

Executive Summary

# Understanding the Evolving-Hybrid Workplace

 Kimball International

In partnership with:





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Workplaces are in flux. COVID-19 has had a significant impact on how corporate employees do work. Based on this, Kimball International seeks to understand how the role of the office is changing through the surveys/interviews of

“Users” and “Choosers” in both Higher Education and Commercial sectors.

Our research is designed to address these topics in three specific categories:

## Workplace + Education

- Clarify types of work expected to be facilitated in office environments vs working from home: Collaboration, Socialization, Meetings, Heads Down Work
- Understand how the office footprint will change
- Establish the role satellite offices will play in the new workplace
- Determine the role health and wellness will play when designing/re-designing spaces

## Stakeholders

- Evaluate how current stakeholders view the evolving workplace
- Understand if Users/Choosers will influence dynamics of furniture buying process
- Explore employee expectations of workplace environment
- Determine which metrics matter when evaluating employee satisfaction in the new workplace environment

## Product

- Understand product usage and any related compensatory behaviors post COVID-19
- Recognize new perceptions of quality/performance
- Create hypothesis on purchase drivers of brand/product selection
- Identify potential innovation opportunities
- Audit gaps in product portfolio created by new influences due to the pandemic

# 02

## Tremendous Uncertainty

The volatility of the past 12 months has created tremendous uncertainty, with previous decisions on return-to-the-office continuously undone and delayed. The uncertainty makes employers hesitant to put a stake in the ground on returning to work, with many waiting on vaccination trends

and return-to-school plans. Many employers wonder about the short- and long-term plans, with some not wanting to make a “pandemic decision” that will need to last post pandemic.

### Workplace Concerns

While employees have a clear desire for hybrid/flexible working, most employers are not asking for their opinion or wishes as they formulate plans.

