

A woman with long brown hair, wearing a black blazer over a grey turtleneck, is seated on a green upholstered sofa in a modern office environment. She is focused on a silver laptop placed on a round wooden table in front of her. On the table, there is also a glass of water and a glass carafe. The background features large windows with sheer white curtains, allowing natural light to fill the space. A large green plant is visible in the upper right corner. The overall atmosphere is professional and contemporary.

Liberated Work

Taking a long-term lens on the
future of corporate workplaces.

A report by



2022



Executive Summary

Where, when and how we should work are certainly not new questions. But with COVID-19 emptying offices all over the globe, a new answer may be on the horizon.

Produced by Hub Australia, the country's first and best provider of premium hospitality-led flexible workplaces, in collaboration with WORKTECH Academy, Liberated Work draws on interviews with global workplace experts and a survey of 500 corporate employees, to explore the evolution of work. The report reinforces that traditional offices were only ever a 'one size fits all' solution to the endless

complexity of work – and as such, always destined for failure. And while hybrid work – which sits on a spectrum between working from home and the office – is a step in the right direction, the process of unshackling work from place certainly will not stop there. Join us as we examine the concept of liberated work, and what it just might mean for the future of real estate.

Unshackling *work from place*

To get work done, you once had to go somewhere. 'Doing your job,' for certain industries at least, meant turning up to an office five days a week, for a regimented eight hours a day.

Companies accordingly competed for CBD office space all over the world, while their staff members committed to hefty commutes and squeezed into cubicles, and the cities' skylines grew ever higher. It was only during the IT boom of the 1990s that this conventional wisdom began to show signs of strain. With recognition growing that a great many jobs involve tasks that are best done in locations other than an office, underutilised office space was an already major phenomenon in

2010, when Hub Australia's first Liberated Work report was released. In the decade that followed its publication, desks, offices and other types of formal workspaces tended to be occupied only about 42%* of the time. It took a worldwide, once-in-a-century pandemic to finally turn traditional workplaces on their head. COVID-19 forced companies all over the world to road-test working from home as a standard practice for all knowledge workers. And here's the thing: it worked pretty well. Thanks

to ubiquitous internet connections and collaborative tools such as Zoom, Slack and Teams, many people found that they could work perfectly well from the comfort of their kitchen table. It even caused the rise of asynchronous working hours, where people organised their time around the completion of tasks, rather than to a certain scheduled time. As CommBank's HR Manager Sian Lewis said 'COVID-19 busted the myth people needed to be congregated in an office to get great things done'.

Liberated Work Survey

55% of workers said hybrid work has benefitted their work-life balance, while 38% said they were more productive.

Liberated Work Survey

53% of workers would forego a pay increase to work flexible hours.

* Source: [aecom.com/without-limits/article/making-empty-buildings-work/](https://www.aecom.com/without-limits/article/making-empty-buildings-work/)



Case Study with Samantha Huddle

General Manager, Great Place to Work
in Australia and New Zealand

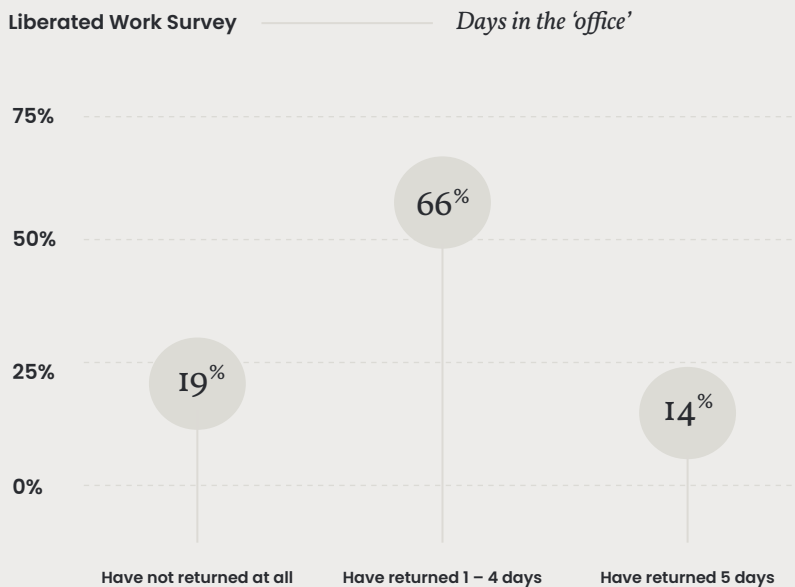
Hybrid work is not about ‘working from home’, it’s about a culture of care, empathy and wellbeing.

