



The Future of Work

A trends
forecast for 2024

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Hybrid working – a phenomenon empowered by significant advances in technology – is an inescapable megatrend that’s changing lives, allowing many millions of people around the world to work how and where they feel most fulfilled and most productive. And it’s a shift that’s set to continue: ongoing academic research by Stanford University and other leading institutes has predicted that between a third and a half of white-collar workers will continue to work in a hybrid way in the long term.

The results of our recent survey of CEOs confirmed this prediction: three-quarters told us that they expect to still be operating in a hybrid model five years from now. And they also confirmed many of the other benefits of hybrid – the majority reported increased employee happiness, improved productivity, and higher employee retention and attraction.

Hybrid is also better for the planet. We recently undertook a groundbreaking research project together with Arup, looking at the environmental impact of the hybrid model in both the US and the UK. The results were staggering, showing that localised working can bring a reduction in carbon emissions of as much as 87%.

From the emergence of a new C-suite member, the Chief Hybrid Officer, to the increasing role of AI in the workplace, this paper will explore some of the biggest new trends set to transform the world of work in 2024 and beyond.

Mark Dixon

Founder and CEO, IWG plc

Rise of the Hybrid Hub

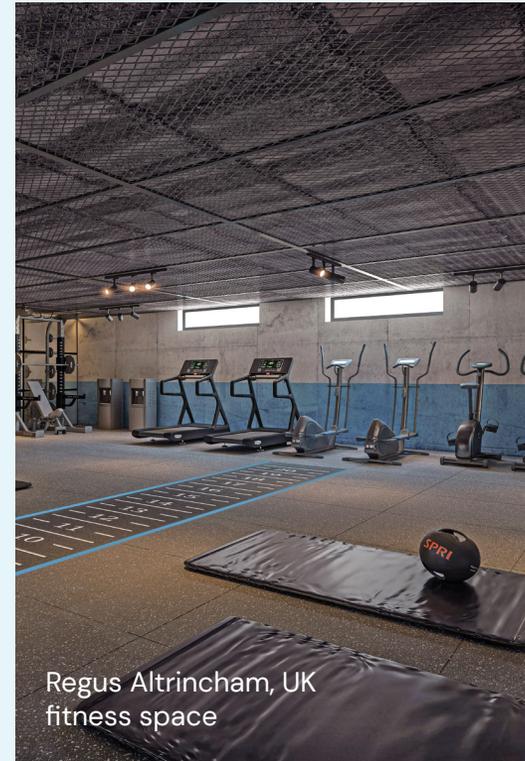


Spaces Menlo Park,
Silicon Valley, US

As hybrid working becomes the norm around the globe, the traditional company HQ is being transformed. Out go banks of workstations on open-plan floors, to be replaced by spaces for collaboration, creativity and socialising. And down goes the size of the real estate footprint, as companies reach the end of their current leases and trade up to better – but smaller – workspaces.

“It’s not enough to just ask people to come to a building and assume that they’ll be collaborating or that they’ll be creative,” says Mark Dixon, Founder and CEO of IWG. “Companies that are really focused on driving collaboration are putting money into smaller, high-quality workspaces that are designed to produce an environment in which people can come together effectively and interact and exchange ideas.” Dixon adds that creating an inspiring and

Higher quality hubs designed for collaboration, creativity and socialising.



Regus Altrincham, UK
fitness space

fulfilling ‘hybrid hub’ is also important in attracting and retaining top talent at a time when it can be hard to find.

One strong design trend that aims to make the trip to a hybrid hub a more attractive proposition comes from the hospitality sector. “We’re seeing a lot of corporate spaces trying to be more friendly and hotel-esque in terms of the finishes, the furniture, the colours, making them warmer, more human,” says Doug Demers, Principal and Office Director in Seattle for HSK, America’s second largest architecture practice.