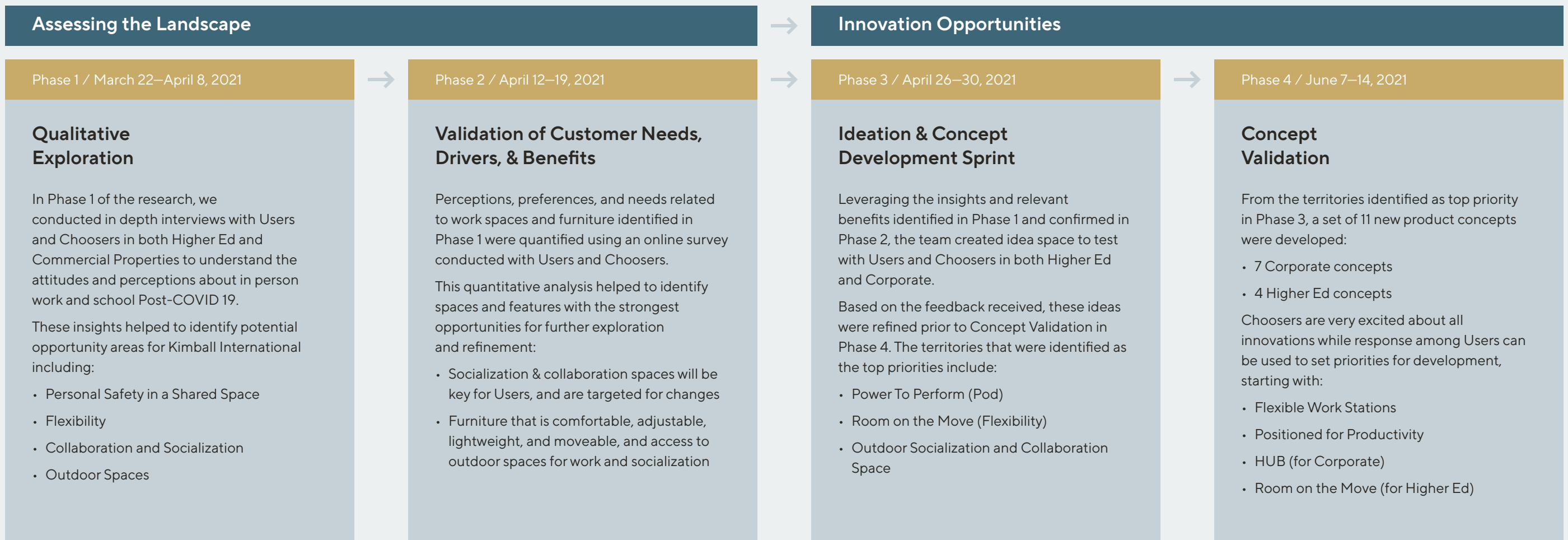
### Education Concerns

In Higher Education, students have been asked for input on return-to-school plans, but many do not feel the administration is listening.

In an aim to have flexibility in decisions, sectors are thinking about short- and longer-term planning.

Timing	Previous 12 Months through the Next 2-3 Months	The Next 6-9 Months	~2-3 Years
<b>Goal</b>	<ul style="list-style-type: none"> <li>Keep the lights on and remain flexible</li> </ul>	<ul style="list-style-type: none"> <li>Slowly get back to normal and be ready for more change</li> </ul>	<ul style="list-style-type: none"> <li>A stable future office</li> </ul>
<b>Mindset</b>	<ul style="list-style-type: none"> <li>Manage risk for employees and the business</li> </ul>	<ul style="list-style-type: none"> <li>Ensure that decisions made today can be easily altered or undone</li> </ul>	<ul style="list-style-type: none"> <li>Think about what we want our office space to do and stand for</li> </ul>
<b>Decisions Drivers</b>	<ul style="list-style-type: none"> <li>Hedge bets</li> <li>Use what we have</li> </ul>	<ul style="list-style-type: none"> <li>No permanent changes</li> <li>Use what we have and continue to adapt</li> </ul>	<ul style="list-style-type: none"> <li>The culture of the office</li> <li>Long term goals of the company</li> <li>Role of the office in hiring and retention</li> </ul>
<b>Activities</b>	<ul style="list-style-type: none"> <li>Don't spend</li> <li>Pull furniture for storage</li> <li>Use signage to encourage distancing</li> <li>De-densify and keep most employees at home</li> </ul>	<ul style="list-style-type: none"> <li>Reduce leased space</li> <li>Manage costs closely</li> <li>Determine essential work to happen in office or at home</li> <li>Explore different work models (hybrid, cowork space, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Strategic planning on the role of the office</li> <li>Surveying types of work, employee preferences, and financial implications</li> </ul>

“Understanding the Evolving-Hybrid Workplace” was conducted in four phases. The first two were mainly focused on “assessing the landscape” and the remaining two highlighted innovation and design opportunities.



## 04

## Qualitative Exploration

In Phase 1 of the research, we conducted 54 in depth interviews with Users and Choosers in both Higher Ed, Commercial Properties, and Coworking spaces to understand the attitudes and perceptions about in person work and school Post-COVID 19.

Across interviews, we ensured a mix of geographies including major markets and smaller cities, as well as West Coast, East Coast, and Midwest representation. Respondents also represent a wide range of ages, ensuring generational representation.



## Phase 1 Insights

This quantitative analysis helped to identify spaces and features with the strongest opportunities for further exploration and refinement.

- 1 As return-to-office scenarios are evaluated, employees see risk to their personal safety in this plan.
- 2 Flexibility is the key to long term success for Choosers and Users across both Higher Education and Commercial Properties. Power is a key pain point that can support the need for flexibility.
- 3 The need for socialization and collaboration is a key driver in return-to-office plans. Companies are seeking to provide these spaces for employees to reconnect in both formal and informal ways.
- 4 Outdoor spaces are a much-loved amenity, but not a practical build out as they are used temporarily and highly weather dependent.

## 05

## Validation of Customer Needs, Drivers, & Benefits

Perceptions, preferences, and needs related to work spaces and furniture identified in Phase 1 were quantified using an online survey conducted with 300 Users and 150 Choosers.

This quantitative analysis helped to identify spaces and features with the strongest opportunities for further exploration and refinement.

