

 AppleOne

# WORKPLACES OF THE FUTURE



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# Introduction

In the new work landscape, employers remain split in terms of workforce model plans. Many employers are electing to use on-site models, while several tech titans are offering both fully remote and hybrid work options for their employees<sup>1</sup>.

Simultaneously, the rising number of COVID-19 Delta variant cases<sup>2</sup> has presented both employers and employees with potential safety and workplace issues for Q3 and Q4, highlighting the potential implications of returning to on-site work in terms of risk and compliance. To adapt and respond to these concerns in the modern workplace, many companies are moving towards the world of 'working anywhere'. Similarly, employees' job preferences are moving towards remote work, hybrid work, and greater benefits.

The viability of hybrid and remote models has become increasingly evident, serving as effective crisis proofing tools as well as increasingly desirable factors for potential employees and employers. Reshaping the workplace and a respective work model to better handle and adapt to pandemic-level issues can positively impact an organization's workforce and efficiency. This market research report will explore the ongoing landscape changes of the modern workplace and how these changes can be harnessed and implemented for greater organizational success.

# The Future of Work Models

Employers' use of work models has been largely impacted by the various phases of the pandemic. Initially, after most businesses were forced to migrate to a fully remote model, many organizations began strategizing on transitioning to a hybrid model or making a return to on-site work. However, the subsequent, increasing number of Delta variant cases has slowed the pace of companies' transitions. Between the Delta variant, the current hiring shortage, the Great Resignation, top companies offering fully remote positions, and debates surrounding location-based salaries, the effects of the pandemic have left companies divided over their intended work model plans.

## *The Hiring Shortage of 2021*

Currently, deciding on the most effective work model for a company's future is particularly complicated due to the ongoing hiring shortage<sup>3</sup> and the Great Resignation. The worker shortage and the Great Resignation<sup>4</sup> are undoubtedly intertwined, with both significantly impacting employers' ability to re-hire talent. Potential employees have now changed their priorities with careers and their respective benefits, largely due to reservations about workplace safety. Workers have also experienced the viability of hybrid and remote work and are looking to maintain this new workplace standard.

Employees are searching for organizations that align and identify with their values, offer them hybrid or remote options, and provide great benefits. The severity of the hiring shortage is directly reflected in the Alaant Hiring Index<sup>5</sup>, which found that four out of five employers can't find qualified candidates for roles, and 78 percent of employers currently view hiring as a substantial issue and barrier. Choosing the right work model for your business is now more important than ever, and that decision should consider the benefits of the model for both your organization and employees.

## ***The Debate on Location-based Salaries***

The debate on preferred work models for optimized business performance has also created a secondary discussion concerning location-based salaries for remote employees<sup>6</sup>. Some employers are looking to change their compensation rates for remote workers to incentivize talent to work on-site. On the opposing side, some companies are increasing compensation for remote talent<sup>7</sup>, offering potential employees the same compensation as those working on-site in cities.

Since most workers are currently searching for companies with remote and hybrid options, location-based salaries could isolate and disengage highly skilled talent. Employers must implement compensation policies that legitimize remote work to ensure they're sourcing the widest possible pool of talent. In the case of a hybrid model, this will make workers both in and out of the office feel valued and positively increase a company's brand awareness with potential employees.

## ***Top Businesses Offering Permanently Remote Work***

The debate on location-based salaries may soon be put to rest due to numerous tech titans implementing long-term remote or hybrid work models for their employees. Twitter<sup>8</sup>, Facebook<sup>9</sup>, and Google have all begun making large-scale changes in the workplace, allowing employees in all sectors of their companies to work remotely permanently.

These companies are implementing hybrid models to retain and attract skilled talent while reinforcing their businesses' adaptability for future crises. This understanding of adaptability and employees' preferences is indicative of the future of work models, where hybrid options increase employee morale, performance<sup>10</sup>, and an organization's success. Having a successful team both in and out of the office is slowly becoming a standard of the present.

# Reimagining On-Site Work: The Modern Workplace

Companies opting to use hybrid or on-site models in Q3 and Q4 will need to overcome several barriers and changes in the office. Adapting to these changes will enable organizations to optimize their performance and position themselves for greater continued success.

## *The Barriers of Open Offices*

Although open office configurations make sense in terms of social distancing and have already been implemented by numerous companies with hybrid or on-site models, findings have shown that these office layouts can foster environments with increased social interaction and decreased productivity<sup>11</sup>. To increase productivity and performance and ensure a seamless transition back to on-site work, employers should workshop their office layouts to find an ideal one for their employees' and company's success.

A study by the Academy of Management showed that employees perform better when they're able to personalize their workspace<sup>12</sup>; finding a medium between an open plan and cubicle office allows employees to work safely and productively. Additionally, innovation with workplace technology for social distancing and safety measures has proliferated throughout the pandemic. The implementation of these key technologies is crucial for companies looking to adapt, innovate, and succeed.

## ***Reshaping the Modern Office***

Organizations must begin updating the workplace with new technology to ensure both hybrid and on-site models can be used effectively. Hot-desking, for example – which enables employees to reserve desks in advance for an extended period – became popular in Q1 and Q2, serving as an effective route for companies to be resourceful with office space<sup>13</sup>. On average, 40 percent of office desks remain unused daily, contributing to excess cost and reducing available office space. For hybrid work models, hot-desking enables companies to save on standard on-site office costs. Hot-desking can also contribute to workers' sense of workplace flexibility, allowing employees to choose workspaces where they work best.