Employees are expecting values, not just value. Digital agility and innovation were priorities before the pandemic, but now it is clear that a physical employee experience is another key driver to business success – and that means generating a culture that people want to be a part of. Flexible working practices will form a big part of creating strong values, but formal, mindful systems with a strong feedback mechanism are needed to properly recognise people working in both a physical and digital space – all while ensuring they’re having fun too. Questions of access

should always be kept front of mind, so companies might want to think about organising regular drop-in times with senior executives, or town hall meetings with cameras on. But above all else, flexible work means checking in on employee’s welfare in more proactive, mindful and comprehensive ways. In recognition of the different ways in which workplaces are now defined and the shift to hybrid work, Great Place to Work® has updated its mission from “Helping organisations become a great places to work for all” to “Helping every place become a great place to work for all”.

Work's new landscape: *is hybrid here to stay?*

With the majority of Australia vaccinated and government restrictions easing, the era of full-time 'work from home' drew to a close in early 2022.



Only 9% of respondents claim their company has implemented policies on hybrid work conditions. The popular company hybrid work policies included: flexible work hours (33%), minimum number of days in the office per week or month (32%), and flexible days with a booking system to go into the office (28%).

So, why are companies planning or demanding a full-time return to the office so noticeably thin on the ground? The reason is simple: people power. Many workers have enjoyed being spared the daily commutes and the opportunity to juggle their jobs with their personal life. And they don't want to return to the past.

Only 21% of respondents see themselves returning to a traditional full-time office environment, while global surveys show 56% would consider switching employers if increased flexibility isn't an option. Having employees who work away from the office can often mean better recruitment and retention, along with improved

productivity. Distributed working also enables companies to access a global talent pool, as prospective employees no longer need to live locally. And, of course, a long-term reduction in space requirements could mean reduced overheads from rent to electricity and office supplies.



Case Study with Hilary Green

Director of Change Management, Scotiabank, Canada

Scotiabank's future of work team, in collaboration with senior leadership created flexibility guidelines for all roles at the Bank which outlined how often they can expect to be at the office according to their activities. There are few employees who work solely from home – and those who work fully onsite. While not prescriptive, the guidelines have created an insightful way to assess role types and their workplace needs into the future.

There are aspects of physically being together with colleagues that are hard to replace with technology. So, to build good virtual working relationships, everyone just has to work a little bit harder – leaders most of all. A lot of the success

of hybrid work practices at a company will come from the care, thought and time put in by those at the top. One of the core challenges as a leader of a hybrid workforce is that you have to be constantly conscious of the need to keep digital

channels open and ensure that everyone in your team enjoys the same access. But in many ways, this is the sort of thing that you should have been conscious of already. If your culture is bad whilst hybrid working, then it probably wasn't that strong to begin with.

