



Future Workplace Index 2023



EY Future Workplace Index 2023

The third annual EY Future Workplace Index, a national research survey of C-suite corporate leaders conducted by Ernst and Young LLP (EY), offers an eye-opening window into the ongoing evolution of the workplace and real estate.



Hybrid work is firmly established, and an expectation of at least 2-3 days a week in the office signifies a palpable shift away from fully remote work.



Employees were perceived to be more productive during the past 24 months.



Smaller and midsize companies are continuing to expand their physical office space, while larger companies have maintained or reduced their office footprint.



Leaders are actively seeking sharper tools to optimize office space occupancy, including AI and machine learning technologies.



Casual Fridays are being redefined.

Hybrid work is firmly established, and an expectation of at least 2-3 days a week in the office signifies a palpable shift away from fully remote work.

While a hybrid work model remains a necessity, there has been a shift away from fully remote work, showing the office is still essential



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Almost 99% of all EY survey respondents indicated that employees are being required or encouraged to work in the office at least two days per week, with the highest percentage (32%) indicating three days a week.

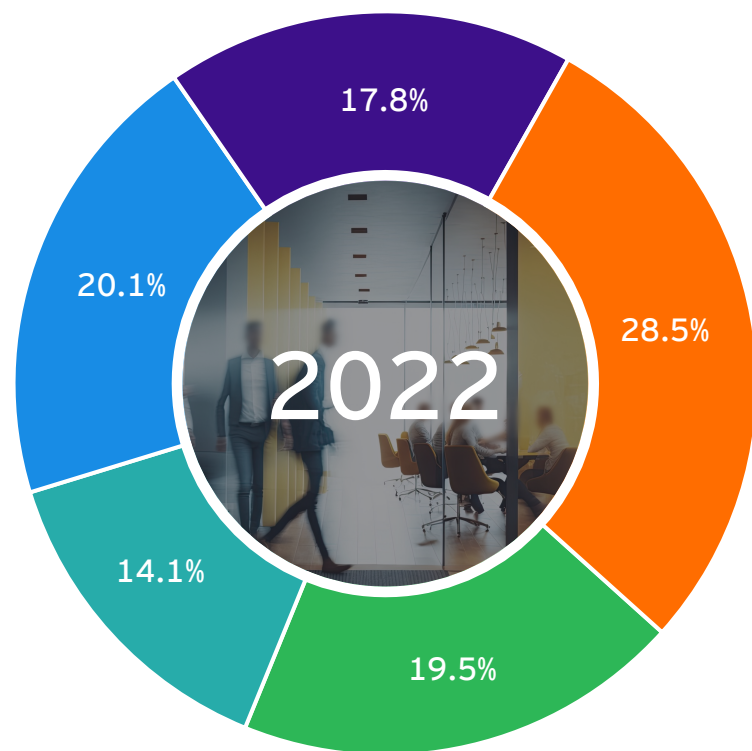
Fifty-eight percent of companies have assigned employees to in-office days. Eighty percent of companies are requiring or encouraging 3+ days a week back in office.

An overwhelming number of respondents (80%) are confident in their hybrid strategy, while only 18% are still working through the details.

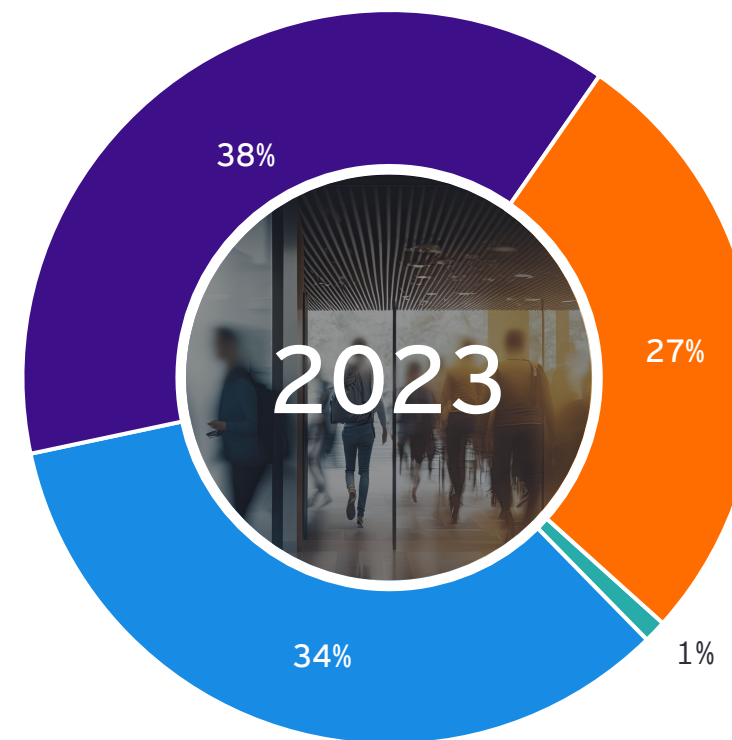
Over the last three years, there has been a decreasing amount of fully remote workers (0-1 days in the office). In 2021, 44% reported remote, while in 2022 there was 34%. In 2023, there was only 1% reporting an office presence of one day or less.