### Users

Include product end-users and consumers, targeting those currently employed in a corporate office role or higher education

### Choosers

Include individuals in a corporate office capacity or higher education relating to A&D, sourcing, procurement, facilities or property management, and human resources

### Anticipations of the Office

**33%** of employers predict a hybrid situation where they split time between company offices, coworking space, and remote locations

**50%** of employers anticipate offices to be reconfigured or changed over the next year

**33%** of employers say that the pandemic has created a need for new furniture in their offices

**40%** of employers say that price and durability are most influential when it comes to purchasing decisions

### What's Missing

Based on the learnings from our User/Chooser interviews, socialization with coworkers was deeply missed during the pandemic.

**60%** of employees feel that socialization and collaborative group work should be face-to-face

**66%** of employees feel that socialization and collaboration with co-workers are key aspects that are missing from office life

**33%** of employees feel the changed way of life has impacted relationships with coworkers

### Phase 2 Insights

This quantitative analysis helped to identify spaces and features with the strongest opportunities for further exploration and refinement.

- 1** Socialization & collaboration spaces will be key for Users, and are targeted for changes.
- 2** Furniture that is comfortable, adjustable, lightweight, and moveable, and access to outdoor spaces for work and socialization.



# 06

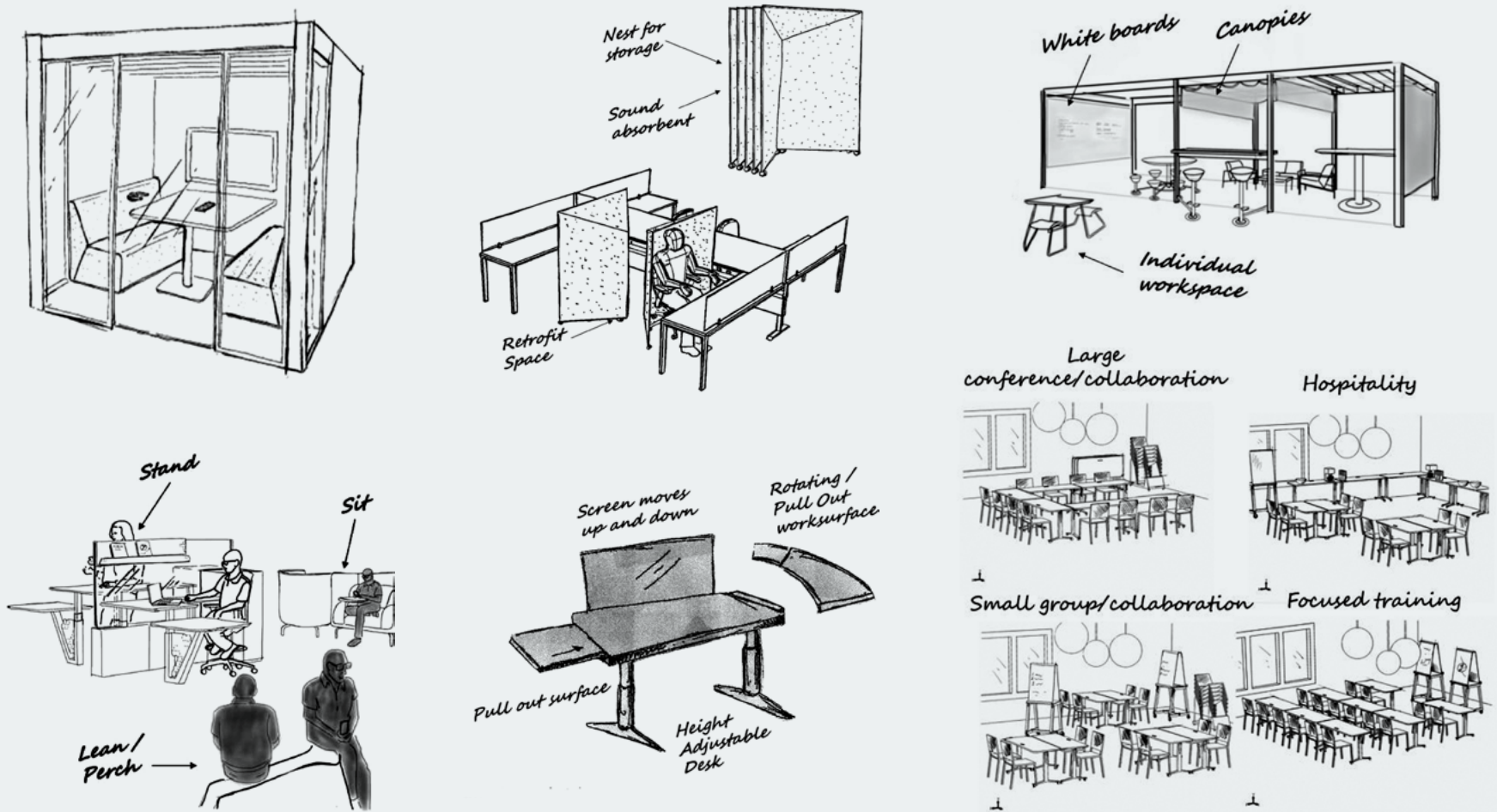
## Ideation & Concept Development Sprint