Bursting hybrid work's bubble

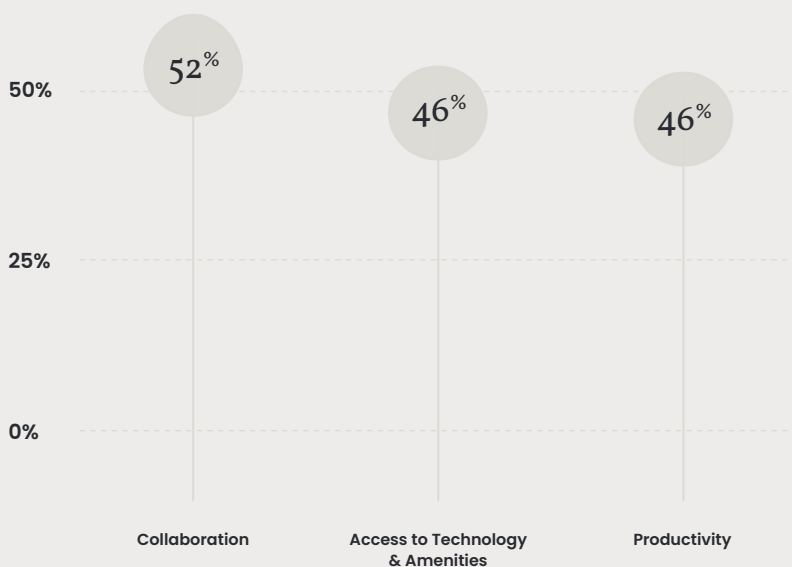
While hybrid work may seem like an effective solution to modern work, it also comes with several issues of its own.

Managing a hybrid office can often times be incredibly complicated. While many forms of virtual collaboration have been working well, there are plenty more which patently haven't. While 38% of survey respondents claimed they are more productive practicing hybrid work, this leaves more than half feeling either less productive or the same as before. Company culture has often suffered, or at least remained stagnant among

many businesses. According to McKinsey, compulsory work-from-home comes with a risk of losing the sense of belonging, common purpose and shared identity that inspires employees to do their best work. Graduates who have never been organically exposed to the ways of the workplace may be especially vulnerable. Research from Gallup, meanwhile, suggests that employees are 10% less likely to feel cared for or recognised in a virtual

environment, and 5% less likely to feel that their opinions count. In other words, a mixed model can entrench a divide between those in the office and those at home and potentially magnify the already pronounced gender gap, as women often take on more home-based caring responsibilities. The people who are able to spend more time in the office tend to end up getting more respect, more mentorship and more opportunities to grow their careers.

Liberated Work Survey — Reasons for returning to the office



Liberated Work Survey

23% of employees 'never' feel connected to the workplace when they work virtually.

When asked for reasons why they are returning to the office, more than half respondents claim it was because they wanted to collaborate with their colleagues. Closely behind collaborating with colleagues was access to technology and amenities, and because they felt more productive in the office.



Case Study with Belinda Hansen
HR Director of Amgen Australia

Having our property lease expire in 2021 allowed us to do something different – making us one of the first in the pharmaceutical industry to move into a flexible workspace.

People think that you lose culture without a traditional office, but actually if you have a good culture to start with and are prepared to think hard about how to maintain it, everyone in the organisation is really able to thrive. At Amgen, we have created a strategy around a flex

model called 'Work Empowered', which is complemented by our corporate office at Hub Wynyard. The model helps employees feel empowered to choose where and how they work. As a starting point, our leaders need to understand the diversity in each of our teams and then discuss

which meetings are better done remotely or face-to-face. Our guiding principles are flexibility, diversity, striking a balance, talent and engagement, open mindset (testing and learning), and maintaining a culture. Basically, it means supporting people to make good choices.

Embracing *Liberated Work*

Full-time office work was a ‘one-size-fits-all’ solution to the endless complexity of work and life – and as such, it was always destined for failure.

But hybrid is in danger of becoming just a ‘two size fits all’ solution. And as such, it’s not that much better. Constantly switching between either ‘working at home’ or ‘working in the office’ is never going to fit every bill. Hybrid work is just a stepping stone to a more advanced and permanent version of flexible work

– a form that will see workers equipped with everything they need to work anywhere, and in any way they see fit. Liberated Work is not just the freedom to choose between working from home or the office. It is the freedom to make an empowered choice with where, when, and how you work. This certainly doesn’t

just mean a laissez-faire freedom that leaves employees to sink or swim. On the contrary, it means employers investing in HR resources, technology and real estate so they can recognise and actively respond to the individual requirements and circumstances of all employees.



Liberated Work Survey

When employees were asked where they see themselves working in the next 10 years, 58% said they expect to be working in a hybrid way across multiple different locations.

This suggests that there will be a need for offices and a plethora of other workspaces available in the next 10 years.