Number of days per week full-time employees are typically required or encouraged to work in the office



- 19.5% Less than one day a month in the office – fully remote working
- 14.1% Typically, one day a week in the office – mostly remote working
- 20.1% Typically, two to three days a week in the office – hybrid work
- 17.8% Typically, three to four days a week in the office – mostly office-based
- 28.5% Less than one day a week of remote working – fully office-based



- 0% Less than one day a month in the office – fully remote working
- 1% Typically, one day a week in the office – mostly remote working
- 34% Typically, two to three days a week in the office – hybrid work
- 38% Typically, three to four days a week in the office – mostly office-based
- 27% Less than one day a week of remote working – fully office-based

Employers are starting to require specific days in the office

What workplace behaviors are you mainly seeing at your company?

60%

Employees have assigned in-office days throughout the work week



5%

Employees only come into the office for events/activities

10%

Employees come to the office for in-person collaboration but otherwise work remotely

25%

Employees choose which days they come into the office



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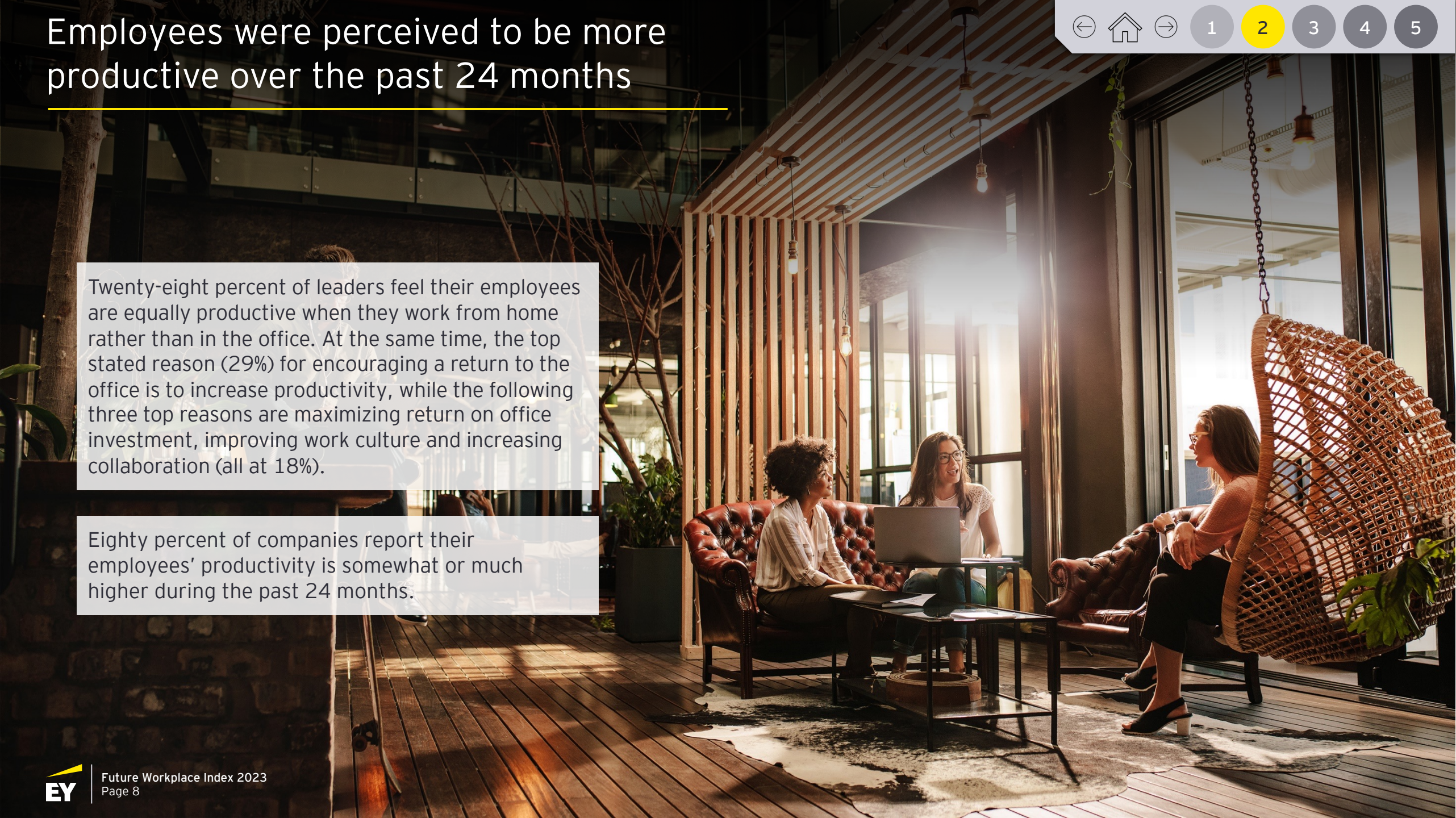
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Employees were perceived to be more productive during the past 24 months.

