



Physical return and work reimagined study

Executive summary

August 2020



Introduction and agenda

Introduction and purpose of this analysis

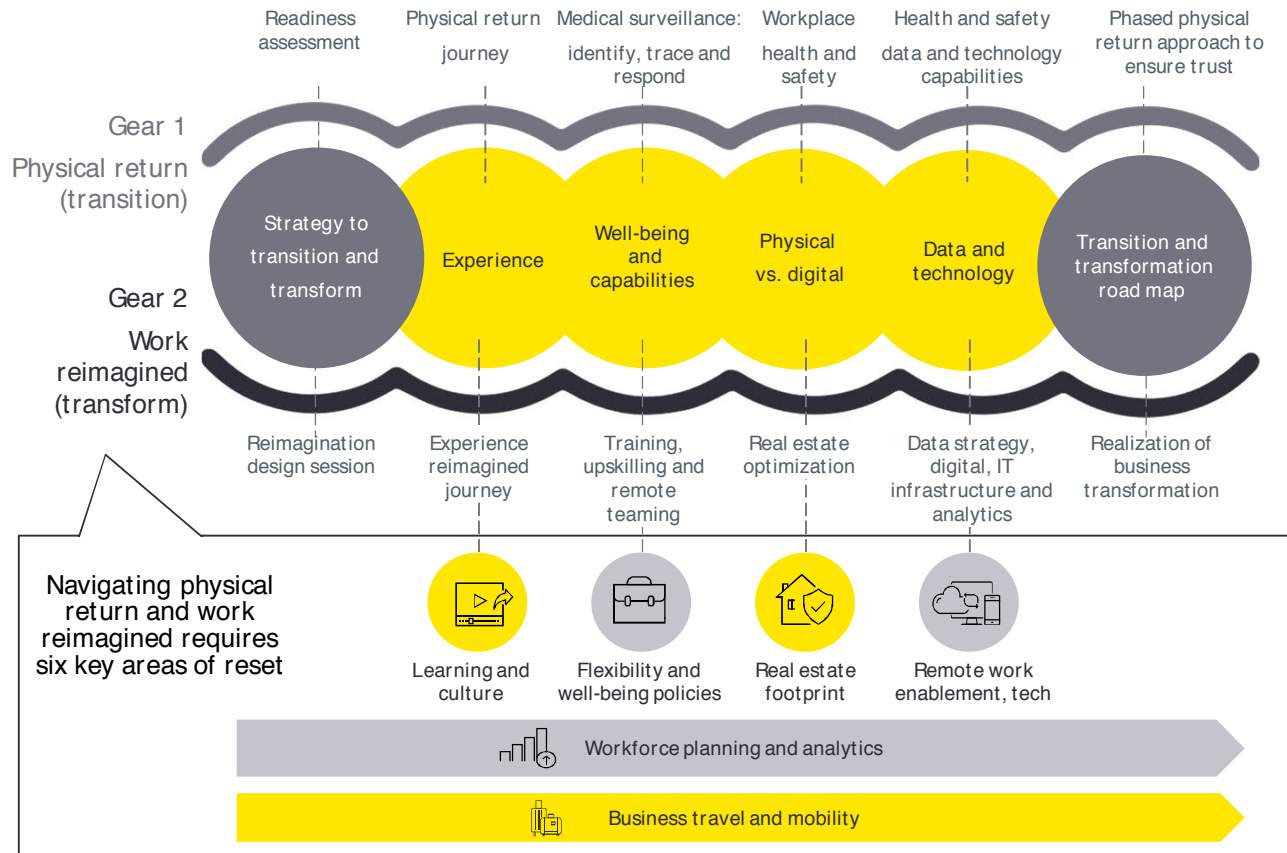
- COVID-19 has significantly changed the world of work, disrupting the ways organizations manage their businesses and accelerating several future-of-work trends overnight.
- As the signs of the pandemic begin to ease and organizations plan to return their workforces to workplaces, the question arises —what comes next and beyond?
- To understand how organizations are coping with the new normal in the ways of working, EY commissioned the Physical Return to Work Reimagined (PRWR) survey and JAM analysis (from an interactive crowdsourcing event) using the MillionYou platform in June and July 2020.
 - 3,682 employees
 - 708 employers
 - Includes data from the US, UK and Germany
- This report highlights the key findings of the survey, capturing the voice of the employees as well as employers on several topics related to COVID-19.

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Taking a holistic view

Two-gear approach to physical return and work reimagined



The future of work arrived on the back of the COVID-19 pandemic, catapulting work-from-home and technology journeys years into the future.

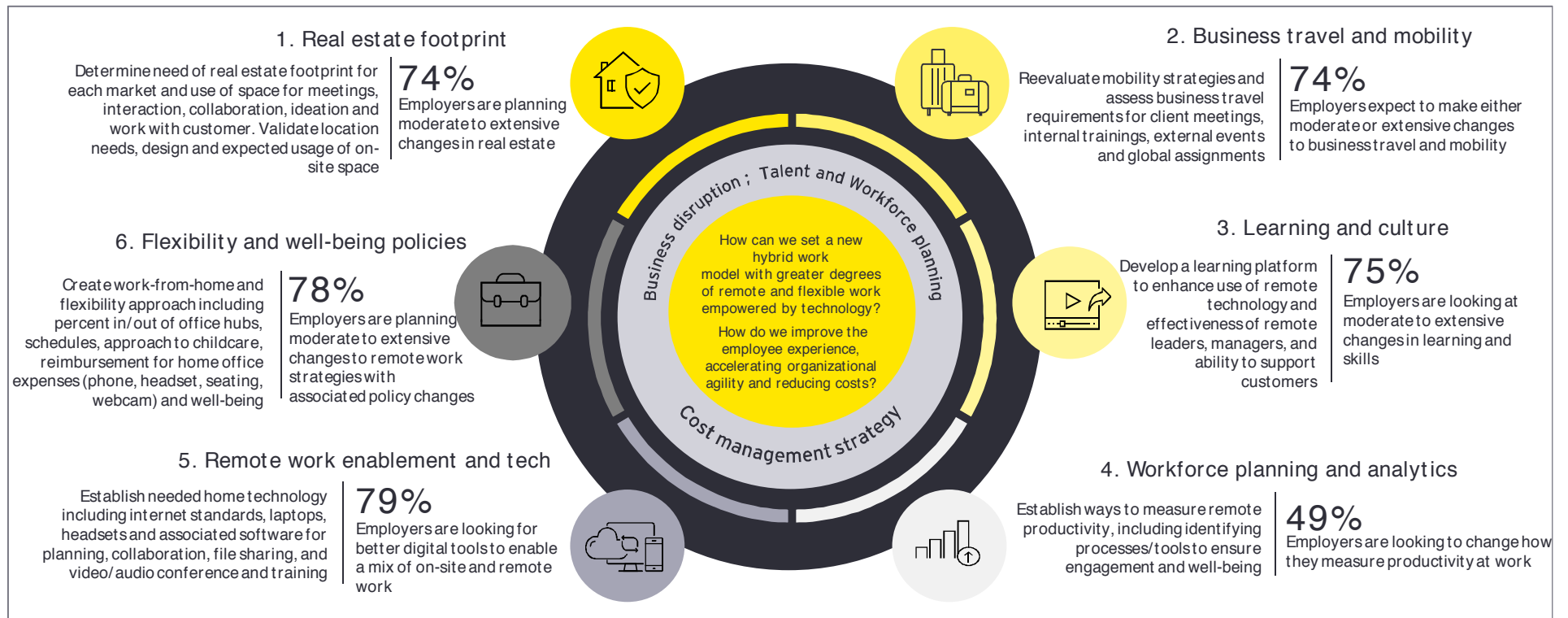
The disruption dispelled myths about productivity and collaboration centered around being in a physical office and shined a light on how quickly we could change when we needed to.

