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Executive Summary New Frontiers for Smarter Working

MARCH 2021



Purpose

To set out a routemap towards a blended, future hybrid office estate which builds on learning from the impact of COVID-19 on the opportunities and challenges of distributed working. This note was co-created by the New Frontiers community of public and private organisations reviewing the future of office work in Scotland. This document isn't designed to be a static report but represents a point in time in an ever changing situation and future studies will follow as more information emerges.

The distributed working context

Distributed working is a pattern of organisation where individuals and teams are dispersed across geographies, mixing traditional corporate facilities with remote locations, including coworking spaces and home offices enabled by technology, space strategies and culture. For some organisations, the distributed working model may consist of only home and office but for others a rich range of options can be created across homes, hubs and HQ's (main offices) that truly support the way people work.

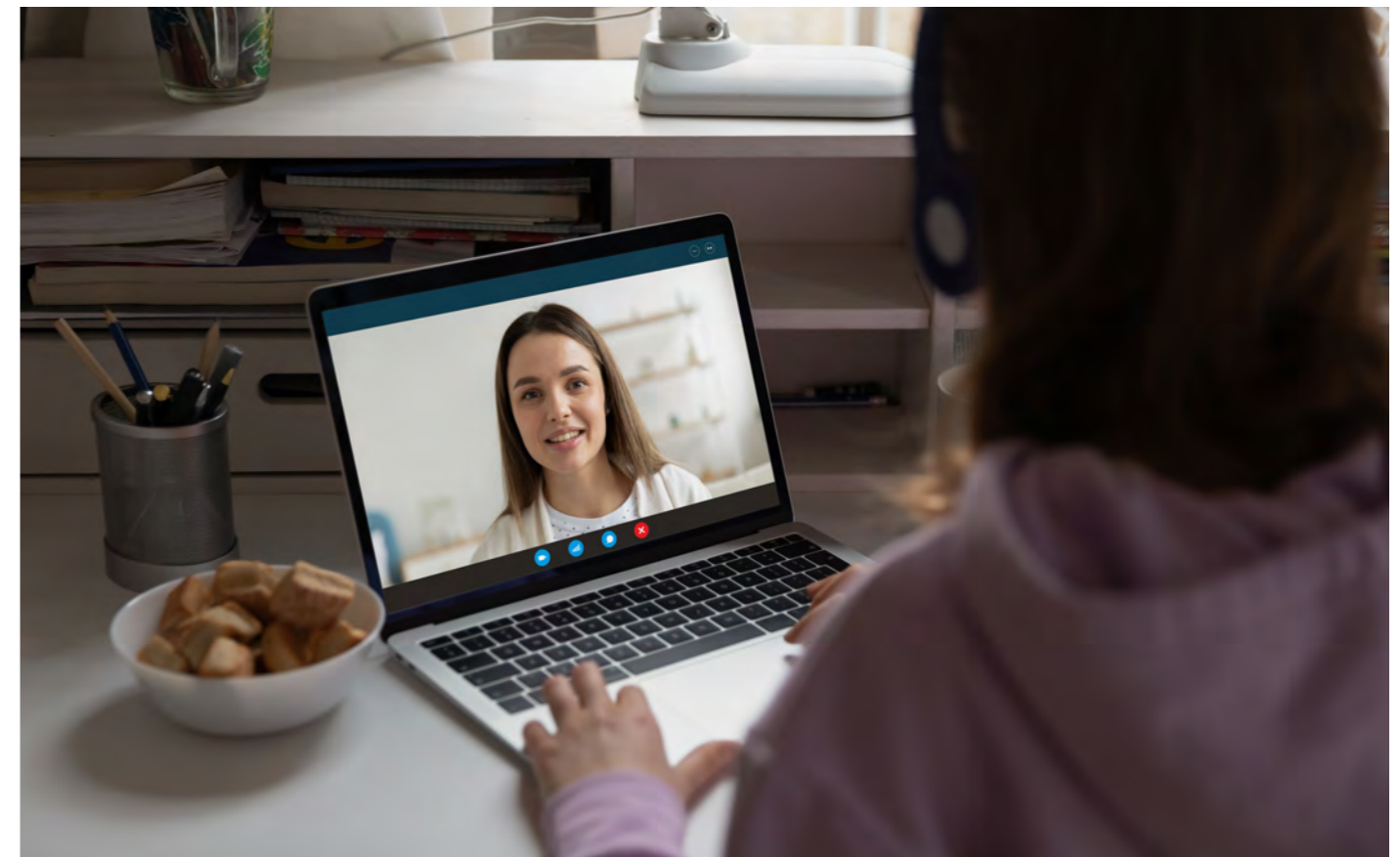
In the 21st century, organisations have been moving towards increased activity based and distributed working models as a way of doing business to:

- Enhance business performance by enabling more diverse and collaborative team working, fostering greater co-ownership of organisational values and outcomes
- Build models of distributed leadership, modelling new behaviours for work, strengthening team based work and building resilience

- Strengthen productivity by enabling choice in when and where work happens underpinned by technology and organisational culture
- Recruit and retain talent within and beyond local geographies
- Deliver of activity based working models that make better use of workspaces

The key characteristics of a distributed model of working include:

- A shift away from owned workspace where people "own" their desk
- The development of 'our workspace' models where people share a range of work settings to allow them to use the right space to support their work activities
- The move towards mobile devices, Office 365 and other tools that support a more transient workforce
- The move towards a trust culture that allows people to work in the best way to support the task at hand



COVID-19 Impact

“It is expected that the new normal will be a hybrid model, blending more distributed working...”

During the extended COVID-19 response period, the office of National Statistics reported that by September 2020, the number of workers who had shifted to working exclusively from home had settled at around 24% with a 38% peak in June. In 2019, the figure for working exclusively at home was 5% with around 30% reporting that they had the option to work from home. Use of virtual platforms has increased significantly to support this with use of Microsoft Teams increasing by 894% and use of Zoom increasing by 677%.

Driven by this situation, utilisation of the traditional office estate has reduced dramatically. However, while many roles have adapted well to working from home, some haven't and some functions will continue to be office based. This includes roles that require access to secure space, specialist technology systems and site specific roles, etc.

It is expected that the new normal will be a hybrid model, blending more distributed working with a different way of using traditional office space. This will shift how work happens, where work happens and how organisations will choose to organise themselves in the future. As people move through this change, organisations need to ensure that strategies are in place to support people at all levels to allow informal learning and mentoring to be supported as well as equitable access to career opportunities within a future where people could be potentially less visible.

Practical issues such as cost and operational models would need to be explored to ensure viability and it will be easier for some organisations than others to deliver their individual solutions.

Each public sector organisation will have to explore the economic, social and environmental impacts of any changes to their working models (including distributed working networks) and will have to weigh up carefully the benefits and risks prior to any decisions being taken. The public sector has a role in understanding potential risks at a place-based level and the development activity for any distributed working networks will need to recognise those risks and understand the potential impacts. It is likely that this will significantly impact workforce planning, digital adoption and wellbeing investment all of which require to inform estate planning.



The experience of distributed working during COVID-19

Sample surveys were collected from a number of public sector organisations within Scotland to assess the impacts of distributed working (Figures A and B) under COVID. In broad terms, the analysis indicated that:

- people are generally enjoying more control over their work life balance and spending more time with family
- isolation and mental health are issues for some, more prevalent in organisations with poorer technology
- some people have reported feeling more connected to their team members due to deeper connections enabled by technology

The analysis also indicated:

- 88% want to work at least one day a week from home
- 10% would prefer not to work from home at all
- 24% would be happy to continue working from home full time