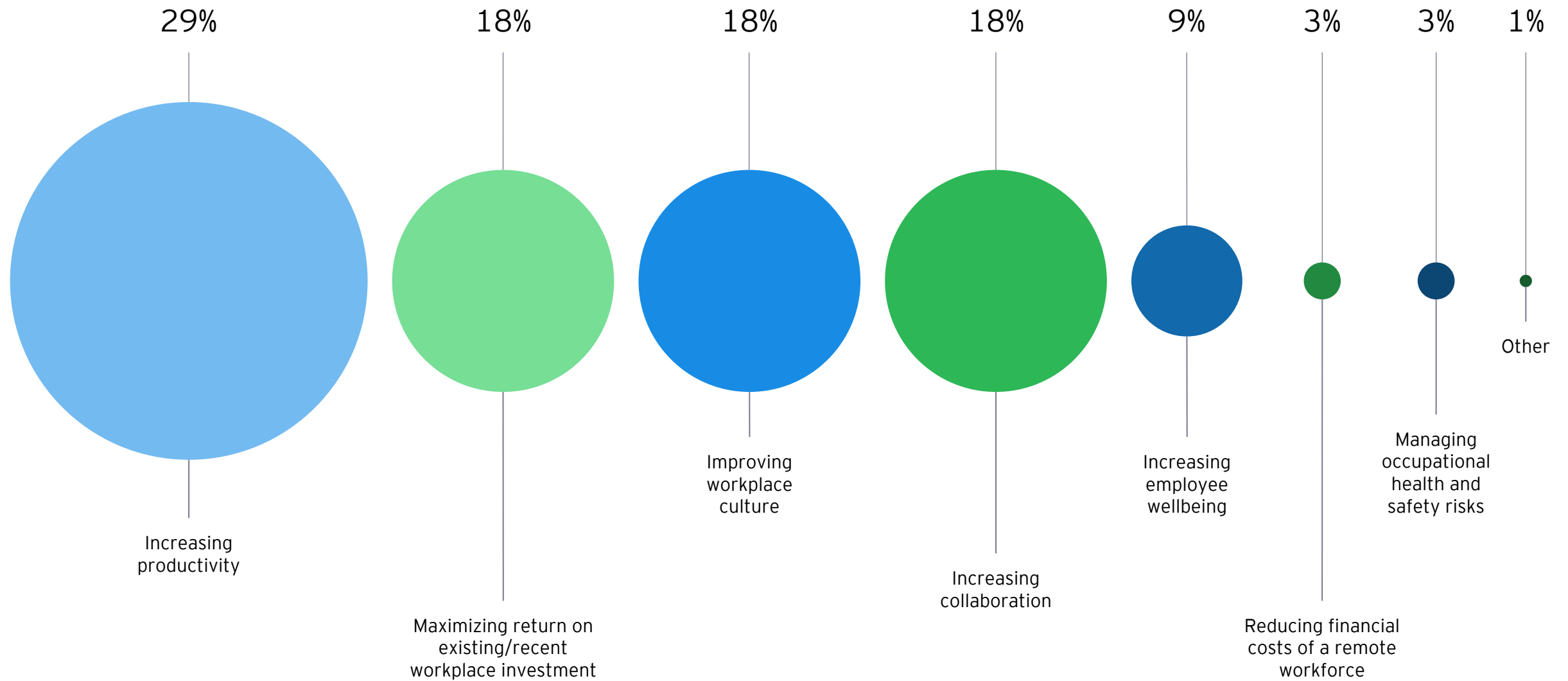
Employees were perceived to be more productive over the past 24 months

Twenty-eight percent of leaders feel their employees are equally productive when they work from home rather than in the office. At the same time, the top stated reason (29%) for encouraging a return to the office is to increase productivity, while the following three top reasons are maximizing return on office investment, improving work culture and increasing collaboration (all at 18%).

Eighty percent of companies report their employees' productivity is somewhat or much higher during the past 24 months.

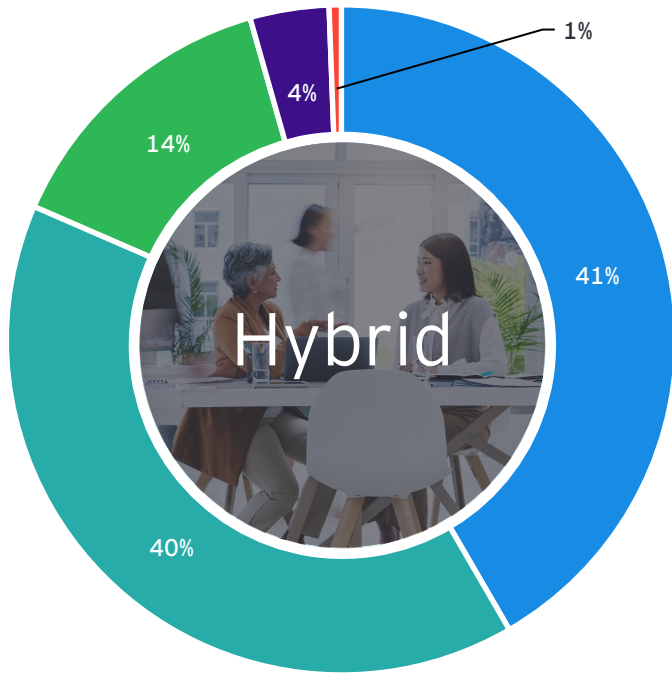


What is your motivation for bringing employees back into the office?