The opportunity and challenge now is to rethink the workplace and its use by your workforce, and how to enable the new ways of working with technology that achieves both cost savings and productivity gains.

Reimagining work

Our New PRWR research highlights six major “resets” in key areas of the work experience

The global pandemic has reset the workforce and the workplace experience, shifting from “return to office” to “reimagining work.” Companies are reimagining work and establishing a new hybrid approach to working that supports their people today and into the future. EY is working with leading global organizations to support a range of transformations related to reimagining work.

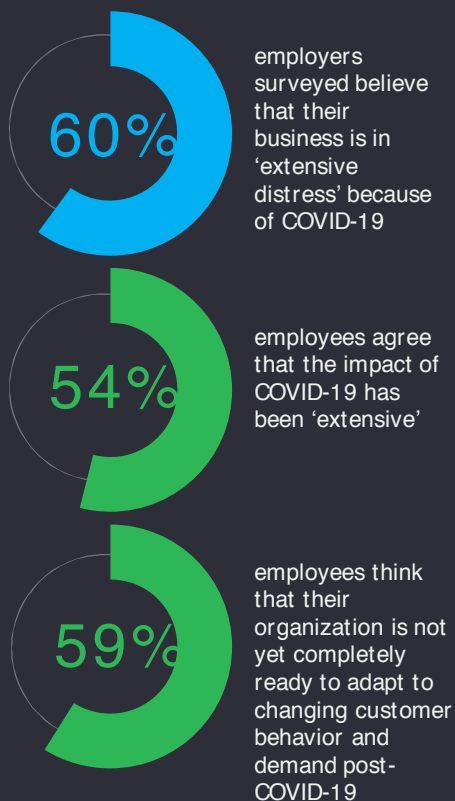


Infographic: EY Physical Return and Work Reimagined Study findings

COVID-19 has impacted employees and employers extensively ...

and, while the pandemic has impacted humans consistently in key markets, notable differences between employers and employees, and generations in the workforce. As organizations look to reimagine future work experience, they will need to prioritize the changes they envisage by putting employees at the center.

Employees and employers are aligned in some areas of the future work experience and have disconnects in other areas. Both are seeking a more digital, safe and flexible model with a mix of “touch” and “tech”



Areas of alignment

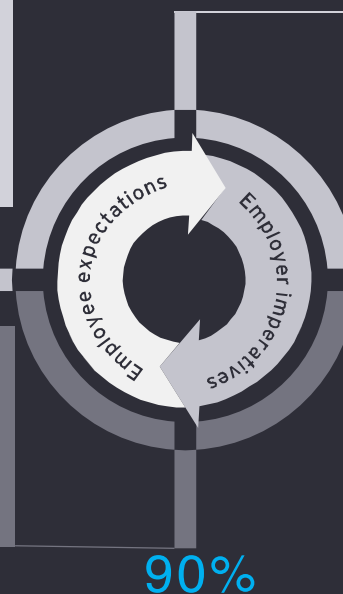
84% of employees are looking for better digital tools
Top 5 concern of all countries and generations is **Physical Health**
#1 ranked L&D focus is employees want employers to enhance online/virtual learning approaches

79% of employers are looking to extensively/moderately change digital workforce tools
86% of employers plan to make extensive/moderate changes to workplace safety
64% of employers are looking to enhance online/virtual learning approaches

Areas of disconnect

38% of employees want updated pay/bonus plans for enhanced work efforts
76% employees would like to continue some form of business travel

77% of employers believe there will be extensive/moderate change to workforce cost
74% of employers would make extensive or moderate change to business travel with reductions across most types of travel



90% employers feel that they prioritize employees for long-term value creation while making decisions, compared to only 69% employees

Top concerns highlighted by employees across countries appear to be broadly consistent

Question: Please rank top five concerns from the following

Rank	Concern	US	UK	Germany	Others
1	My finances	61%	64%	62%	53%
2	My job	57%	58%	60%	62%
3	The economy	68%	66%	44%	56%
4	My physical health	60%	53%	62%	52%
5	My loved ones	58%	66%	52%	43%
	My mental health	41%	51%	52%	39%
	My stress level	38%	39%	43%	37%
	The future of my company	33%	29%	32%	45%
	The connectivity to my team	18%	14%	22%	33%
	Balancing parenting and work	17%	20%	20%	20%
	Disconnecting from work	14%	17%	13%	29%
	My community	22%	12%	19%	17%
	My colleagues	9%	11%	16%	10%
	Other concerns	3%	2%	4%	5%

The rank has been calculated based on the sum of percentages across these countries to avoid data skewing.

- Finances, job, economy, physical health and loved ones are the leading concerns identified by employees across key markets. While not necessarily new, these concerns have definitely been accelerated by the pandemic.
- No significant variations exist in concerns by country, with the top five concerns overall being similar among the countries surveyed, although the future of company also emerges as a key concern area for respondents from “other” countries.
- Notable difference exists in the UK and Germany being more concerned about mental health compared to the US. Particularly, more people worry about mental health than the economy.
- While organizations can look to adopt a unified approach to address these concerns, segmenting the workforce for a granular understanding of employee concerns will be key.

