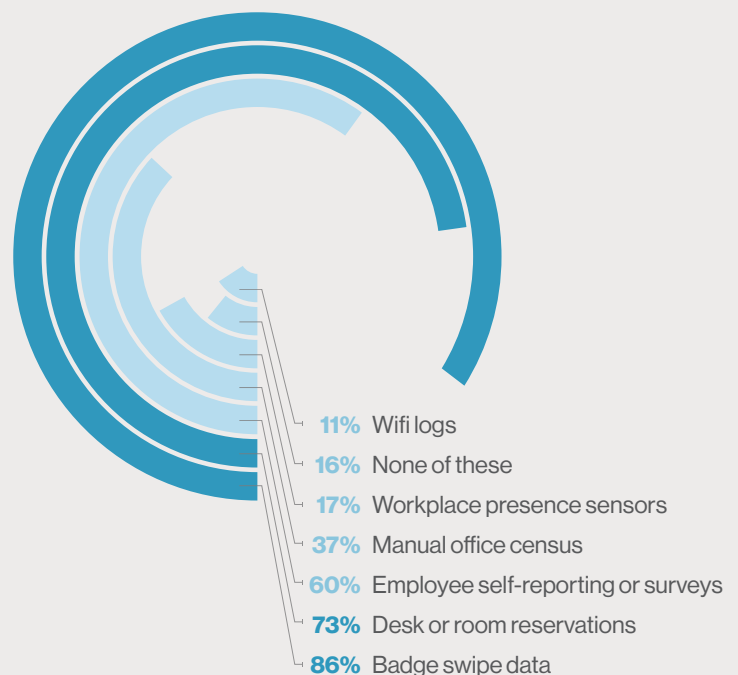
The pre-pandemic methods of measuring workplace efficiency, and the office's value to an organization, are no longer fully applicable. In order to identify a clear path forward, organizations must take an entirely fresh look at office utilization. Leadership teams will need to focus on two measurements: whether the changes they make contribute to the company's goals around in-office activity, and whether those changes remain the most efficient use of space over time.

Survey data combined with OfficeSpace solution metrics provides three insights into how organizations will measure workplace success in 2023:

Presence data is emerging as the new best practice to capture office utilization

Company leaders say their organizations plan to leverage a variety of data sources to gain better insight into office utilization. Badge swipe data is becoming the new standard, with **86% of survey respondents** turning to this source for utilization data, compared to minimal prevalence pre-pandemic. Additionally, **73% will leverage desk or room reservation data**. A smaller number (**17%**) plan to deploy advanced technologies, such as workplace sensors, though this can be cost prohibitive for some.

HOW WILL YOUR COMPANY TRACK IN-OFFICE USE?



Source: OfficeSpace Workplace Survey, n=160

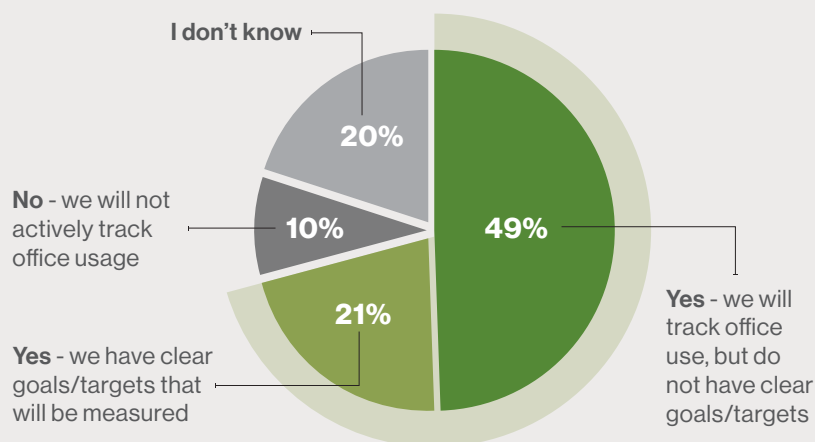


Leaders recognize the importance of leveraging utilization metrics to refine the in-office experience

Survey respondents vary on how much they currently leverage office utilization metrics, yet **70% want to measure and track their progress** to an office usage target. However **49% of workplace leaders are lacking clear goals and/or targets** for measuring office use, a critical metric in understanding the effectiveness of a hybrid workplace strategy.