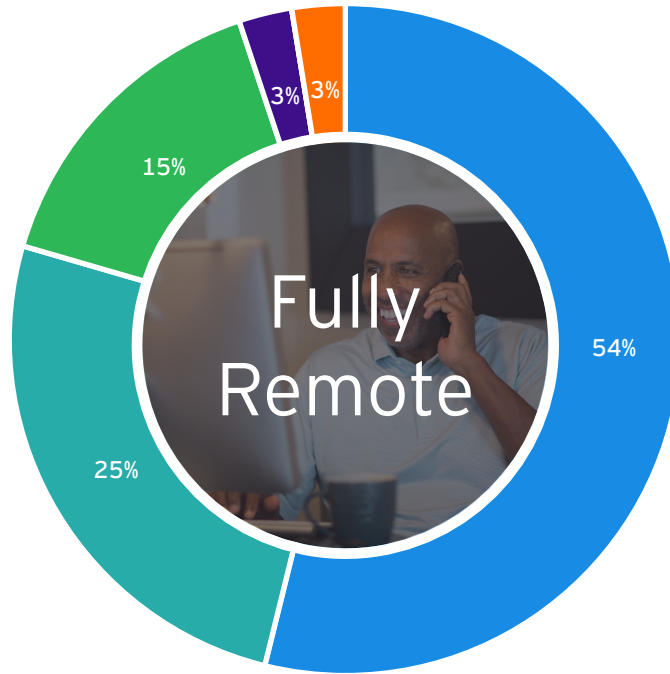


Productivity perceptions by workplace model

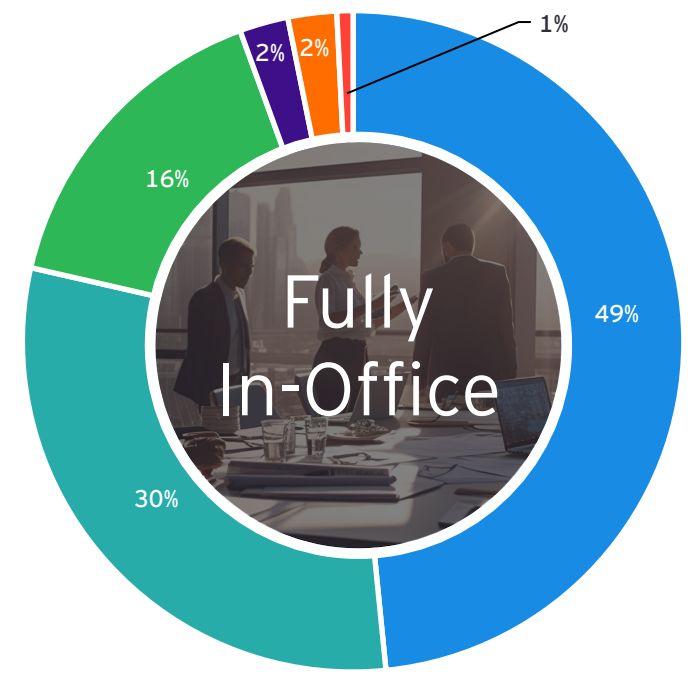
Earlier you described your current workplace model as hybrid, fully remote, or fully in office. How has this mandate impacted your company's overall productivity over the previous 24 months?



Respondents: 341



Respondents: 39



Respondents: 126



Smaller and midsize companies are continuing to expand their physical office space, while larger companies have maintained or reduced their office footprint.

Office expansion or contraction often depends on company size

When broken down, the majority of the smaller companies (250-5,000 employees) reported increasing their office space over the previous two years (51%).

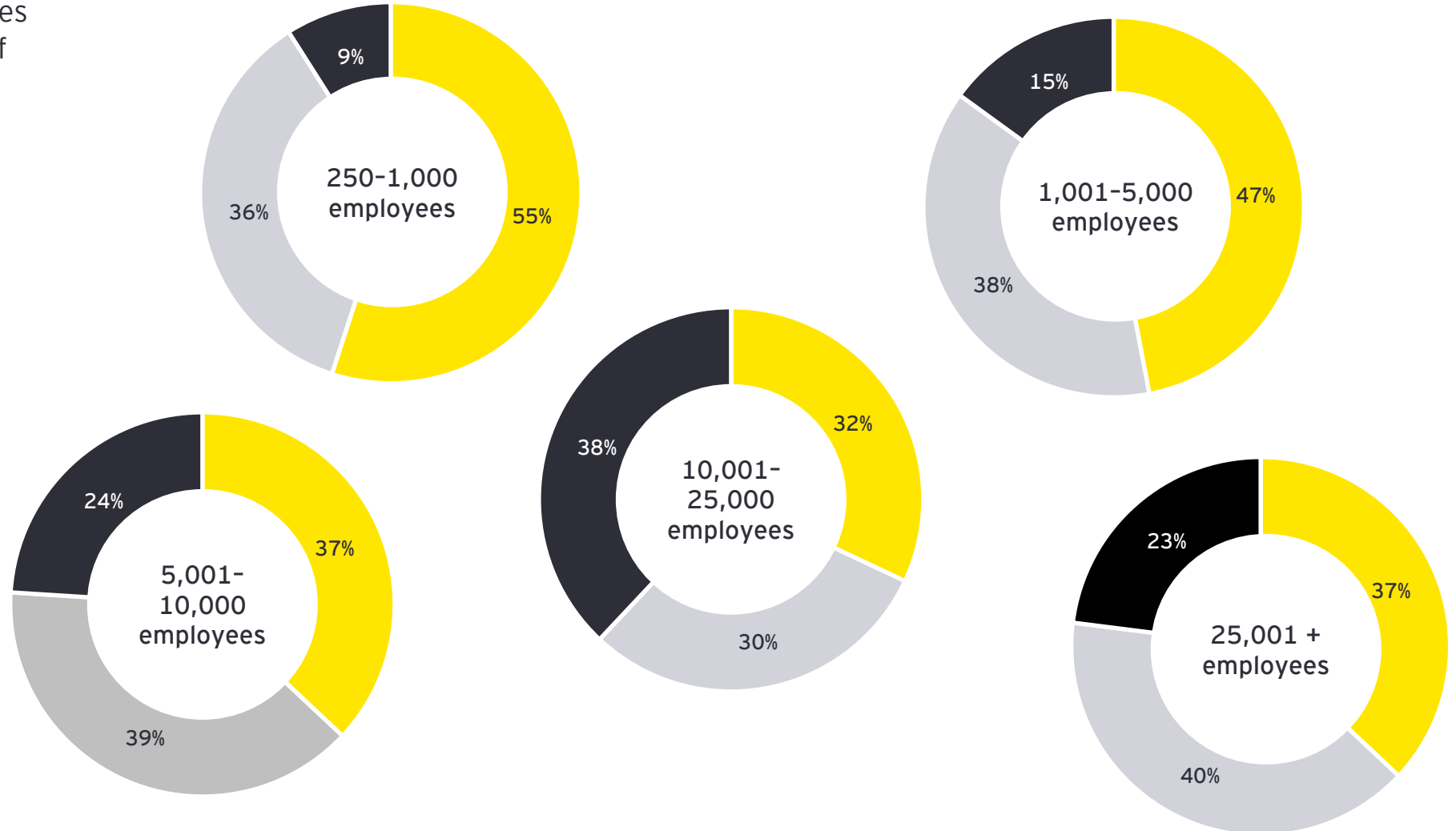
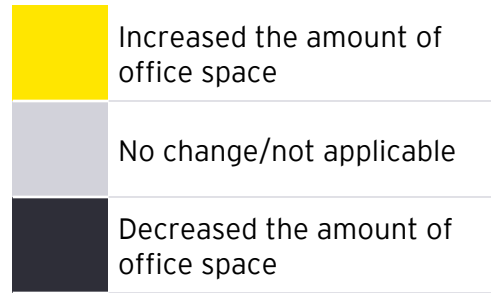
While most of the larger companies (10k-25k employees) reported decreasing the amount of their office space over 24 months (38%), the largest companies (25k+ employees) mostly had no change in the amount of space (40%).