However, these areas of employee concern slightly differ across generations

Question: Please rank top five concerns from the following

Rank	Concern	Baby Boomer	Gen X	Millennial	Gen Z
1	The economy	72%	65%	56%	51%
2	My loved ones	68%	58%	56%	60%
3	My finances	56%	62%	64%	56%
4	My physical health	70%	59%	55%	52%
5	My job	46%	62%	58%	62%
	My mental health	34%	43%	52%	55%
	My stress level	35%	36%	43%	42%
	The future of my company	31%	31%	31%	35%
	My community	28%	16%	16%	17%
	The connectivity to my team	14%	17%	19%	22%
	Disconnecting from work	15%	13%	16%	22%
	Balancing parenting and work	10%	21%	21%	10%
	My colleagues	17%	12%	10%	13%
	Other concerns	3%	3%	3%	4%

- While the top concerns remain fairly uniform across most of the generations, they slightly differ when it comes to Gen Z.
- We are seeing a correlation between age, mental health and stress levels. A higher proportion of Gen Z respondents (55%) and millennials (52%) are worried about their mental health vs. baby boomers (34%). A higher proportion of millennials and Gen Z respondents are also concerned about their stress levels.
- This further deepens the need for organizations to segment their workforce and develop employee personas to create unique employee experiences. Listening on a regular basis is key.

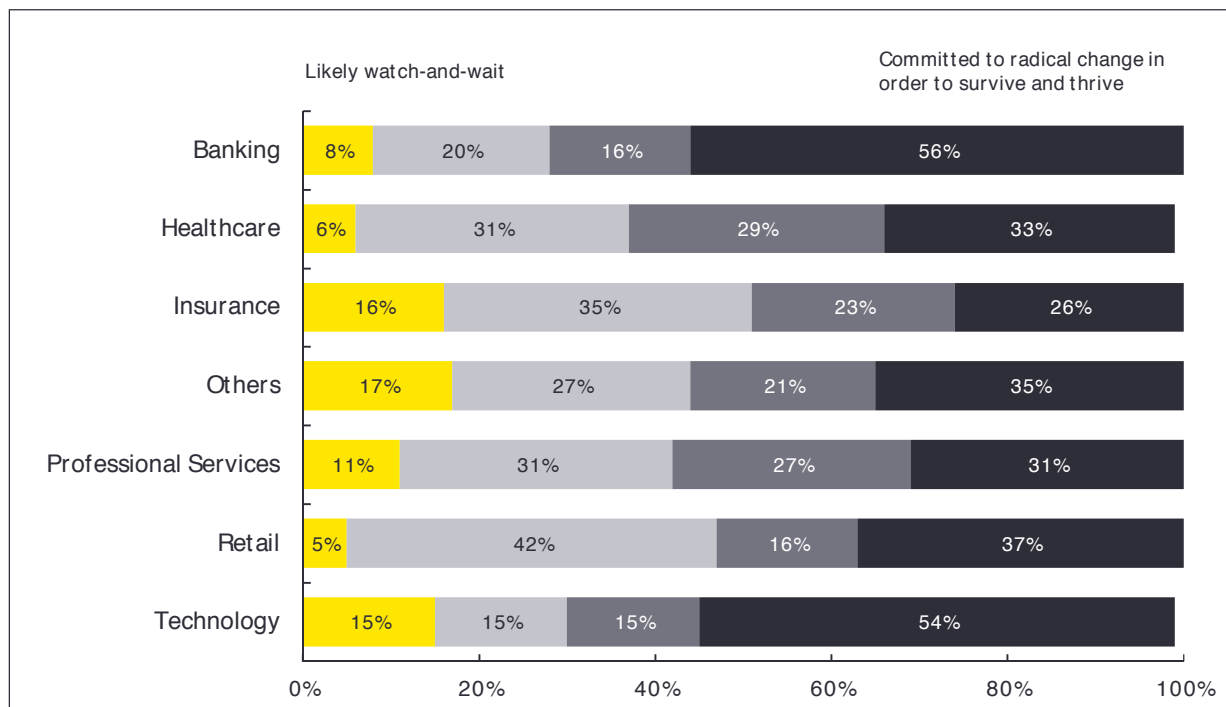
The rank has been calculated based on the sum of percentages across the segments to avoid data skewing.

In response to COVID-19, a majority of employers are planning moderate or extensive changes to “reimagine work”

Business disruption planning and cost management strategy		<p>77% of employers plan to make moderate to extensive changes to their workforce cost strategy, and 75% plan to make moderate to extensive changes to business disruption planning</p>	<p>Key highlighted focus areas of change (%= percentage of organizations planning that area of change)</p> <ul style="list-style-type: none"> Expand plan to transition business/workforce to other productive areas (52%) Expand scenarios covered in planning (50%) Consider location mix and backup workforce needs (48%) Enhance work process/reduce work (44%) Opportunities for intelligent automation (43%) Organization and operating model review (42%)
Work reimagined pillar	% of employers planning to make moderate to extensive changes to their strategies		Key highlighted focus areas of change (%= percentage of organizations planning that area of change)
Real estate footprint	Workplace real estate	74%	<ul style="list-style-type: none"> Redesigning offices/re-evaluating policies on shared workspaces and meeting rooms (51%) Measuring the productivity of remote work (49%) Significantly shifting the proportion of remote work vs. in-office work (48%)
Business travel	Business travel and mobility	74%	<ul style="list-style-type: none"> Significantly reducing the amount of internal travel for company meetings and training (59%) Significantly reducing the number of external events that the company will pay for that require travel (51%) Remixing the amount of in-person vs. remote visits that employers can make to customers (47%)
Learning and culture	Learning and skill development	75%	<ul style="list-style-type: none"> Enhancing online/virtual learning approaches (64%) Investing in training to build remote facilitation and meeting skills and collaboration tools (56%) Amending competency frameworks and developing remote leader and manager capability (41%)
Flexibility and well-being	Workplace safety	86%	<ul style="list-style-type: none"> Health evidence procedures (72%) Social distance via floor space/occupancy limits (62%) Social distance via protocols (signage, one direction) (56%)
	Remote work strategy	78%	<ul style="list-style-type: none"> Enhancing technology for remote work, idea sharing, communication and knowledge sharing (56%) Evaluate policies around communicating planned scheduled work hours (54%)
Remote work tech	Digital tools and technology	79%	<ul style="list-style-type: none"> Expanding implementation of Microsoft 365/Teams/other tools for work and collaboration (59%) Moving to a greater focus on cloud-based technology (56%) Assessing and implementing new technology requirements associated with employee health and safety (49%) Using analytics to measure remote productivity (49%)
Workforce analytics			

However, the level of willingness to commit varies across industries

Question: As you consider your approach to post-COVID-19 transformation to a “new normal,” how would you describe the attitude of your executive team?



Note: The summary excludes Life Sciences, Media/Entertainment, Oil and Gas, and Utilities due to small sample sizes.

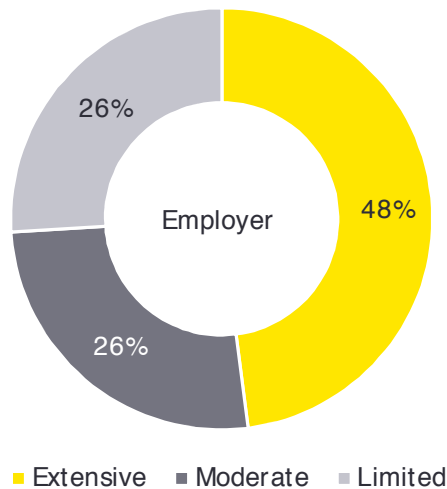
- The Technology and Banking industries appear to demonstrate the most willingness to commit to radical change. However, within the Technology sector, 15% of organizations indicate a “wait-and-watch” attitude.
- Many organizations within the Insurance, Professional Services and Other sectors are opting for a “watch-and-wait” approach for a longer period before committing to anything beyond minimal “no-regret” decisions.



