



Culture Amid COVID

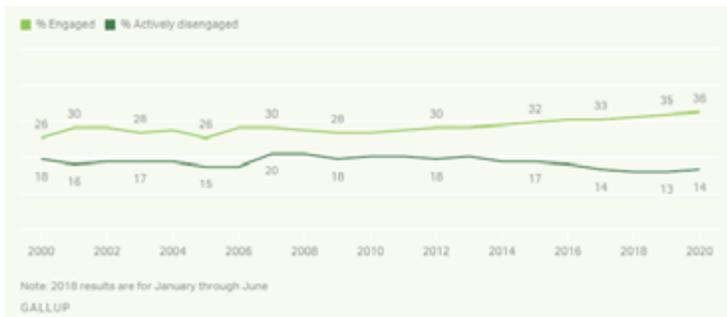
5 INSIGHTS ABOUT THE FUTURE OF WORK FROM LASZLO BOCK

The physical space where work happens has long been of paramount importance. Once the COVID pandemic arrived, workers were forced to work from home, and in the initial months, productivity and engagement actually went up. CBRE's Chris Ludeman, Global President, Capital Markets, sat down with Laszlo Bock, CEO of Humu, Inc., bestselling author & former SVP of People Operations at Google to get his perspective on whether these productivity gains can be sustained, the evolving role of the workplace and how leaders can prepare today. This article explores our takeaways.

01 TO OPTIMIZE ENGAGEMENT, EMPLOYEES WANT TO RETURN TO THE OFFICE IN SOME CAPACITY.

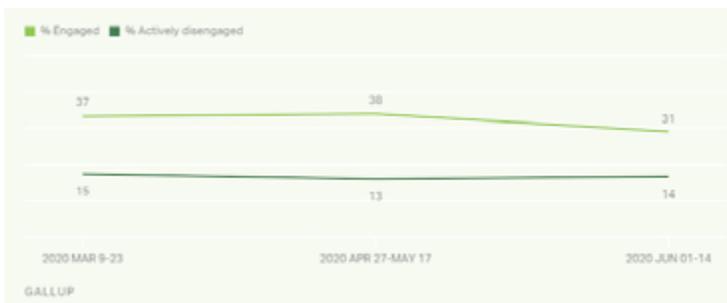
While productivity spiked early in the remote working forced experiment, those gains have not proved to be sustainable for the long term. Productivity and engagement measurements are notoriously slow movers, with only modest gains made even in the last two decades (fig. 1).

FIGURE 1 | U.S. EMPLOYEE ENGAGEMENT TREND | ANNUAL AVERAGES



That creeping pace is one reason why the initial engagement gains during the first months of working from home (WFH) caused so much surprise. Even since the global financial crisis of 2008, employee engagement has remained fairly resilient, and then in the months since COVID hit, engagement actually increased (fig. 2).

FIGURE 2 | U.S. EMPLOYEE ENGAGEMENT TREND IN 2020

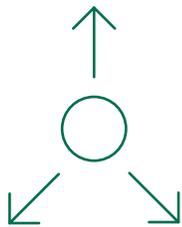


The spike in productivity proved to be temporary, due in part to factors including the fear and adrenaline that many people felt during crisis mode, which have subsided over time. Bock says that while the workforce has adapted admirably to WFH, he expects most employees will want to return to the office in some capacity.

People were feeling fear and general anxiety, and in the short term that boosts productivity. In the medium term and long term, it destroys productivity, and that's what we're seeing now.

02 COMPANIES MUST TAKE ACTION TODAY TO SOLVE FOR THE CHALLENGES OF DISTANCE.

Until a full-scale return to the office becomes widespread, companies have to solve for the challenges of their current reality, and Bock offers some creative ways to address different kinds of distance:



- + **Physical distance:** To minimize the physical distance between coworkers, Bock suggests company-sponsored events such as socially-distanced picnics or coffee hours in outdoor spaces, with the company picking up the tab.
- + **Operational distance:** To offset the technology challenges of WFH, consider reimbursing employees who upgrade their WiFi or improve bandwidth connection, which will increase both efficiency and engagement.
- + **Affinity distance:** Bock calls affinity distance the most difficult and the most important aspect of bringing people together and driving high-performing teams. Affinity distance is what Bock defines as how employees feel about their connection to one another. Such practices as abandoning your meeting agenda and just checking in with the team will go a long way toward easing people's fears and enabling them to channel energy positively.