Liberated work requires investing in the right equipment and tools, so that different employees can work together in the same space, even when they're miles apart.

It requires investing in policies, programs and safety nets which safeguard mental health. It requires an extra effort to nurture a common culture, foster employee engagement, support remote workers and onboard new hires. But above all else, liberated work means investing in the ability of workers to be the best judge of how they best work. Where employees have previously been provided fixed perks like company cars and phones, evolved financial

allowance bundles may now be the best way to give employees the flexibility of choice – and a 'perk' of the future will likely be choice of company workspace. Employees are likely to seek a broad network of workspaces that are specifically designed to suit them, inevitably going beyond the binary options of working from 'home' or the 'office'. We will see regular workspaces set up in shopping centres, libraries and parks, collaboration and innovation

hubs, education spaces, hotels, holiday houses, cafés, conference centres and shops. We will also see many 'liberated workers' choosing to use their work allowance to get together with friends or neighbours and access a flexible space somewhere close to their homes. A recent study by Stanford University found that productivity gains nearly doubled when employees had a choice to where they worked (as compared to productivity gains from remote working).





Case Study with Tica Masuku
Human Geographer and Workplace
Strategy Manager, Charter Hall

I certainly don't think that CBD offices are on the way out, but the way they look and the way they're used is changing.

For many, offices today hold a different kind of value than they did before the pandemic. Workers want to engage with their colleagues, to get out of the confinements of home and to enjoy the social and commercial offerings of CBDs. There's also an increased demand for tailored and high-quality office spaces

and our tenant customers are seeking amenities that are highly sought by employees such as wellness areas, end-of-trip facilities, additional meeting rooms and modernised coworking arrangements. But whatever the CBD of the future looks like, I'm sure that it will be full of memorable, meaningful places that

will help people to get the most that they can out of work – and, in doing so, get the most out of life. At Charter Hall, our success is underpinned by our deep relationships with our tenant customers. We are agile and responsive and by understanding our customers' ongoing and changing needs, we are driving mutual success.



The office is dead: *long live the office*

Liberated Work Survey

Interestingly, a fifth of respondents believe the office will either become obsolete in the next decade. Another 21% are not sure if hybrid trends will last.

The future of work is a long-term logistical challenge – and determining the role physical real estate will play is an essential next step. As property leases expire over the coming years, organisations everywhere, such as corporates, government agencies and not-for-profits, will be re-examining how and why they use their current workspace and aspiring to do something different.

A consistent and physical anchor point will still be required in some form, so employees have a space to meet, bond, collaborate, professionally develop and foster company culture. But how such spaces look, feel and are offered by organisations is rapidly evolving.

‘The pandemic has accelerated the move towards genuinely people-focused design. This means designing workspaces that accommodate the needs of each and every person rather than considering office workers as a herd.’ – SAS International’s Roderick Altman.

People-focused design will reduce the amount of room allocated to desks and replace it with collaborative breakout rooms, media studios, parents rooms, libraries and quiet zones, as well as

wellness spaces and end-of-trip facilities.

These amenities will also be integrated with the latest technology, advanced health and hygiene and comforts that incentivise people to attend. It offers a blend of technology, space and high standards of hospitality-led service. But how can corporates build, buy or rent such state-of-the-art workspaces in a convenient, easily adaptable and low-risk way? Much of the answer can be found in Space-as-a-Service (SaaS).

The biggest implication for global corporate real estate will be an exponential growth in flexible leasing and general demand for space-as-a-service, including coworking and Smart Work Hubs.

meeting demand of the modern worker in a cost and time-effective manner. For corporates, ‘hub-and-spoke’ arrangements using flexible workspace will accommodate workers looking for multiple workspaces throughout the week, according to their own work and personal priorities.

Commercial landlords fear office leasing demand will shrink in the face of hybrid work. But as the future of work evolves, they too must consider how planning for flexible workspace could attract and retain large corporate tenants into the future.

Research from Savills found that ‘demand for flexible offices is expected to recover in excess of 10% of overall UK office demand in 2022’ as a result of increased appetite within the sector.