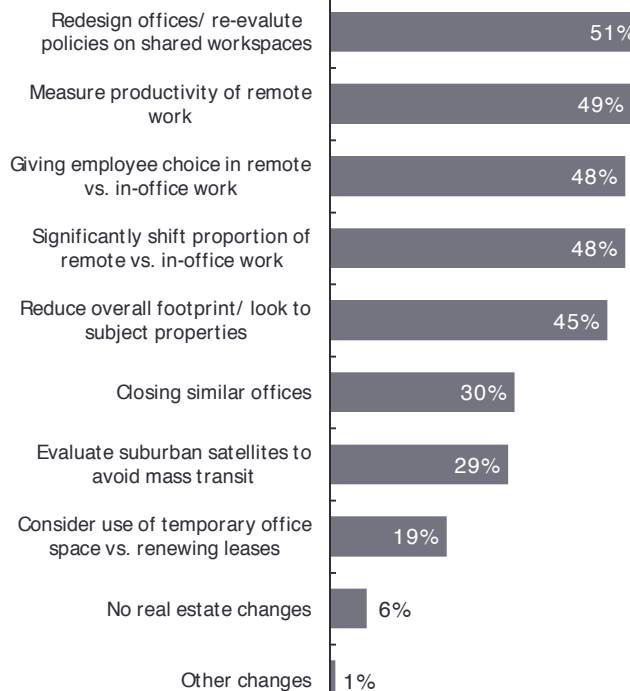
Nearly three-quarters of employers surveyed plan to make either extensive or moderate changes to their workplace real estate strategies post-COVID-19

How much change is planned to the workplace real estate strategy?

74% plan extensive or moderate change



Please select the areas of change planned to the real estate strategy

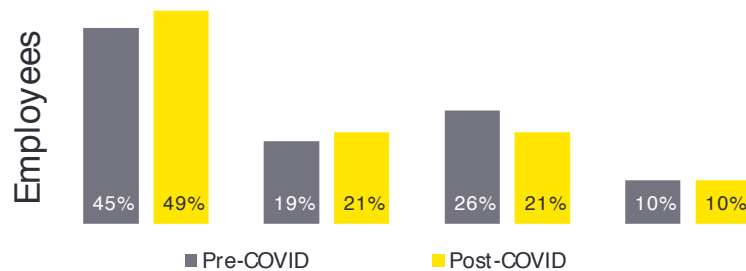


- COVID-19 has engendered further workplace change, with most employers surveyed embracing remote work during the pandemic and several highlighting significant change to their real estate strategies after the pandemic is over.
- 74% of employers plan to make either significant or moderate changes to their workplace real estate strategies.
- Key areas of change highlighted by employers include redesigning offices/reevaluating policies on shared workspaces, giving more choice to employees to remotely work, reducing the overall footprint at workplaces and closing similar properties.

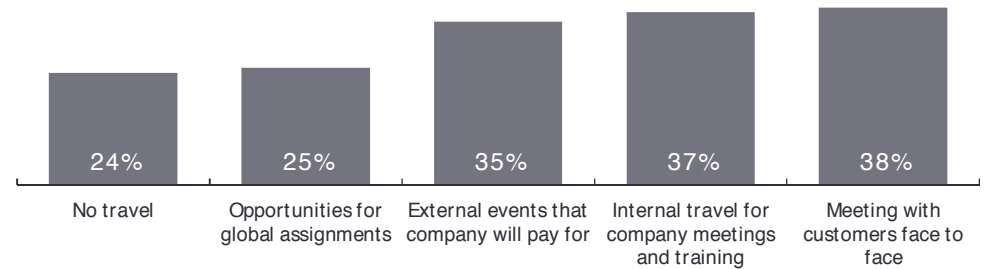


Employees retain a willingness to travel, although employers are currently planning for significant change to business travel post-COVID-19

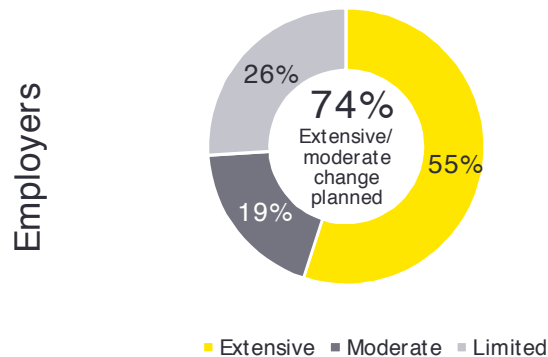
Proportion of employees by actual and expected frequency of travel pre- and post-COVID-19



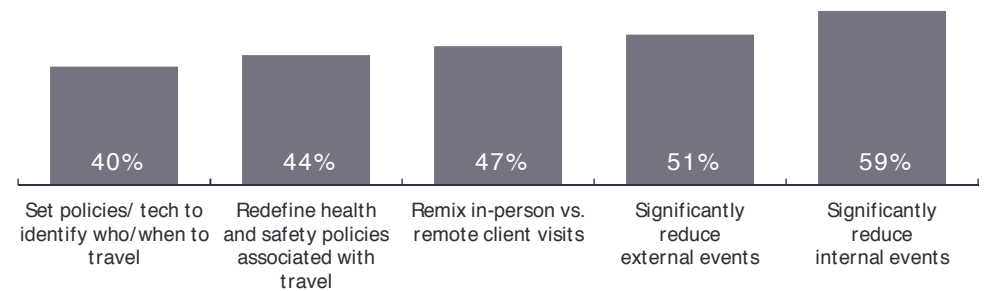
Where would you like to see your employer continue to allow business travel and associated processes? (top five choices)



What is the amount of change planned by employers for future business travel and mobility?