Benefits based on COVID learning

Personal benefits	Work benefits	Organisational benefits
Financial savings e.g. less commuting, less spend on food/drink at work	Increased autonomy enabled by organisational wellbeing support	Improved accountability, collaboration, creativity, and integrity
Time savings e.g. less commuting, more time for hobbies	Greater collaboration and communication with team members	Agile workforce management, pivoting around changing objectives
Balance e.g. flexibility to manage childcare and other commitments	Greater focus e.g. fewer distractions from colleagues than in the workplace.	Opportunity to reduce property costs and introduce service driven efficiencies

Figure A:
Table outlining the benefits identified



Challenges based on COVID experiences



Infrastructure <ul style="list-style-type: none"> Not having appropriate equipment and workplace settings available at home Access to a secure and fast internet connection, a concern in particular for workers living in rural locations Financial impacts of working from home for some e.g. electrical and utility costs 	Balance <ul style="list-style-type: none"> Difficulty switching off from work, with responses reporting working late and checking emails when people should no longer be working
Isolation <ul style="list-style-type: none"> Social isolation, with 70% of responses in one organisation alone affected by this Less connection to colleagues, with workers missing the “buzz” of the office and informal chats 	Culture <ul style="list-style-type: none"> Some workers who are new to organisations such as new starts and interns have struggled to connect with the organisational culture with mentoring and support being an issue for some Demographically younger workers (those in the Gen Z demographic) feel less productive working from home than their Gen X and Boomer counterparts.