Similar to hot-desking, desk spacing, use of pods<sup>14</sup>, and increased HVAC and sanitization measures have all become standard tools for ensuring workplace safety. Pods and desk spacing ensure that employees can work while socially distanced, especially alongside hot-desking. Increased HVAC and sanitization measures will help decrease the potential for transmission of COVID and create a safer environment for workers<sup>15</sup>. Whether a hybrid model or on-site model is being used, employers must update their practices to guarantee that employees can work safely, comfortably, and efficiently.

## ***The Shifting Job Market***

Employers also need to adapt to the current shifts in the job market. Currently, the employee-driven job market – depicted by both the Great Resignation and the hiring shortage – is presenting employees with an opportunity to search solely for hybrid and remote opportunities<sup>16</sup>. After having experienced remote and hybrid work throughout the pandemic, many employees have now realized that they prefer flexible work options. Additionally, a study conducted by Workest found that 73 percent of employees experienced increased productivity and workplace satisfaction due to flexible work<sup>17</sup>.

The current state of the job market reflects this larger ongoing change in the work landscape, where hybrid and remote options are viewed as more appealing by potential talent. To successfully recruit and retain highly skilled employees, employers must implement effective work models that benefit both the employee and employer equally. Hybrid work models can serve as a useful bridge to attracting a wider pool of talent, increasing employee performance and productivity, and optimizing a company's success.

# Looking Forward: Working Towards Working Anywhere

Although the earlier phases of the pandemic facilitated the substantial growth of remote work, the rising number of Delta variant cases and continued unpredictability of the pandemic have led organizations and workforces to begin working towards the world of 'working anywhere'. This world of 'working anywhere' is slowly becoming a reality through digital nomad visas, increased use of hybrid work models, and companies adopting practices to anticipate future pandemic-level crises.

## *Remote Work via Digital Nomad Visas*

Due to the proliferation of remote work during the pandemic, numerous countries have begun to make remote work more accessible and legally legitimate<sup>18</sup>. Countries' governments are creating new avenues for potential talent to work remotely in foreign nations – namely, through digital nomad visas.

Digital nomad visas – a type of visa that allows employees to reside in a country while working remotely away from their country of residence – serve as a tool that expands the access of the global workforce and the potential for remote opportunities. Many companies are looking to capitalize on the rise of the digital nomad – individuals who work remotely and frequently travel – by using new routes for workers to obtain temporary stay status.

Sourcing talent on a global scale effectively reinforces your remote workforce and substantially increases your talent pool. With the rise of digital nomad visas, companies are already beginning to strengthen and globalize their workforce.



## ***Majority of Employers Continuing to Use On-Site or Hybrid Models***

Although the widespread use of remote models has demonstrated the utility of remote work for both employees and employers, most organizations continue to use hybrid or on-site models as they work to modernize their workplace. Currently, 90 percent of employers are planning to use hybrid or on-site models moving forward<sup>19</sup>. This percentage is likely to continuously increase, in favor of hybrid models, as employers increasingly hire remote and flexible workers<sup>20</sup>.

However, it's crucial for employers to outline and communicate their intended work model plans to employees. Open communication about hybrid or on-site plans, office changes, and improvements will increase employee morale and reinforce a company's commitment to workplace safety<sup>21</sup>.

Companies using hybrid models can also offer and suggest third workplace options - a repurposed location aside from one's home or the office for employees to work<sup>22</sup>. Third workplaces will allow companies to fully capitalize on hybrid models, saving substantial office costs and space, and increasing employee performance and satisfaction by offering more flexibility.

## ***Changes to Anticipate Future Outbreaks or Pandemics***

One of the most important parts of realizing the world of 'working anywhere' will be for companies to become increasingly adaptable to respond to future pandemic-level crises. Companies need to update safety measures and work models in response to the pandemic and in anticipation of future widespread workplace issues.

Measures like upgraded ventilation, social distancing, and the use of a hybrid model can all enable a company to respond to unforeseen issues more quickly and effectively<sup>23</sup>. The rising number of Delta variant cases has demonstrated that the pandemic will not subside as quickly as initially predicted. Organizations need to be structured to respond to these types of sudden changes. Restructuring a company for increased workplace safety and an optimized hybrid workforce will allow an organization to adapt to unanticipated crises and succeed continuously.

## Conclusion

The future of 'working anywhere' is one that was greatly accelerated by the pandemic. With employees searching solely for remote and hybrid opportunities and numerous top companies implementing remote or hybrid work models, the world of 'working anywhere' is rapidly expanding.

For employees, remote and hybrid work models offer more flexibility and workplace safety. Employees can work freely from anywhere, save costs and time on commuting, create personalized work environments that lead to improved performance<sup>24</sup>, and can more easily create a healthy work-life balance for their mental wellbeing<sup>25</sup>.

Employers also gain significant, measurable benefits from the use of remote and hybrid work models. Organizations can greatly expand their workforce and talent pool<sup>26</sup>, save costs on office fees<sup>27</sup>, increase employee retention, loyalty<sup>28</sup>, and performance, and strengthen workplace communication through remote-based collaboration.

When optimized effectively, the benefits of hybrid work models enable better performance for employees both in and out of the office, greatly increasing an organization's level of success. While some companies may be reluctant to employ remote or hybrid models, the current fears about the Delta variant highlight the importance of anticipating – both structurally and strategically – pandemic-level issues in the workplace moving forward.

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