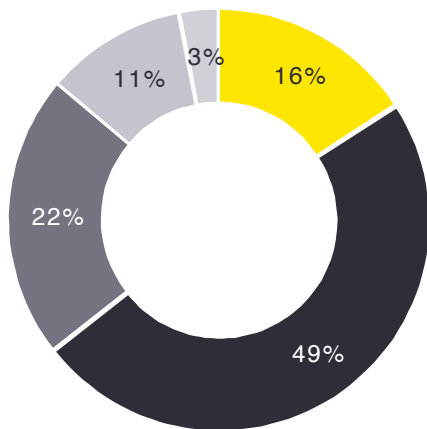
Which of the following actions are you considering as part of a new approach to business travel and mobility? (top five choices)





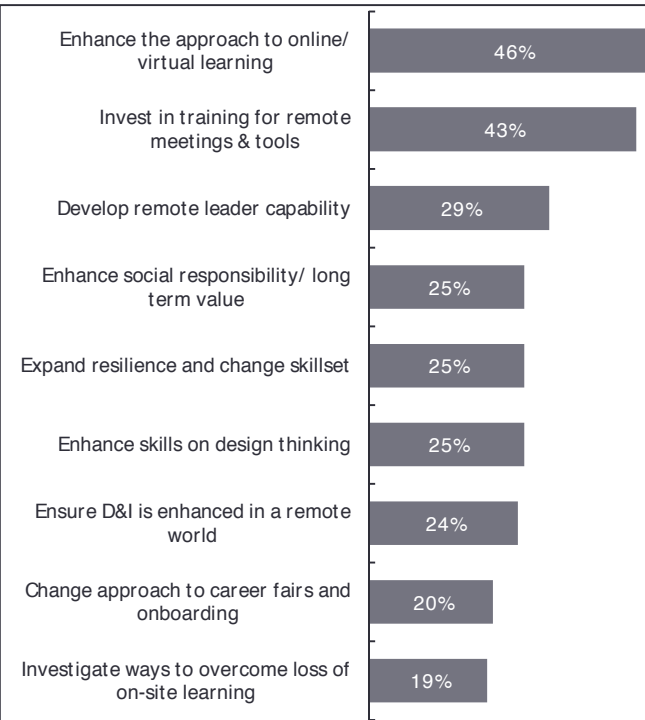
Employees highlight the need to update health care plans, leave policies and pay programs, as well as enhance online learning

Rate the statement: I feel like I have the training and access to other educational resources I need



- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Which actions would you like to see your employer take post-COVID-19 to enhance the approach to learning and skill development?

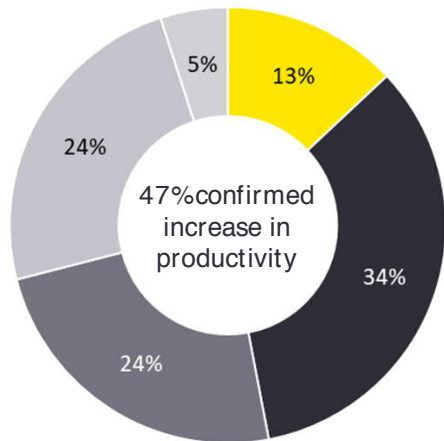


- While 65% of employees agree or strongly agree that they have the right training and access to educational resources they need, they also expect their employers to make changes to learning and skill development approaches post-COVID-19.
- Key actions employees highlighted that they would like their employers to make include enhancing approaches to online/virtual learning, investment in training for remote meetings and developing remote leader capabilities.
- About one-fourth of the employees also highlighted enhancing design thinking and expanding resilience and change as key focus areas for skills development.



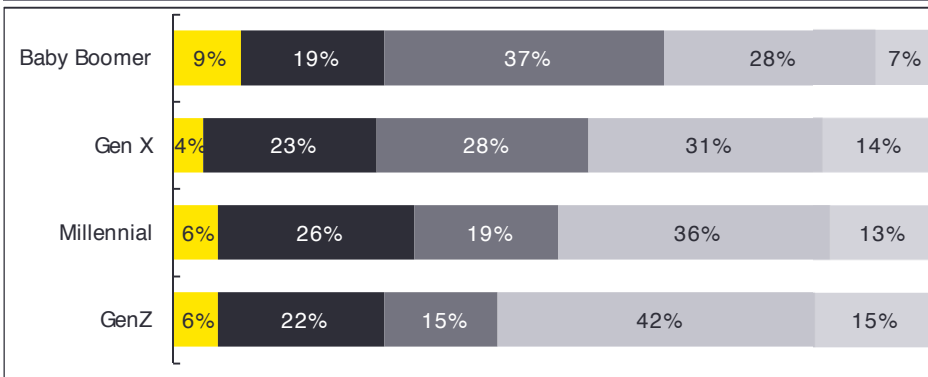
More employees perceive their productivity to have increased rather than decreased ...

Since you have been working remotely, how productive have you been compared to your normal work experience?



■ A lot more productive ■ Somewhat more productive
■ No difference in my productivity ■ Somewhat less productive
■ A lot less productive

Since you've been working remotely, how productive have you been compared to your normal work experience?



- The jury is out on whether this self-reported productivity is REAL or SUSTAINABLE
- There is a lot of FEAR about jobs and the economy that may cloud the waters
- With a virtual workforce, companies will need to more effectively define and measure PRODUCTIVITY and PERFORMANCE
- Greatest perceived productivity improvement among millennials and Gen Z
- The rate of productivity varies across different industries



...despite highlighting technology, connectivity, and limited private space at home as the key challenges they are facing during remote work

Proportion of respondents having concerns or perceived barriers to remote work

	Baby Boomer	Gen X	Millennial	Gen Z
	80%	85%	90%	94%

Question: What are the challenges to being productive remotely?

Challenge	Baby Boomer	Gen X	Millennial	Gen Z
My computer setup at home is not the same as at work	1	2	2	1
I have family and limited private space	5	1	1	1
Connectivity at home is not the same speed/ quality	3	3	3	3
I feel lonely and disconnected in my house	4	5	4	4
My work requires hands-on activities that I cannot do at home*	2	4	5	
I need different tools/ specific software from home to do my job**				5

Note: Numbers in the grid represent the rank of response for each of the respondent group; Only the top 5 responses have been included in this table. If a response was not amongst the top 5 selected by a particular respondent group, the corresponding cell has been shaded black

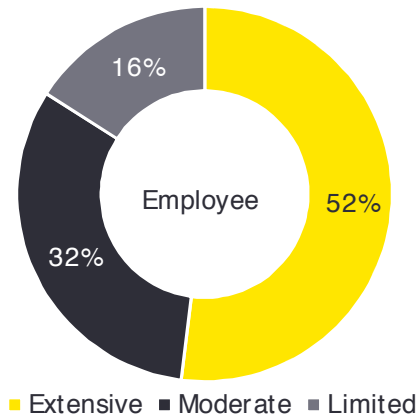
* Ranked 7th by Gen Z respondents; ** Ranked 7th by Baby Boomer, Gen X and Millennial respondents

- 80%to 94%of respondents have concerns and/or perceive barriers with remote work.
- Although broadly the challenges employees are facing during remote work are similar, notable differences exist among younger employees.
- Millennials and Gen Z are experiencing more loneliness, and 41 %of Gen Z respondents say they are struggling with having limited private space and family vs. 17%of baby boomers.
- Home connectivity issues also appear to become less challenging with an increase in age. Additionally, a noticeably high percentage of baby boomers require hands-on activities.
- Employee issues at home translate into organizational problems, with organizations having to manage both an office hub AND trying to deal with employee problems in diverse settings.