Hospitality-first service providers that can expertly create advanced, premium, and future-focused workspaces that address health and wellness will be essential to



Case Study with David Cairns
Senior VP, Office Leasing, CBRE

Established and smaller companies are looking to downsize traditionally leased offices where possible and replace them with flexible space partnerships.

There will undoubtedly be a ripple effect from this change in direction within the decade and beyond, and it stands to negatively impact landlords and buildings that don't offer what customers want – flexible lease terms and a service/hospitality partner to foster the types of experiences the knowledge workforce of today is looking for.

None of this is new but has been greatly accelerated by the pandemic. Pre-pandemic, the big brokerage firms were predicting that as much as 30 percent of office inventory in major markets around the world would be converted to some kind of SPaaS offering by 2030. Is this now conservative? An enterprise survey

from CBRE suggests it could be... In June 2020, 73% of the respondents polled said SPaaS will play "some kind of role" while 23% said a "significant role".

By September, these percentages had only increased! This recalibration of space requirements stands to help larger firms 'right size' the scope of their portfolios, better align lease lengths with business objectives, create better experiences for employees and bring the office to employees, not necessarily the other way around.

But with most cities only having anywhere from 0-5% of their office inventory offered as SPaaS, it's clear

to all stakeholders that there is a stark mismatch of supply and demand. The pandemic has been a blessing in this sense as most landlords considered SPaaS an afterthought at best but now understand that it must be part of their lease up and retention strategy going forward.

It's important for office landlords and companies to 'move where the puck is headed' because the pandemic has made it clear that remote work is the preferred option for the majority of workers. Why? Because COVID has shown us that there is no office 'amenity' more valuable than the choice to go there or not.



What's *next* for the world of flex?

Work has moved from a place to a process. And with the rise of omnichannel workers amid the pandemic, the future of the flex office market looks bright.

Gone are the days where coworking and flexible workspaces were only of interest to small businesses and startups. In this new paradigm, the importance of creating meaningful physical encounters and seamless experiences is greater than ever before.

For large occupiers looking to shrink overheads, diversify their real estate strategies, and offer staff more choice, flexible work has become a convenient and low-risk way to engage employees, recruit from a wider talent pool and

ultimately increase efficiency and productivity. As flexible workspace demands increase, providers like Hub Australia will pivot towards working partnerships with property developers, owners and managers.

Ultimately, we believe landlords will want to retain relationships with their tenants and will be forced to provide more commercial office on flexible terms and with a service layer that they are simply not setup to deliver. As such, landlords will become a critical client for flexible

workspace services. Landlords wishing to remain relevant to their customers – the end users of the mixture of spaces offered – will also seek out management agreements and hybrid leases from providers, challenging the status quo in a 'traditional' commercial property industry and bringing benefits for both parties.

And as a consistent core focus, they'll be dedicated to meeting the ever-increasing demands from corporate employees for flexibility, amenity and hospitality-led service in their workspaces.



Liberated Work

A report by



Taking a long-term lens on the future of corporate workplaces.

Hub Australia

Founded in 2011, Hub is Australia's largest privately-owned flexible workspace operator, providing premium workspace solutions to businesses and landlords to help people love where they work. With locations in Sydney, Melbourne, Brisbane, Canberra, and Adelaide, Hub's beautifully designed serviced workspaces are used by hundreds of businesses to capture and retain the best talent, with a diverse range of amenities and benefits for thousands of members.

For further details, please visit
hubaustralia.com

WORKTECH Academy

WORKTECH Academy is the world's leading knowledge platform and membership club exploring how we'll work tomorrow. The Academy's content on the future of work and workplace is curated in six streams: people, place, technology, culture, design and innovation. It brings evidence, ideas and insights from its extensive membership base to a global community of workplace professionals.

For further details, please visit
worktechacademy.com

Research Note

Hub Australia and Worktech's Liberated Work report is based on a national survey of 500 Australian knowledge workers that are employed in an organisation with over 100 staff. The survey was conducted in February 2022 with fieldwork by Pollfish and qualitative interviews with industry experts conducted by Worktech.