

As organizations revive onsite work, they must reimagine, repurpose, and reinvigorate their office locations, creating physical workplaces that interconnect seamlessly with digital workspaces to enable a culture of collaboration.

## Reimagining Office Environments for a Flexible Future of Work

August 2023

**Questions posed by:** Cisco

**Answers by:** Amy Loomis, Ph.D., Research Vice President, Future of Work, and Anu Mehta, Senior Research Analyst, Future of Work

### Q. How has the purpose of the office evolved?

**A.** Traditionally, offices were simply where people got work done. Their value was based on the efficiency with which teams could be clustered together while offering individuals personal environments to work productively. Then came the era of open offices as places to build a work community, ensuring that employees could better identify with their place of work both socially and professionally.

In the past few years, organizations struggled to define offices as more than places to conduct productive work. Many studies have shown that employees can be just as or even more productive working remotely. However, reestablishing the office as a space for in-person collaboration, innovation, and community building resonates with organizational leaders and the workforce.

The key to expanding an office's purpose is to make sure that it can evolve beyond industrial-era notions of assembly line productivity, in which attendance equals action. Occupancy is one of many measures ensuring that the office is not simply housing workers but providing value to the business. At their full potential, reinvented offices can become instrumented environments for incubating ideas. They can be an environment designed to build communities across physical and digital spaces. They can unite employees who are onsite with those who are not.

To be effective, organizations must invest in the infrastructure, hardware, and software that lie at the heart of building community, innovation, and business results. Data from IDC's June 2023 *Global Future Enterprise and Resiliency Survey* shows that companies are investing in areas of work transformation such as generative artificial intelligence (AI), cloud migration, and reimagined office spaces to bring employees into the office.

In detail:

- » 39% of the organizations highlighted their investments in generative AI tools such as ChatGPT and Bard.
- » 35% of the organizations focused on a continued shift toward cloud-based and connectivity devices, applications, and services.
- » 33% of the organizations indicated that the increased instrumentation, interconnection, and intelligence of physical workplaces will be one of the most enduring technological changes in 2023 and 2024.
- » 31% of organizations reported that intelligent digital workspaces will be an expected way of working across locations, time zones, and devices.

## Q. What are the key market drivers for worksite redesign initiatives?

**A.** In IDC's June 2023 *Global Future Enterprise and Resiliency Survey*, 60% of organizations reported that their workforce had returned to the office. As a result, they are rightsizing their real estate needs by investing in worksite redesign initiatives, renovating and expanding space, and evaluating buying/leasing space options.

Top-line growth is driving companies to focus on worksite redesign. Top business drivers for such initiatives include increased employee attraction (41%), improved collaboration and company culture (40%), space optimization and management (36%), revenue growth (34%), environmental sustainability concerns (27%), and needed facility upgrades (26%), according to IDC's April 2023 *Global Future of Work Survey*.

Organizations will rely on automation, collaboration, and space planning technologies to drive employee productivity onsite through 2023 and into 2024. Space planning technologies such as desk booking, room booking, workplace analytics tools, and sensors help in rightsizing office spaces and reducing the carbon footprint. Measuring space occupancy and utilization through a wide range of technologies and integrations with Internet of Things (IoT) sensors will help minimize office costs and enhance energy efficiency.

Strategically, these drivers need to reconcile with the most effective worksite design approaches. Without analytics-based insight into redesign requirements, organizations will run the risk of miscalculating space and usage requirements.

## Q. What are the top technological challenges in creating a flexible work environment?

**A.** Organizations must enable experience parity for remote and onsite workers, which is an integral part of navigating talent needs. Top investments in technical parity to improve the employee experience include videoconferencing solutions (39%), cloud-based office productivity suites (32%), team collaboration solutions (29%), real-time analytics for team performance (26%), low-code/no-code app development tools (18%), and enhanced audio/camera/monitor technologies (14%), according to IDC's April 2023 *Global Future of Work Survey*.

The most pressing concerns for implementing remote and hybrid work models are security and IT support for remote workers. Companies struggle to ensure security with organizational IP and provide visibility into endpoint management, the network, the cloud, and the development of zero trust environments. In the same survey, 44% of global organizations highlighted that security across endpoints, networks, and applications is a major concern and 43% reported that IT support for remote workers is a key challenge. Organizations also have concerns about technology standardization/parity across remote and onsite employees (40%), visibility into IT assets (35%), the management of multiple devices and operating systems (33%), and internet connectivity issues and home networks' reliability (32%).

Organizations also need to consider the timing of technology implementations. Companies that include analysis and planning technology in the initial design phase are more likely to see faster business results and avoid costly refitting or technology miscues.