Employees are looking to their employers to enhance digital tools for remote working, and employers appear prepared to respond

How much change do you think your company needs to enhance workforce digital tools and technology?

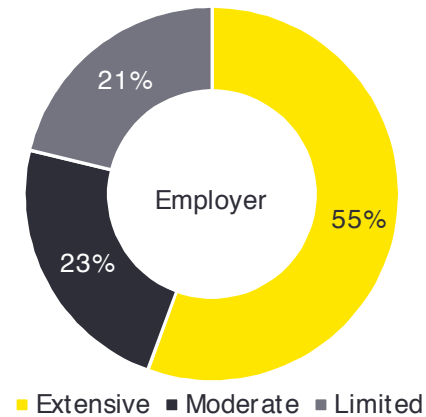


84% of employees think their company needs to enhance digital tools and technology to enable remote work.

Some of the key areas of desired change include:

1. Providing more technology for training
2. Enhancing tools for collaboration
3. Creating better central data and knowledge information

How much change is planned to the remote work strategy?



78% of employers are planning to change their remote work strategy

The key areas of planned change include:

1. Enhancing technology for remote work
2. Evaluating policies around communicating planned scheduled work hours
3. Using analytics to measure remote work productivity

Note: Employers and employees were not given the same set of options.



Employees broadly want to return to the office for social contact and collaboration, although motivations for doing so vary across generations...

Question: Why would you like to return to the office?

Reason	Baby Boomer	Gen X	Millennial	Gen Z
I want to stay socially connected	3	1	1	1
The role/nature of my work requires me to be with others	1	3	2	2
I collaborate with my colleagues	1	1	3	5
I would like access to better working resources (network, tech support, office workspace)	5	4	4	3
I want to build and maintain mentoring relationships*		5	5	4
My manager expects me to be in the office**	4			

Note: Numbers in the grid represent the rank of response for each of the respondent group; Only the top 5 responses have been included in this table. If a response was not amongst the top 5 selected by a particular respondent group, the corresponding cell has been shaded black

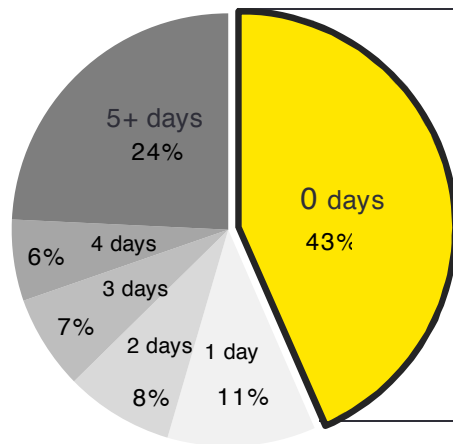
* Ranked 7th by Baby Boomer respondents; ** Ranked 6th by Gen X and Millennial respondents and ranked 8th by Gen Z respondents

- Working and collaborating with others remains a key element of the employee experience.
- Employees are missing the social aspect of being in the office.
- When we break this down between generations, all have similar concerns.
- However, Gen Z would like to return to build and maintain mentoring relationships and have better access to working resources.
- A potential reason for a lesser proportion of Gen Z and millennials wanting to return to work for collaboration with colleagues could be that younger generations comprise the majority of the junior individual contributor roles, which are less likely to be required to return to the office to collaborate more.

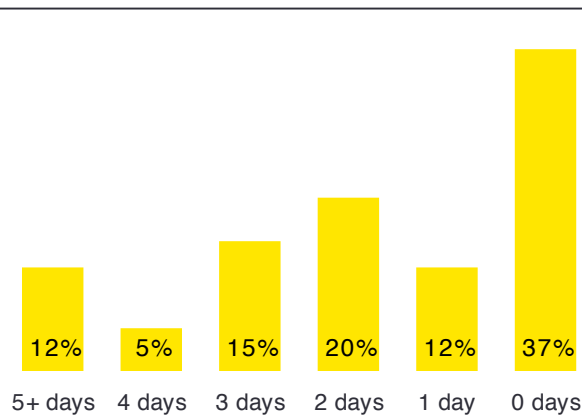


...but looking towards the future, employees do not view working at the office and working remotely as a binary choice; rather, they want both

How many days per week did you work remotely before COVID-19?



How many days per week would you like to work remotely when you return to the office?



Post-COVID-19 split for people who worked 0 days before COVID-19

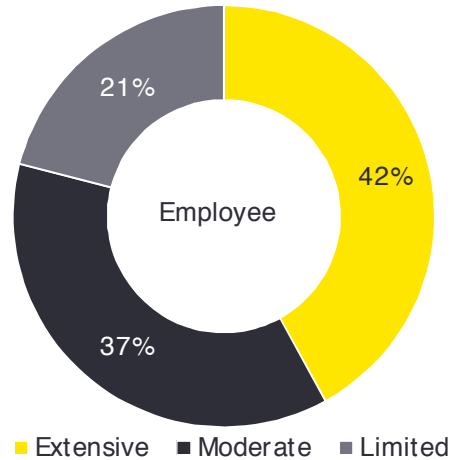
- Remote work is here to stay — employees express interest in maintaining some level of remote work when they return to the office, even though that was not the case pre-COVID-19. ~63% of employees who did not work remotely before COVID-19 want to work remotely for at least one day a week.
- However, ~36% of respondents who worked remotely full time before COVID-19 indicated they want a mix of remote and on-site work.*
- Both Gen X and millennials are similar in their indication of interest; ~60% indicated interest in a mix of remote and on-site work. Only 10% of Gen Z respondents want to work full time in an office.

* Mix of on-site and remote work refers to working remotely for either one, two, three or four days.

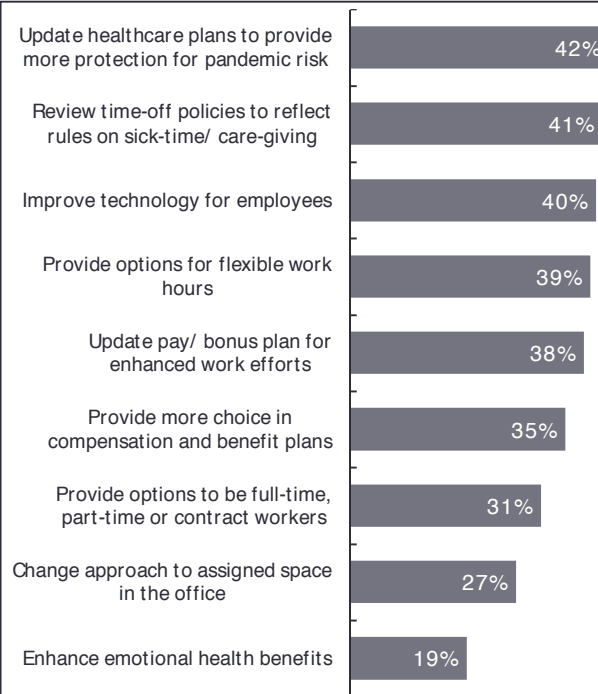


Employees also highlight the need to update health care plans, leave policies and pay programs, and are looking at more choices across these programs

Which level of changes to your total rewards do you feel should take place given what happened during COVID-19?