When describing the utilization strategy for their office space, the top answer (62%), across all respondents, was “assigned open workspaces and enclosed offices,” with hoteling (reservation-based unassigned seating) and hot-desking (reservation-less, unassigned seating – first come, first served) trailing at 19% each.

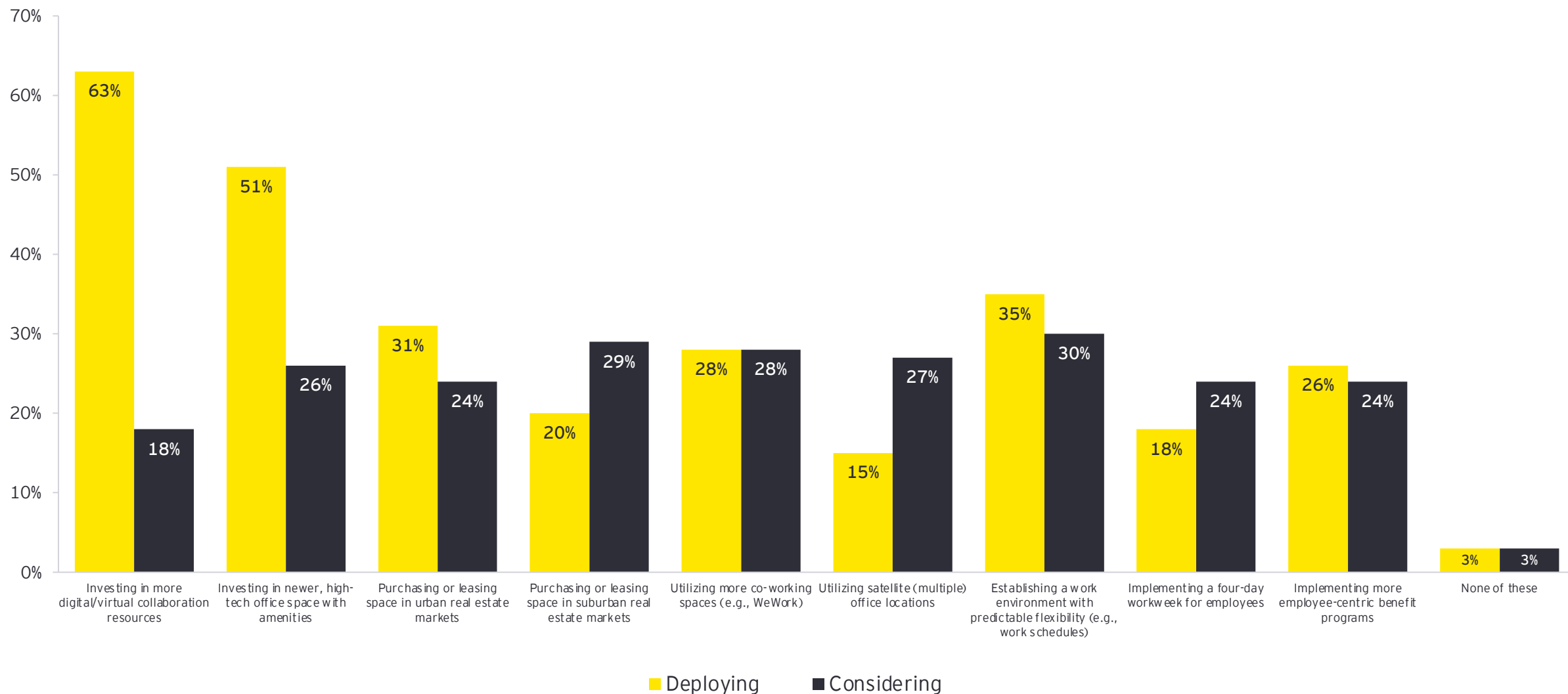
The quest for quality continues, with 51% of all respondents saying they’re investing in newer, higher quality office spaces with better technology and amenities, leaving many older office spaces behind.