Figure B:
Table outlining the challenges identified

Future model

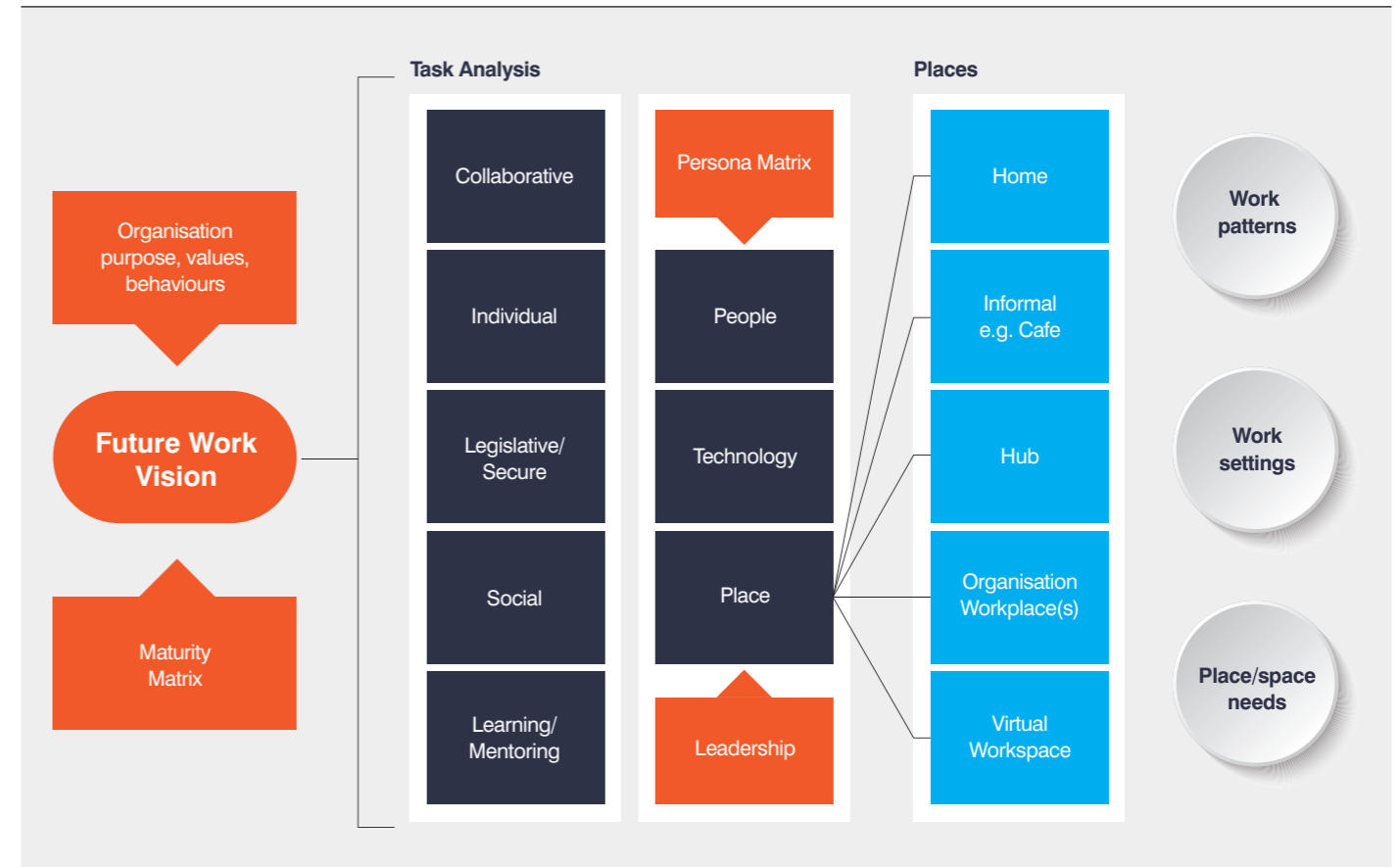


Figure C
Future Work
Model

The New Frontiers model adopts a learning and improvement approach to distributed working, drawing on learning from COVID and ongoing change in the world of work. Survey work, with leaders and workers, indicate a strong desire for a hybrid model of future work, blending time in the office with time in other settings to maximise productivity, wellbeing and personal benefits. This will be enabled by an acceleration of the move towards activity based working, technology enabled working and placemaking.

The key considerations for the success of a hybrid model include :

- Where – main office, home, local /near home solution, co-working hub
 - How – physical, virtual, technologies, collaboration, individual working, specialist needs
 - When – business hours, outcome focused, citizen focussed
- Based on the insights of the New Frontiers community, the key components of a hybrid model include:
- A clear work vision for the organisation supported by a clear expression of distributed working
 - A clear framework for the organisation of work as activities
 - A clear understanding of people, places and technology choices with leadership support
 - Clarity on where work happens and a more equitable approach to being able to access workspace and the associated infrastructure across urban and rural locations.

The use of office spaces will change in response to this future model (Figure C). The ambition is that the office will be more about connection and collaborative work than individual working. There will be more space for chance meetings and social collaborative moments. There will be greater importance placed on wellbeing with more access to natural light, good air quality, temperature control and natural elements such as Biophilia and views to the outdoors. In addition, there will be greater access to non work activities such as fitness classes within multi functional spaces, and non-invasive technology solutions to support ease of access, hygiene and safety concerns. People will have a greater feeling of autonomy over the physical work environment, with options to change workspace, more multi functional spaces and more choice to work in different places.

Delivering the change

The New Frontiers community have identified a maturity matrix (Figure D) of effective distributed working and 6 action areas that will support its delivery:

- Organisation and Culture
- People Focussed Future
- Distributed working – home, hubs and HQ's
- Leadership and Supporting Distributed culture
- Virtual Workspace
- Physical Workspace – The Workplace of the Future