Which type of reward change actions do you think your company should consider?



- Accelerated by COVID-19, employees expect their employers to make enhancements to remuneration and benefits going forward.
- 79% of employees expect their employers to make either moderate or extensive changes to total rewards programs.
- Key areas of change highlighted by employees include updates to health care plans to include pandemic risk, review of leave policies to reflect caregiving rules, options for flexible work and updates in pay policies to reflect enhanced work efforts.

Reduced travel because virtual meetings are more impactful.

Flexibility - ability to work on a better schedule.

Limiting the number of meetings to those truly needed, introducing more flexible working hours.

Efficiency - less time doing things that are not impacting results, i.e., commute, plane rides.

Reimagining real estate: moving from crowded open floor plans to a more thoughtful approach to how we use time together to collaborate/innovate/connect with colleagues and clients.

Increased authenticity at work - we've already seen people show more of their human selves, a greater emphasis on mental health during the crisis, etc. I'm excited to see that focus on the entire, authentic human continue long term.'

Loneliness - will I ever get back into the office again?

Disconnected - will our teams be able to be as connected with increased remote work?

Uncertainty - it's not clear what work and life will look like six months or a year from now, especially with the possibility of virus resurgence.

Learning — it's tough to grow without face-to-face mentorship and support that's found in the office environment.

Disconnected - how will I feel a part of the team if everything is virtual?

Virtual - the fact that we are connected 24/7 but will need to work hard to establish boundaries to include downtime and supporting mental wellness even though we are working from home, especially when kids are not in school.

Connectivity - always on is so exciting for collaboration but potentially damaging, too - needs balance between work and out of work.

Key themes: physical return and work reimagined study findings



- The pandemic is impacting humans consistently in key markets: While countries and companies around the world are responding and recovering differently, there is global consistency around major areas of employee concern, with more similarities than differences. Findings in the US, UK and Germany are highly consistent in responses.



- Employees perceive their productivity to have increased rather than decreased: On a self-reported basis, employees perceive their productivity to have increased rather than decreased, reflecting reduced commutes and fewer distractions. Nearly 30% have had self-reported productivity challenges. Employees still face key technological and well-being challenges. Gen Z in particular is facing challenges with emotional well-being and stress.



- Employees want to return to the office for social contact but do not view working at the office and working remotely as a binary choice. They want flexibility: Employees want a greater mix of WFH in the future. Employees want to return to the office for social contact but do not view working at the office and working remotely as a binary choice; rather, they want both. Employees would like to return to consistent levels of travel to network, meet customers and learn; this view is NOT consistent with employers, where 74% are expecting significant reductions to travel. Getting to that ideal involves LISTENING to different segments.

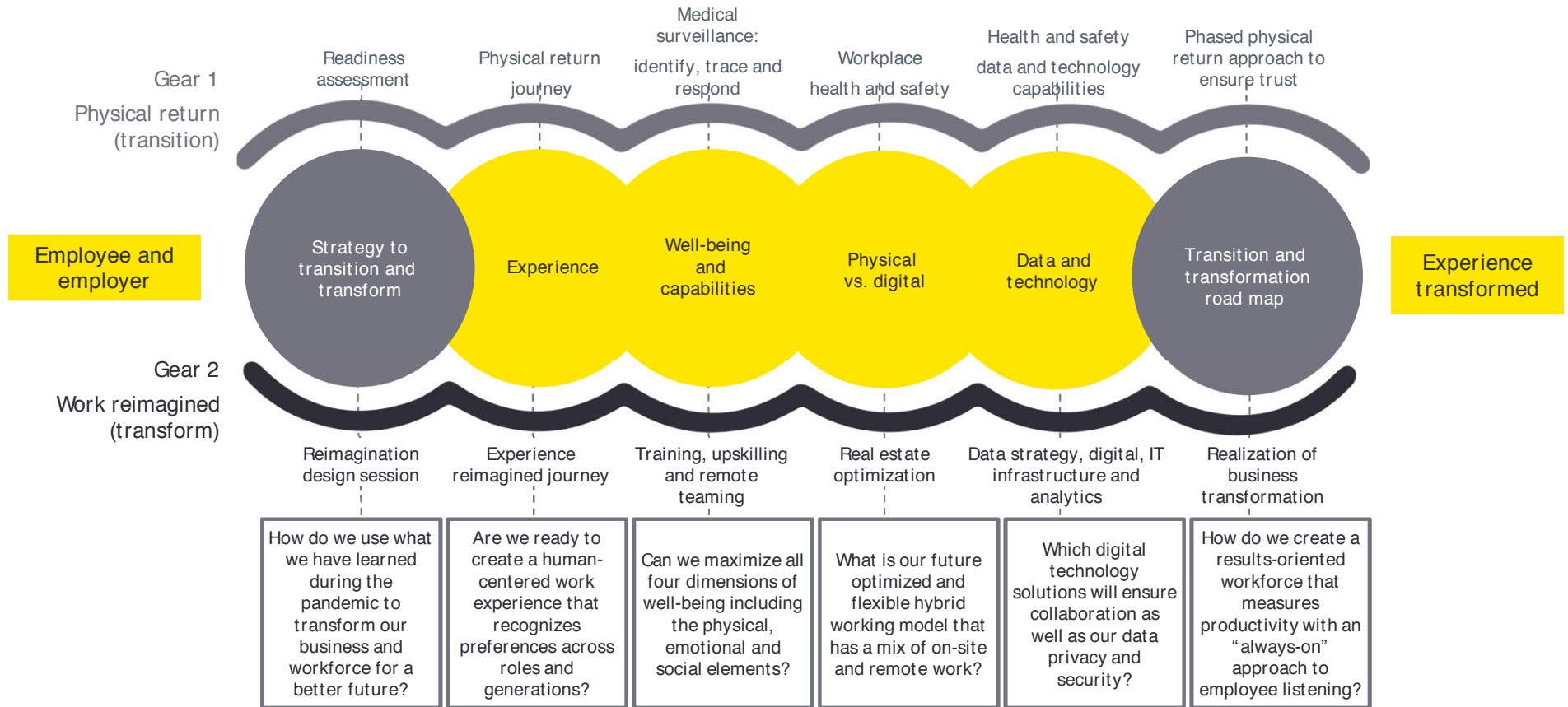


- 84% of employees are looking for better digital tools to enable an improved home working experience. 78% of employers plan to provide them: Opportunities exist for improving the WFH experience to ensure connectivity and collaboration. Most employees are looking to their employers to enhance digital tools for remote working, and employers appear prepared to respond. Tools to support a greater connection and virtually collaborate are critical.