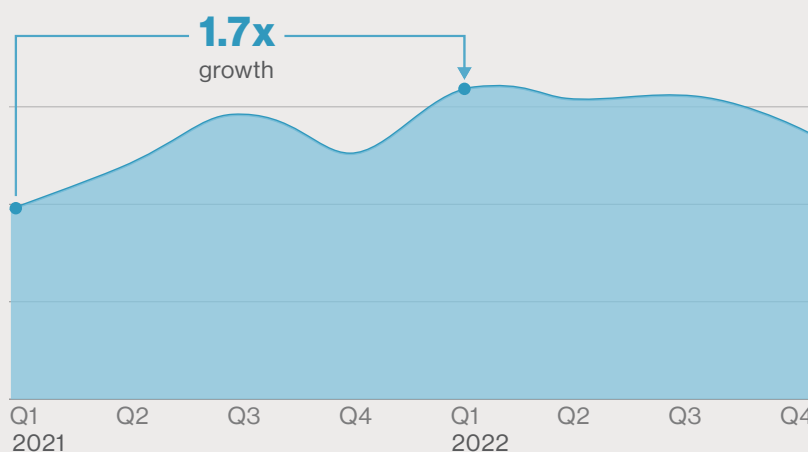
Only **one in five** decision makers has metrics in place currently, while others are testing ideas to help define their version of success. OfficeSpace platform data shows that many are experimenting with new office layouts, sizes, and seating types, with requested floor plan changes seeing a **170% increase since Jan 2021**.

IN 2023, WILL YOUR COMPANY BE TRACKING ITS PROGRESS TO REACHING A TARGET OF EMPLOYEES IN THE OFFICE?



Source: OfficeSpace Workplace Survey, n=160

UNIQUE CLIENTS REQUESTING FLOOR PLAN CHANGES



Source: OfficeSpace System Data

“I now have a platform everyone can use, which gives me very good data. When I tie that information into security and other reports, I can see the true utilization of the office and give that data to the decision makers.”

Joe Puchalski

*Director of Facilities and Space Planning
SiriusXM*

Multiple data types can provide a more complete picture of in-office activity

Many companies plan to take both quantitative and qualitative approaches to track office use. For example, badge swipe data tells decision makers which days employees come into the office, but employee surveys tell them why employees come in on those days. Layering data from multiple sources provides decision makers the best visibility into whether their hybrid strategy is working as intended—or if it needs to be tweaked for optimal effectiveness.

The next 12 months will likely involve trial and error for most companies as they refine their hybrid work approach to fit the needs and goals of their entire organization. Now is the time to test, measure, learn, and adapt. The data produced by offices and employees every day is essential to creating a successful hybrid work environment. Not using this data to its full extent would be a wasted opportunity.

For example, employees' top reason for coming into the office is for connection and collaboration. OfficeSpace data shows that **50% of desk bookings happen less than 48 hours in advance**, as last-minute decisions. Not only does this make collaboration a challenge, but it also gives facility partners little notice to prepare the space—possibly leading to a less satisfying in-office experience.

Layering badge data over desk booking data can help decision makers understand how well those who book spaces are keeping their reservations, whether that percentage changes based on the day of the week, and how far in advance the reservation is made. Having these deeper cuts of data allows businesses to offer the best possible in-office experience, no matter the day of the week.



Once workplace leaders gain confidence in their data, they can set internal benchmarks that are focused on their organizational goals (i.e.: employee engagement and return on real estate investments). Routine evaluations of these metrics will indicate the success, or inform the direction, of their hybrid strategy.