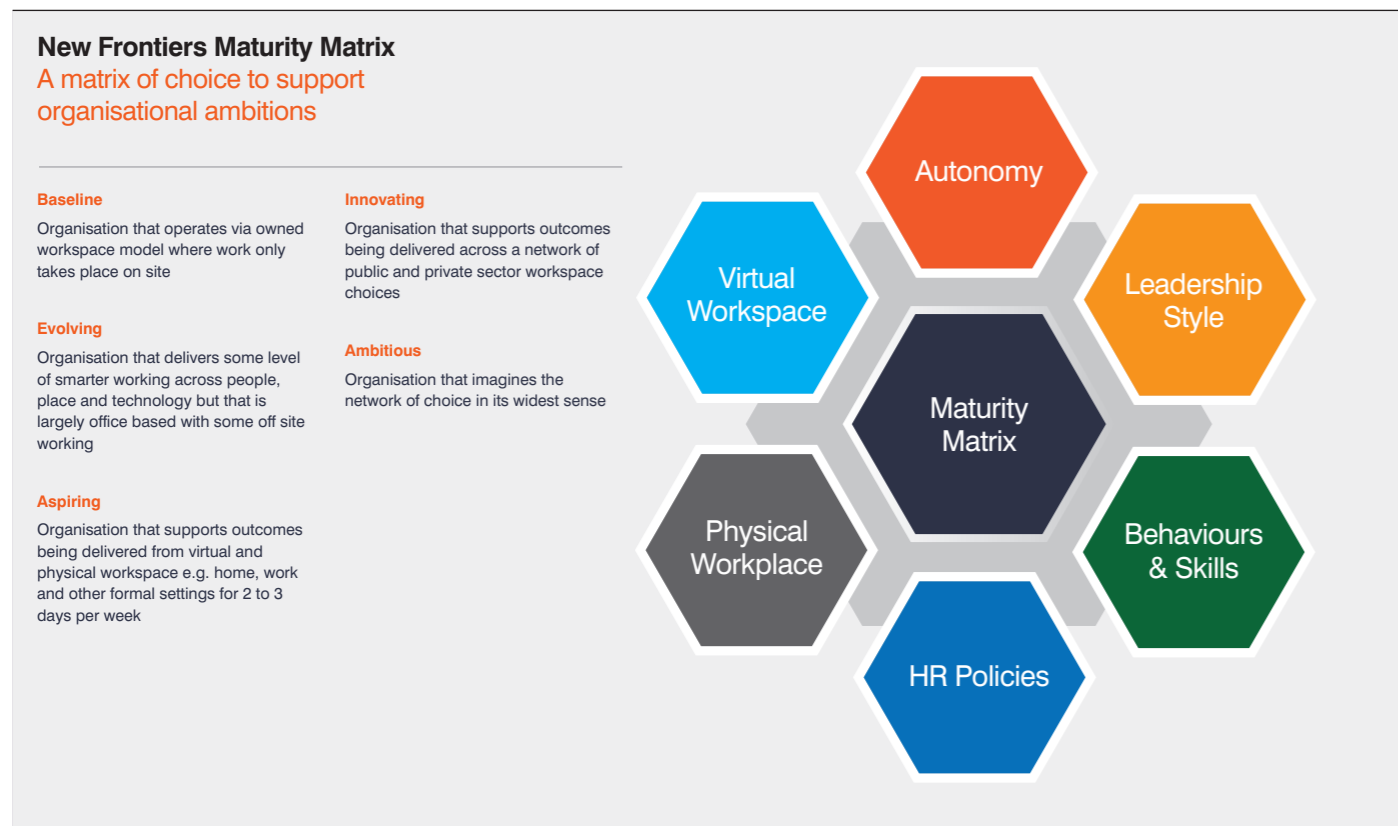


Figure D
New Frontiers for Smarter Working Maturity Matrix

Priorities for investment: Enablers

People

People are at the heart of this future way of working. A central element of this focus is a clear working definition for each person of how they work, their work style, place of work, relationships and technology access.

Placemaking

Placemaking is a key enabler of the future ambition. An organisation's space needs could support the creation of a network of interconnected hubs across rural, urban and suburban areas. These local hubs could support virtual meetings, local collaboration or even just individual work on the days when people are struggling with their home Wi-Fi or require a change of scene. Such a network could potentially utilise libraries and schools which are often located in the heart of communities. Concepts such as the 20 minute neighbourhood offer a framework for collaboration between organisations, public services, businesses and communities to create and sustain the quality of this distributed network.

IoT and Artificial Intelligence Solutions

IoT and Artificial Intelligence solutions are emerging that can help us understand how we use our workspaces and keep people safe within buildings in a non-obtrusive way. These connected technologies can enable a coherent structure bringing together the components of a distributed network of work. This includes digital booking systems with apps to book spaces in advance, check people's temperature before entering buildings, virtual keys to manage access.



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