- Both employers and employees are truly seeing the need to “reimagine” ways of working: Employers are seeing the need to “reimagine” a range of areas of the work experience. Extensive change levels are expected in many areas, including digital tools (56%), mobility and remote work (55%), learning and skill development (54%), workforce cost (52%) and real estate (48%). Employers will need to sequence for success and prioritize the changes they see as needed to empower and optimize the workforce.

Putting it all together: taking action and asking better questions



Methodology and survey participant details

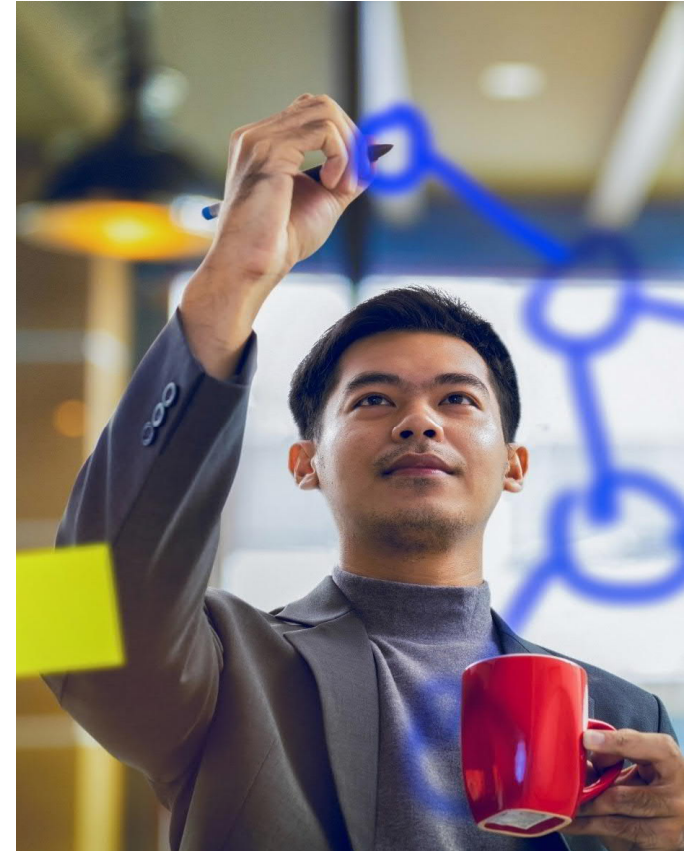
Methodology

- Survey fielded mid-June to early July
- Mix of email to EY clients and use of employee/employer third-party panel data using LUCID, the world's largest pool of global respondents ready to answer questions
- MillionYou platform provided the opportunity to JAM to discuss and provide open-ended comments on physical return and work reimagined

Survey participant demographics



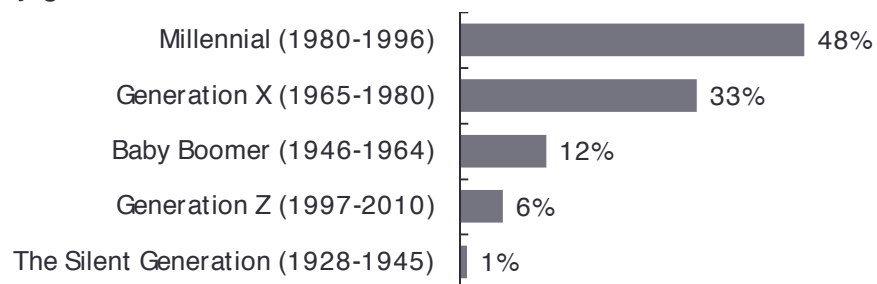
Note: Not all respondents completed all questions. Respondents who did not input their country of origin were not considered while analyzing results.



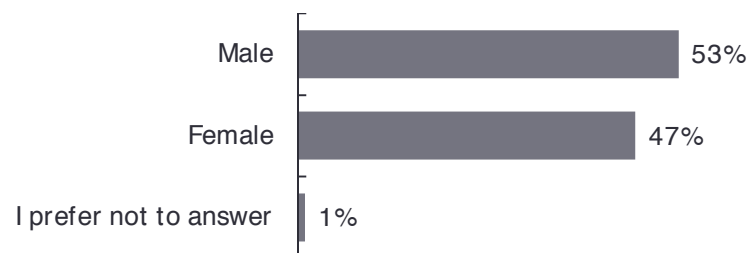
Survey participant demographics (detailed)

Employee demographics: 3,682 respondents

By generation

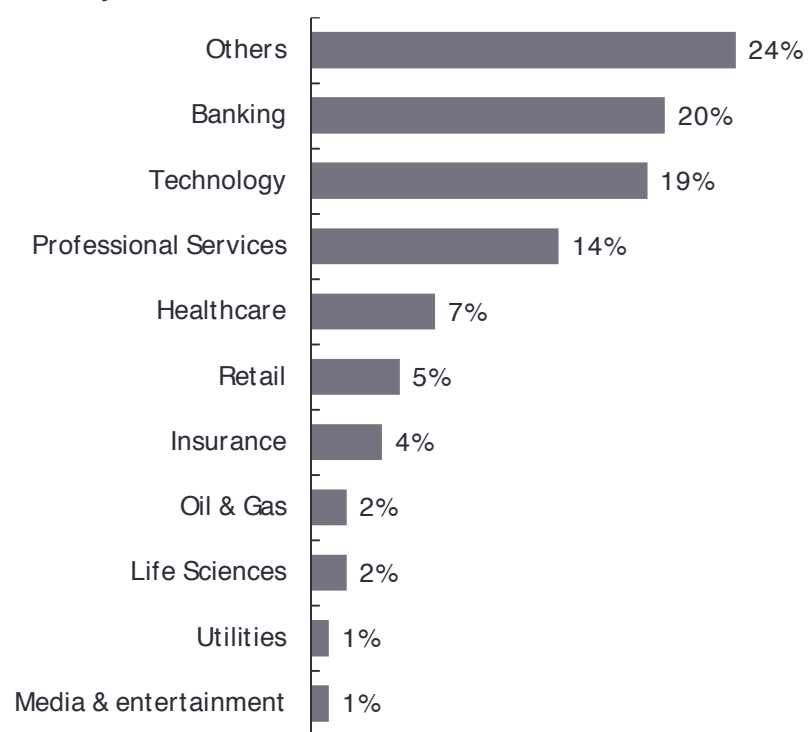


By gender



Employer demographics: 708 respondents

By industry



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