Many smaller companies increased their office footprint while larger companies either decreased their space or decided to keep the same square footage.

Which of the following best describes the changes made to the amount of office space in your portfolio over the previous 24 months?



Leadership is investing back into the hybrid-based office work culture with collaboration resources and newer, high-tech space leading the way.



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Leaders are actively seeking sharper tools to optimize office space occupancy, including AI and machine learning technologies.

Leaders are actively seeking sharper tools to optimize office space occupancy

Among respondents, 44% are using AI to “collect data to maximize and optimize their office space” and 38% stated wanting to “apply AI to track the office’s sustainability and energy efficiency.” Only 2% are either not using AI or they’re not sure.

The majority of respondents indicate that they use assigned open workspaces and enclosed office within their workplace (62%). This could indicate that many leaders aren’t arming their employees with the optimized space they need (different types of offices and collaboration spaces or reservation systems).

When asked their greatest challenge when optimizing their office, the leading response was creating the right kind of space per employee (individual vs. collaboration space) with 32%. This is 11% higher than the respondents who feel they don’t have any difficulties optimizing their office.

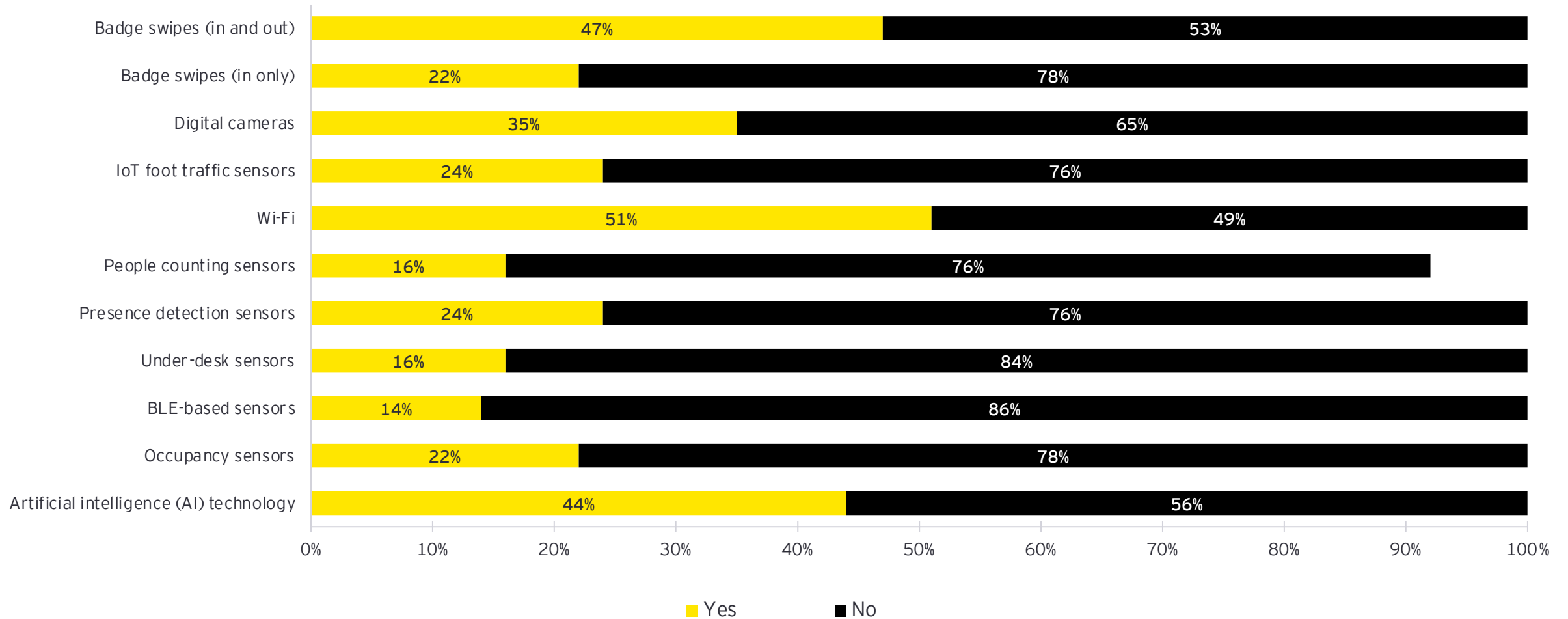
The largest companies (25k+ employees) say they don’t have any difficulties optimizing their current office space, while the smallest (251-1,000) had the highest number of respondents answer getting the right space is their greatest challenge.

Only 2% of respondents say they are not using any method to collect data to optimize their space. Most respondents are utilizing Wi-Fi, badge swipes and AI technology among the 11 specified ways to track space utilization.



