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A DAY IN **THE OFFICE**

At the very start of the Covid-19 pandemic something rather remarkable happened. Despite towns and cities closing down virtually overnight, UK businesses and public services continued to run rather efficiently. It came as a complete surprise to many that the mass commute into the office was not actually essential. With the prospect of mass vaccination just around the corner, do we really need to go back to the office?

This 5-10 minute read takes a fresh look at the office in a digital world. It explains the three factors that need to be considered in a review of future office strategy and sets out five performance measures against which organisations can evaluate their chosen approach.

When offices stopped being about administration and processing

Think about what might have happened if Covid had emerged in 2004. While many businesses have lost income because they can't trade, few have gone out of business because their office is off limits. In 2004 it would have been different. The office was still the place where the 'business of business' happened. Without people working in offices, orders could not have been fulfilled, customers could not have been contacted, invoices would have remained unpaid.

But over the past 15 years we have created a digital infrastructure in the UK that has led to widespread automation of admin and simple processes. And much of what is left can be done wherever there is wi-fi signal.

Saving organisations operating capability in the event of a pandemic was not the primary reason for digital investment. Organisations adopted digital solutions to lower their costs, improve their efficiency and extend their reach. Digital solutions need fewer people doing the admin and so, well before Covid-19, the number of office jobs was already in decline. Perhaps Covid-19's most enduring legacy will be to have accelerated our journey towards a new way of doing business.

With this in mind, when we think about the future of offices, we also need to think about what role office workers will play in organisations if the admin is done by technology. The choice of office strategy is not simply an operational issue, but is also directly influenced by our expectations on the future value of people to organisations.

Future office strategy – decision factors; measures of performance

Factor: **Economic, social and environmental**

Office space is expensive. If we don't have so much of it then the potential operational savings can be very attractive. Offices also cost office workers. It takes time to commute to the office, and costs money in travel, office clothes and lunches. The third cost is to the environment. The daily commute needs a costly peak transport infrastructure, all of which increases carbon emissions, reduces clean air and affects green space.

Performance Measure: **The costs of maintaining, and travelling to, offices**

Balanced against the cost of offices are the economic and social costs of not commuting. Every pound saved by office workers is a pound lost to businesses that make their living from the commute. Rail and road infrastructures, clothing stores, cafés, pubs and sandwich bars all make their living because people work in offices. We have seen how online retail has affected our towns and cities and so we have a pretty good idea how a shift to remote working will affect the urban economy.

Performance Measure: **Organisational impact on the community and economy**

Future office strategy – decision factors; measures of performance

Factor: Productivity and wellbeing – maintaining wealth and health

Offices are inherently poor places to optimise productivity. In fact, there is some evidence that in many organisations, productivity has actually improved during lockdown. People have used the time they would have spent standing on platforms or sitting in traffic to good effect. Take out the time needed to walk between meetings, to catch up with colleagues while making coffee – in other words the day to day mechanics of being with other people - and we produce more.

Performance Measure: Operational productivity

But productivity gains from remote working come at a price. While working from home may bring economic and productivity benefits, it also has the potential to reduce the quality of life for many. We have a deep biological and cultural need to be with others. We perform at our best when we have a common purpose. Over the pandemic we have seen how a lack of social and human contact has affected people's mental health and well-being. If we don't have the office, how will we meet this most basic of needs?

Performance Measure: Employee energy and health

Future office strategy – decision factors; measures of performance

Factor: People contribution

Many UK organisations believed that their transformation was complete when they took people out of processes and replaced them with a digital infrastructure. While digital has improved operational efficiency and potential to scale, many organisations still approach their people management using the same scientific management principles established by Frederick Taylor in 1911. As the role of people has changed, so organisations need to think about what we want from people and how we can best get it.

In the 21st century, organisations don't need people who are able to perform, complex tasks quickly and expertly – we have digital to do that. Instead, people need to be creative, adaptive and collaborative to respond to rapidly changing and complex positions in ways that harness the expertise and energy of colleagues, customers, partners and suppliers. The best 21st century leader will have the ability to create the conditions where this happens most quickly and sustainably. Office space needs to nurture and feed this new role for people in organisations.

Performance Measure: Employee added value

Organisations that combine and integrate all three factors into their organisation design will get best value not only from their offices, but from their people. Perhaps the most immediate challenge will be to consider all these elements when building the workplace of the future.

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