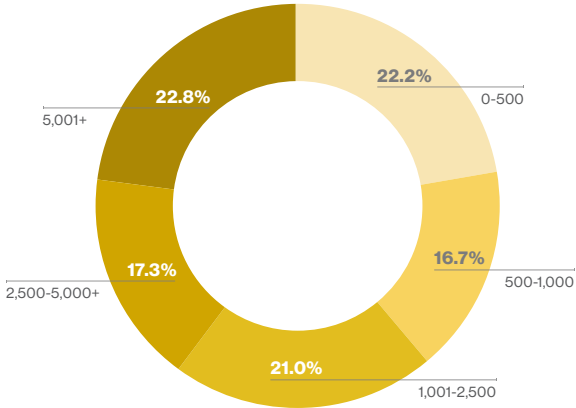


In Closing

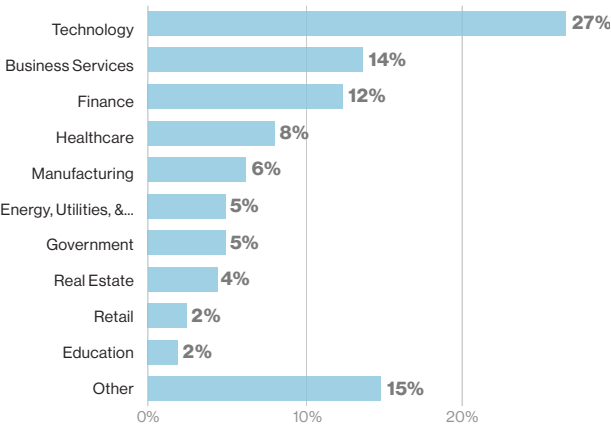
This year’s Workplace Strategy Report finds organizations are charting an uncertain path forward. Hybrid is the predominant approach to work, but leaders are still exploring how best to use the workplace. The results from our 2023 *Workplace Strategy Report* present the opportunity to develop custom, data-driven solutions for the hybrid workplace. Data and technology enable leaders to better understand what their employees need for a successful hybrid experience. When and why are employees in the office? How do they interact with their workspace? Does the work environment support culture, collaboration, and productivity? Approaching these topics with an experimental mindset—and the ability to measure results—can lead organizations to an effective long-term strategy.

The good news is executives don’t have to make these decisions in a silo. Adopting the right technology can give businesses the data they need to track office utilization and make more informed decisions for their ongoing hybrid strategy.

**SURVEY RESPONDENTS BY SIZE
(# OF EMPLOYEES)**



**SURVEY RESPONDENTS
BY INDUSTRY**



Here are the top three takeaways from this year's report:

THE HYBRID DILEMMA

Hybrid offers employees the opportunity to get solo work done remotely while utilizing the office for more collaborative tasks. Finding the balance between these places of work isn't a one-size-fits-all process. It will change based on an employee's department, role, and location. In 2023, leadership should offer their teams the flexibility to decide how hybrid will function for them, while reiterating how in-office days can help build a more positive, more collaborative company culture.



FOSTER CONNECTIONS

Offices should reflect the reality of hybrid work. For many businesses, that means the tasks that once required long rows of cubicles are now done remotely, while tasks that involve collaboration and culture will become the main purpose for coming to the office. The expectations of the workplace will continue to evolve with employee needs over time, but also in response to usage fluctuations from peak to average days. Decision makers should make time in 2023 to understand how every aspect of their office space contributes to the success of their hybrid strategy and clearly communicate the purpose of their workspaces.

AGILITY IS KEY

Stakeholders shouldn't rely on a single source of data in their efforts to make the office more agile, and they certainly can't refer to pre-pandemic metrics of success. In 2023, decision makers should adopt a mindset of experimentation. By testing, measuring, learning, and adapting as they go, leaders can refine how they'll measure success over time using multiple data sources, i.e.: automated collaboration tools, presence data, and manual methods, such as employee surveys. This approach gives leaders deeper context for more effective decision making.

OFFICESPACE

OfficeSpace simplifies everything for the hybrid workplace, from the desk and room booking tools employees want to the data and insights that companies need. OfficeSpace is the only workplace management software company that provides the flexibility and insights that teams require through an innovative platform, an intuitive experience, and an invested team.

Learn more about how OfficeSpace Software can help you create a better place for everyone: officespacesoftware.com.