Leveraging the insights and relevant benefits identified in Phase 1 and confirmed in Phase 2, the team created concept space to test with Users and Choosers in both Higher Ed and Corporate.

Choosers included A&D and Facility Managers. 29 total interviews were conducted via in depth online discussions.

### “The Sprint”

Phase 3 kicked off with a team strategy session, where the following environments were identified for testing, refinement and additional testing, before being placed into quantitative.





## 06

# Ideation & Concept Development Sprint

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## Space Types Prioritized for Exploration:

- Power to Perform (Pod)
- Room on the Move (Flexibility)
- Outdoor Socialization + Collaborative Space

Territories	Commercial	Coworking	Higher Ed
Power to Perform / Pod / Studio / Zoom	Users & Choosers	Users & Choosers	Users & Choosers
Room on the Move / Evolving Classroom	Choosers	Users & Choosers	Users & Choosers
Outdoor	Users & Choosers	Users & Choosers	Users & Choosers
Positioned for Productivity	Users & Choosers	Choosers	Users & Choosers
Flex to Work My Way	Users & Choosers		
Quieter Workspace / Quietivity	Users & Choosers		Users
Help Employee, Student Thrive / Inspiring Common Spaces / HUB	Choosers		Users & Choosers
Emotional / Physical Comfort		Users & Choosers	
Mobile Workstation	Users		
Clean Workspaces / Learning Space		Choosers	Users & Choosers

## 06

# Ideation & Concept Development Sprint



## Phase 3 Insights

Across all concepts, some key considerations are consistent. No matter the territory, Users and Choosers comment on:

- 1 Need for low maintenance (not needing to be adjusted and reset throughout the day)
- 2 Flexible and mobile, but still feels secure
- 3 Minimal need for storage, which is not plentiful in any environment
- 4 Managing overall size – as square footage is reduced, space is a premium
- 5 Cable and technology management – how will wiring work or ideally visually disappear
- 6 Providing comfort, but still feeling professional and productive
- 7 Creating employee comfort with collaboration

# 07

## Employer vs. Employee Findings

### Concept Validation

Employers respond positively to most of the identified space types:

- Flexible Work Stations
- Positioned for Productivity
- Room on the Move (Higher Ed).

First priority for consideration of design should be given to those that also resonate best among Employees.

#### Phase 4 Insights

In Phase 4, we conducted 598 interviews (298 Employers and 300 Employees) to test and validate the potential of the new offerings developed during Phase 3. Seven Corporate ideas and four Higher Ed ideas were evaluated.

#### Phase 4: Methodology

Opportunity Score is a composite score, weighing together the four KPIs according to their importance in the decision process.

The key performance indicator from most to least important:

- 1. Seek Information:** Does the innovation motivate a call to action?
- 2. Liking:** Do people find the innovation appealing?
- 3. Need:** Does the innovation address a consumer need?
- 4. Uniqueness:** Does the innovation provide unique benefits?