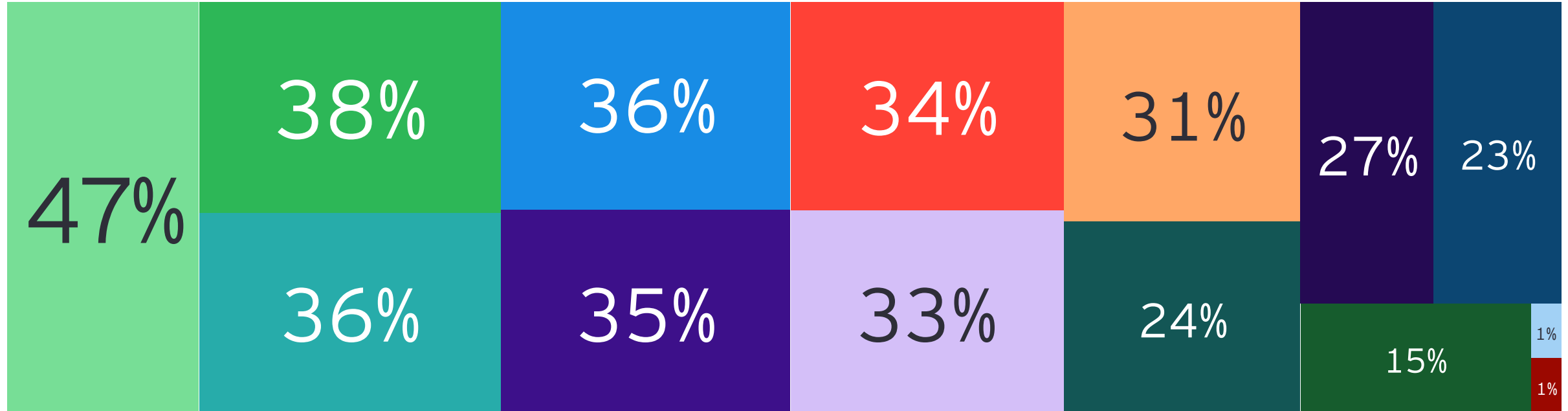
Leaders are using many different methods to track their office utilization, however, many are still navigating which method is best.

How are you currently collecting data to maximize and optimize your office space?



Many companies are trying to navigate how best to utilize AI.

In which, if any, of the following ways are you looking to utilize artificial intelligence (AI) within the workplace?



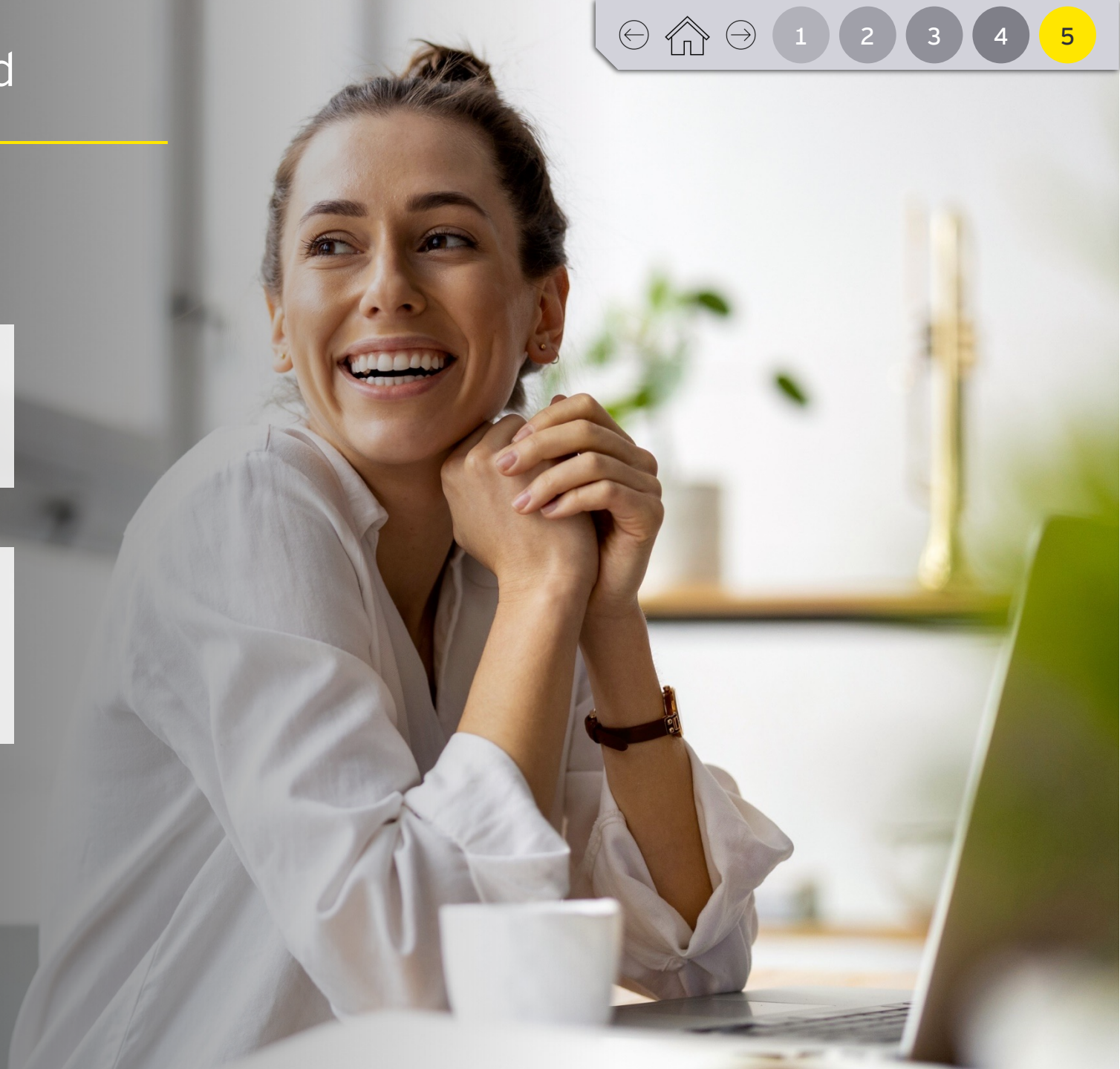
47%	Tracking sales productivity and growth	35%	Performing your company's financial analysis	27%	Office space utilization monitoring	1%	I'm not planning to use AI
38%	Tracking your facility's sustainability and energy efficiency	34%	Monitoring brand equity/brand health	24%	Property operations support	0%	Other (please specify)
36%	Hiring qualified employees	33%	Facial recognition for security measures	23%	Investor relations	1%	Not sure
36%	Tracking consumer behaviors	31%	Asset management support	15%	M&A activity		

