



CREDIBLE THINKING

# IS FLEXIBLE WORKING HERE TO STAY?



WRITTEN BY

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Staying Safe at Home. Staying Open for Business.

For many, this extended period of home working has been a voyage of self-discovery, self-motivation and for those with families, required a new level of compromise and balance. For employers it's been a nerve wracking few weeks, as IT systems are tested to the max along with working disciplines. Hopefully for most, the transition has been as painless as DTRE's own. For the main part, it appears staff have remained motivated, which is something which we can learn from.

The arrival of Generation Z and the wider 'Millennial' group into the workforce has seen a change in working behaviour over the last 5+ years. These younger employees are more likely than older generations to be geographically footloose and show less corporate loyalty. Coinciding with a period of full employment in the South East, occupiers have turned to their real estate for help in the battle for the best people. This has led to a notable change

in the approach of occupiers to acquiring new office buildings. HR directors are now frequently the most influential person on an initial tour of options. Landlords have felt the change directly, as occupiers become more demanding of their buildings and the amenities on offer. Expectations from occupiers about what should be provided by a Landlord continue to rise as they seek that competitive advantage over their rivals. Occupiers have become more like guests, Landlords more akin to hoteliers, an idea that was pioneered twenty years ago by Enjoy-Work at Chiswick Park.

With younger staff increasingly finding themselves needing to live further out of town, facing longer commutes, and workers of all ages placing an increasing importance on work-life balance, offering staff the ability to work a day a week from home could be extremely attractive. COVID-19 has provided employers with an opportunity to see how such a strategy might work. Whilst for some businesses, it may not be practical, for many, I would suggest, it's been a surprising success, and may become the next weapon in the recruitment armoury. Cloud technology and easy to use video conferencing, means there is no reason that employees cannot be as, if not, even more, productive working from home as they are in the office. Indeed, sometimes, the lack of hustle and bustle, noise and distractions can be beneficial.

Going one step further, Microsoft Japan last year trialled a 4-day working week for a month without decreasing pay, for its entire 2,300-person workforce. They found that

productivity rose by an incredible 40%, whilst meetings became more efficient and staff happier. Electricity use decreased by 23%, whilst staff printed 59% fewer pages.

At the time of writing, Jes Staley (CEO of Barclays) has been reported as saying that big, expensive city offices may be a thing of the past, whilst a senior contact at an investment bank has said the same to me directly. They've been surprised at how well people are working from home and may now look at reducing the footprint of their offices to account for increased flexibility.

But, and it's a big but, reports of the end of the office are premature. We all enjoy the office, the collaboration, teamwork and the face to face interactions, which are incredibly important for our mental health as well as the health of our working relationships. As we wait to understand what the exit from lockdown will look like, one thing is certain, an overnight, wholesale return to what we previously knew, is unlikely until a vaccine for COVID-19 is developed. Flexible working is likely to carry on in some form for a considerable time, and it just might lead to a longer term, more structural shift in the UK employment market, with an ongoing impact on future office space requirements.

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