Corporate	Opportunity Score	Employee Relevance Index	Seek Information	Liking	Uniqueness	Need
Flexible Work Stations	159	123	Medium	Best	Best	Best
Positioned for Productivity	168	118	Medium	Best	Best	Best
HUB	160	111	Medium	Best	Best	Best
Room on the Move	167	99	Medium	Best	Best	Best
Quietivity	163	72	Medium	Best	Best	Best
Outdoor Furniture	156	92	Medium	Best	Best	Medium
Studio / Privacy Pod	152	85	Medium	Best	Best	Medium
Higher Education						
Room on the Move	130	124	Medium	Medium	Best	Medium
Outdoor Furniture	116	99	Medium	Medium	Best	Medium
Studio / Privacy Pod	88	96	Medium	Worst	Best	Medium
HUB	115	81	Medium	Medium	Best	Medium

Opportunity Score Normative Tiering



Key Measures Normative Tiering





## 07

# Employer vs. Employee Findings

## Concept Validation

While Outdoor Furniture and Quietivity are among the strongest performing ideas among Employers, Employees find them less relevant and appealing vs. other offerings.



### Employee Concept KPI Summary – Top 2 Box %

Corporate	Employer Opp Score	Relevance 7 pt. scale	Liking 6 pt. scale	Uniqueness 7 pt. scale	Seek Information 5 pt. scale
Flexible Work Stations	159	32%	38%	40%	44%
Positioned for Productivity	168	31%	38%	40%	33%
HUB	160	29%	37%	38%	37%
Room on the Move	167	26%	35%	35%	31%
Quietivity	163	24%	33%	51%	30%
Outdoor Furniture	156	22%	30%	44%	32%
Studio / Privacy Pod	152	19%	31%	44%	28%
<b>Higher Education</b>					
Room on the Move	130	35%	43%	30%	34%
Outdoor Furniture	116	28%	41%	44%	36%
Studio / Privacy Pod	88	27%	39%	45%	35%
HUB	115	23%	35%	30%	28%

**Flexibility:**

- Works for multiple uses – a table that converts to bar height, or desks that combine to create a table for collaborative use
- Mobility – easy to move items so that a room can serve multiple purposes (a meeting room, a collaboration space, an event space, etc.)
- Ease of storing – ability to fold up furnishings and stack chairs allow for easier storage and more flexibility in room set up

**Durability:**

- Knowing manufacturers will provide support if issues arise is also a key priority in decision making.

“We know we need to better about furniture with durability. We accommodate a lot of humans in one space. Within a few months a conference table can be broken. We know we need better quality things that will last longer.”

Commercial Chooser,  
New York

**Power:**

- Power is a key pain point without a good solution that can marry flexibility needs.

“When you aren’t coming from a wall, it’s very expensive to pull cords through the floor. Companies won’t take that on until they understand the uses. We’re seeing mobile power caddies that can be brought into a soft seating meeting – put it down, looks more like a tube. You can plug it into the wall, and everyone can plug into that. It can go anywhere in the office. It’s not the prettiest, it’s not integrated or seamless, but it could give access to immediate technology the office may need.”

Commercial Chooser,  
Illinois

**Placement:**

- Moving furniture and thinking about placement in an intuitive way encourages socialization and provides cues of safety for employees, students, and guests.

“How can I get people closer, but still make people feel comfortable? People want to be social, but if they are anxious about it, they can’t do it in the same way. There is a way that we lay out the desks to help keep the distance consistent, but have it feel less awkward and remind you a little less about what’s going on.”

Commercial Chooser,  
Illinois





In “Understanding the Evolving-Hybrid Workplace” we learned how expectations and demands of the office have shifted during the pandemic. This study also documented the changing demands and unmet needs within Higher Education and Coworking spaces. Intentional workplace design that supports meaningful connections and considers Power, Placement, Durability, and Flexibility, is valuable to employees and employers. Collaboration and meeting areas are expected to receive more focus and attention in a post-COVID world across Commercial, Higher Education, and Coworking. Moving forward, Flexible Work Stations, Positioned for Productivity, and Room on the Move are in the spotlight for design. Offering a variety of space types to satisfy unmet user needs in turn creates “future-proof” solutions.



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