Casual Fridays are
being redefined

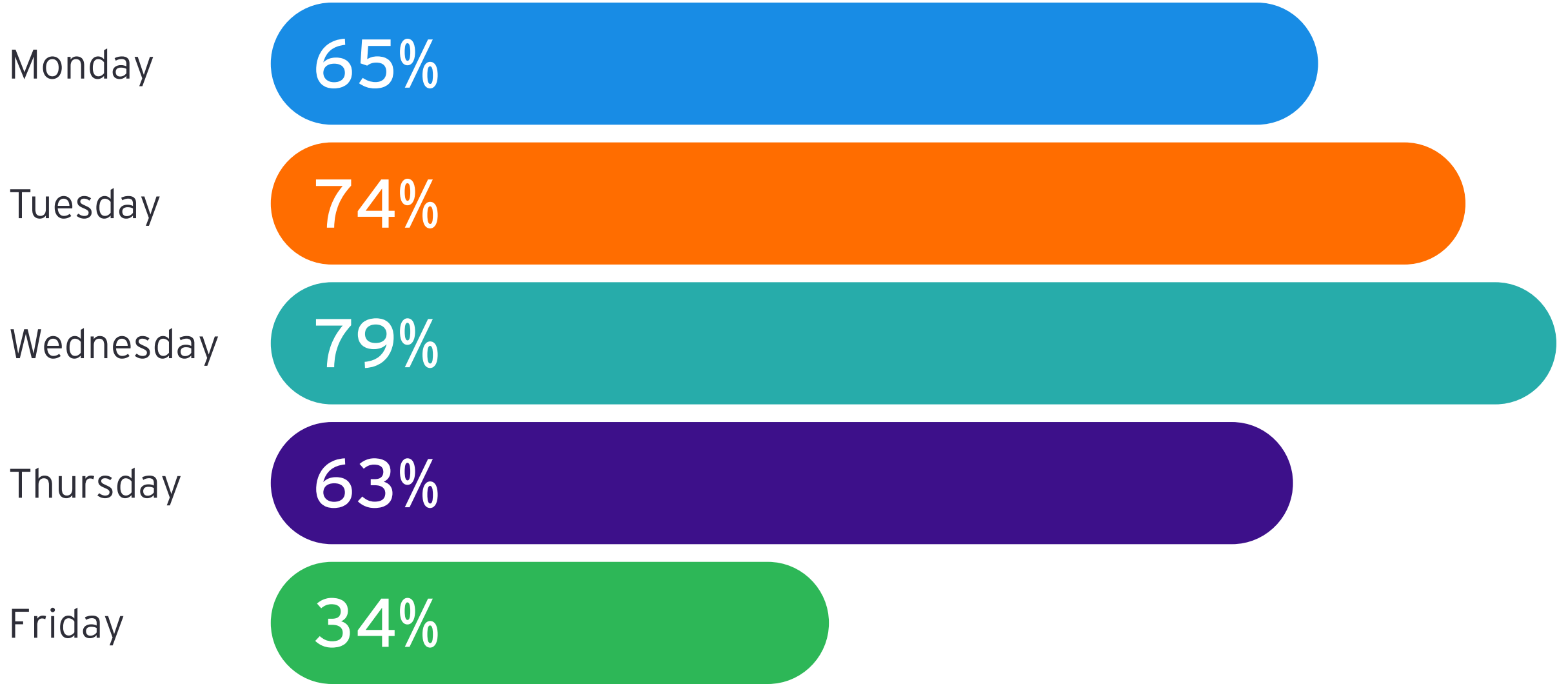
Casual Fridays are being redefined

When asked which days their employees are most likely to come into the office, Monday through Thursday had an average response of 70% for each day, while Friday received 34% of responses.

In 2022, the index found that 21% acted upon and 19% were in the process of deploying a four-day work week, but in 2023, the percentage of respondents who are currently deploying a four-day work week fell to 18%.



Which of the following days are your employees most likely to come into the office?



Learn more

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