## Q. How can smart buildings and office spaces enable better experiences for both employees and employers?

**A.** Investments in smart buildings have become a key priority, especially for business teams such as corporate real estate and facilities. Leaders worldwide are investing in smart building technologies to enhance occupancy in physical workplaces and ensure that they deliver value. In IDC's *Global Future of Work Survey*, some of the top technologies that organizations will prioritize in reimagining work facilities in 2023 and 2024 are:

- » Workflow automation such as reservation and room booking
- » Dedicated collaboration spaces and conference rooms
- » Office space planning and resourcing
- » Smart meeting/conference room management
- » Sustainability such as smart lighting, heating/cooling, and air quality
- » Sensor-activated doors, elevators, and lights

Leveraging technological analysis during the initial design phase can help achieve faster business results. For example, building automation that uses low-voltage DC power not only reduces operating and capital expenses during construction and operation but also enables facility managers to provide better services and amenities (such as adjusting the temperature to accommodate weather conditions). Smart technology can automate processes including security, lighting, air conditioning, and desk or room reservations. It can also provide real-time workplace behavior data to help organizations better understand space utilization to enhance both the employee experience and environmental sustainability.

Enhanced, instrumented spaces also offer facilities and real-estate teams better operational data. By integrating IT network data with previously siloed building systems intelligence, a single view of a building's systems and devices can be generated. Real estate and facility managers can use this integrated view to make more informed decisions, such as adjusting cleaning schedules based on occupancy and utilization.

While not explicitly on the radars of facility or real estate managers, employee experience is also a key factor in assessing risks and rewards. When the staff struggles to access cloud-based resources or find conference rooms for effective collaboration in the office, it compromises their faith in the physical office as a space for effective work practices.

## Q. What motivators drive employees to work onsite?

**A.** "Make the office a magnet rather than a mandate" is an expression that has resonated broadly. Organizational leaders announcing in-office policies have quickly learned that building a new office environment does not guarantee that employees will use the facilities effectively. We no longer live in a binary work world where employees are either onsite or remote. As facilities become more flexible for employees working across locations, the focus can return to getting the work done rather than where it gets done.

Organizational leaders need to create best practices that help shape when and why employees come to physical office spaces to work. Creating spaces that are technology enabled reflects the company's brand and culture. High-performance Wi-Fi and technically smooth meeting experiences encourage employees to come to the office. Establishing certain rituals can help employees feel connected and draw them to working onsite. These include regularly conducting company town halls, team lunches, and social time with colleagues. These approaches can be useful but are not the only keys to success.

According to IDC's June 2023 *Global Future Enterprise Resiliency and Spending Survey*, some of the biggest motivators for an organization's leadership to bring employees back to the office include:

- » Providing opportunities for employees, especially new hires, to get informal learning and in-person trainings (35%)
- » Improving collaboration and company culture (33%)
- » Enhancing employee productivity (31%)
- » Engaging with clients in person and growing relationships (30%)
- » Getting better access to tools and physical resources (29%)
- » Utilizing the real estate (17%)

This is the perspective of IT and business decision makers. IDC research from 2022 suggested that employees' priorities included rewards and recognition for their accomplishments, convenient work location, and work schedules conducive to personal and professional balance. They also want to feel empowered to make decisions, experience frequent and open communication from senior management, and have access to modern technology.

With the necessary organizational and technological resources, employees can be more productive, creative, and effective in supporting their colleagues and clients. These investments set the stage for a more inclusive work environment that attracts top talent and ensures retention at a time when competition for a highly skilled workforce is fierce.

## About the Analysts



### **Amy Loomis, Ph.D., Research Vice President, Future of Work**

Amy Loomis is research vice president for IDC's worldwide Future of Work market research service. In this role, Ms. Loomis covers the growing influence of technologies — such as artificial intelligence, data analytics, robotics, augmented and virtual reality, and intelligent process automation — in changing the nature of work. Her research looks at how these technologies influence workers' skills and behaviors, organizational culture, worker experience, and how the workspace itself is enabling the future enterprise.



### **Anu Mehta, Senior Research Analyst, Future of Work**

Anu Mehta is a senior research analyst in the worldwide Future of Work agenda program. She is focused on expanding the research portfolio around frontline workers, industry comparative assessments, physical workplaces and digital workspaces, and hybrid work maturity. She is responsible for supporting the Future of Work published research agenda, custom engagements, and regular client outreach.

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**IDC Research, Inc.**  
140 Kendrick Street  
Building B  
Needham, MA 02494  
T 508.872.8200  
F 508.935.4015  
Twitter @IDC  
[idc-insights-community.com](https://www.idc-insights-community.com)  
[www.idc.com](https://www.idc.com)

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