03 SENIOR LEADERS SHOULD ADOPT NEW BEHAVIORS TO BUILD EMPLOYEE ENGAGEMENT AND CONFIDENCE.

Solving for affinity distance and creating and maintaining culture amid COVID will often fall on the shoulders of senior leadership. Even small behavior changes can pay huge dividends in team morale and productivity. Paradoxically, leaders at the most senior levels actually want to show vulnerability and avoid the impulse to be authoritarian and strong. Helping employees find meaning and purpose in their work serves as important motivation during challenging times. Bock suggests that one way to show meaning is to bring in someone who explains how they have benefitted from the service or product that you and your team provide. Check in with employees frequently; share why your work matters to you, and ask them to share stories of why their work matters to them.

People who find meaning in their work are 21% more productive than those who don't, and everyone can use an extra dose of purpose and concern in these times, especially employees who may be reluctant to ask for help.

04 COMPANIES WILL USE THEIR SPACE DIFFERENTLY, BUT OCCUPANCY WILL NOT DROP DRAMATICALLY OVER TIME.

Signals are unclear in the market currently: some companies are considering shrinking their footprint, while others see the current office market as a buyer's market, representing an opportunity to lock in real estate at a relatively low price compared to a year ago. Bock predicts some compression and creativity on how companies use their space, and he doesn't see dramatic drops in occupancy over time. Some companies are considering these alternatives:



Staggering Hours

Workers or groups of workers start and finish work at slightly different times



Hub and Spoke Model

A central "hub" headquarters and a network of smaller regional offices or "spokes" closer to where employees live, likely in Tier 2 locations



Reinvest in Space Upgrades

Using the capital saved from leasing in Tier 2 locations to reinvest in the physical space experience

05 WORKSPACE INNOVATION WILL HELP COMPANIES ATTRACT AND RETAIN TALENT.

Most companies use their office space to attract and retain talent, but now they will have to fight the inertia of returning to the status quo. Inertia is a powerful thing, so most companies will go back to business as usual. Bock suggests many companies will say, "Well we've got the space, we've got all these desks, we're just going to come back to it." The more innovative companies, and the companies that will end up winning from a talent or productivity perspective, will be the ones who use this period as an opportunity to ask, "What can we do differently in the space, what interactions do people need as human beings and how can we create more space for 'casual collisions' between people?" The companies who do that will be the ones who create innovation and productivity and will attract and retain the key talent. To paraphrase Mark Twain, reports of the office's demise have been greatly exaggerated.

If people want to stay productive over time, stay connected to the company, and foster those human connections, then a return to the office is a necessity.

Q&A with Laszlo Bock

1. Is video conferencing sustainable and is the fatigue real?

It's not only not sustainable long term, it's not sustainable today! Video conferencing forces unnatural eye contact, looking in a way that's more intense than normal in terms of the volume of time that you do it, but at the same time doesn't generate the social cues you need to help you feel comfortable and happy, so it's actually worthwhile to turn off the video feature and just have a conversation or pick up the phone instead.

2. Do blue light glasses work?

No. Many high school kids are buying these blue light glasses which purport to filter the blue light, and it's all garbage science, but they are sitting in front of their screens for eight to 12 hours a day, just like all of us, and they are exhausted from the digital eye strain.

3. Best job search advice for young people?

- + First of all, any job is better than no job, so get some kind of job to cover your expenses and be persistent in trying to find your dream job.
- + Include as many brand names as possible on your resume. Hiring practices are notoriously biased, and people focus and react to brands.
- + Practice, practice, practice for interviews. Most people find practice boring, so they don't do it, but you can get really good at answering the 10 or 20 questions that you know are going to get asked.

About the Contributors:

Laszlo Bock | CEO, Humu, Inc.

Laszlo is the CEO of Humu, Inc., a company with a mission to make work better everywhere, for everyone, through people science, machine learning and a little bit of love. He is author of the New York Times bestseller *Work Rules! Insights from Inside Google That Will Transform How You Live and Lead*. From 2006 to 2016, Laszlo was Senior Vice President of People Operations and a member of Google's management team. He helped grow the company from ~6,000 to ~72,000 employees and from \$6B to over \$90B in revenue.

Chris Ludeman | Global President, CBRE Capital Markets

Chris drives CBRE's advisory business for investors, including responsibility for equity sales, debt and structured finance and real estate investment banking, both globally and in the Americas. In 2019, the company was the intermediary for nearly \$325 billion in capital markets engagements.