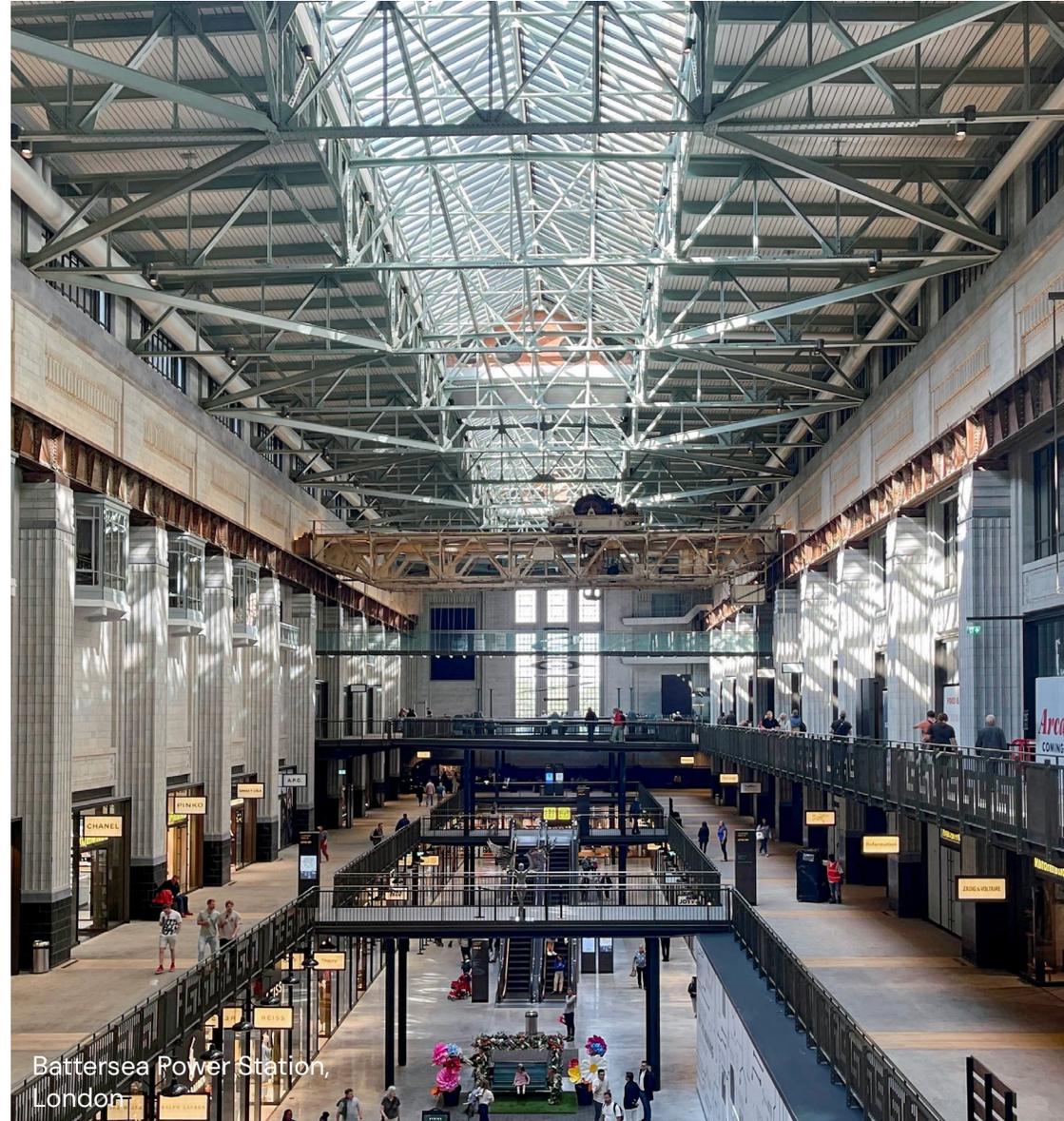
Providing spaces for play and fitness activities, as well as communal food and drink areas, is also a key part of turning an office into a talent magnet. In Geneva, the Signature Quartier des Banques flexible workspace shows how the standards of a boutique hotel or

exclusive members' club can be applied to the workplace: a staircase bedecked with modern art opens onto a stylish lounge bar decked out with chic, high-end furniture. There's also a gym with on-demand personal trainers, a cinema, and even a Michelin-starred chef's restaurant.

The new, reimagined, hybrid hub is often complemented by access to a network of local workspaces or coworking locations, providing employees with a convenient place to work in the heart of a local ecosystem. This ties in with the increasingly popular concept of the 15-Minute City, in which everything we need is located within a 15-minute walk or cycle ride from home. "Increasingly, the office buildings that are now successful are part of a community," says Demers.



Signature Quartier des Banques, Geneva



Battersea Power Station, London

Working in the Heart of the Community

A prime example of the workspace as part of a local ecosystem is The Engine Room, a bespoke IWG location that recently opened at the iconic Battersea Power Station in London. The Grade II listed building has been completely refurbished as a mixed-use development comprising apartments, offices, shops, bars, restaurants and leisure facilities. It's also the focal point of a much wider regeneration project in the local Wandsworth district that has created a self-sufficient new community in the area and includes a large amount of new housing.

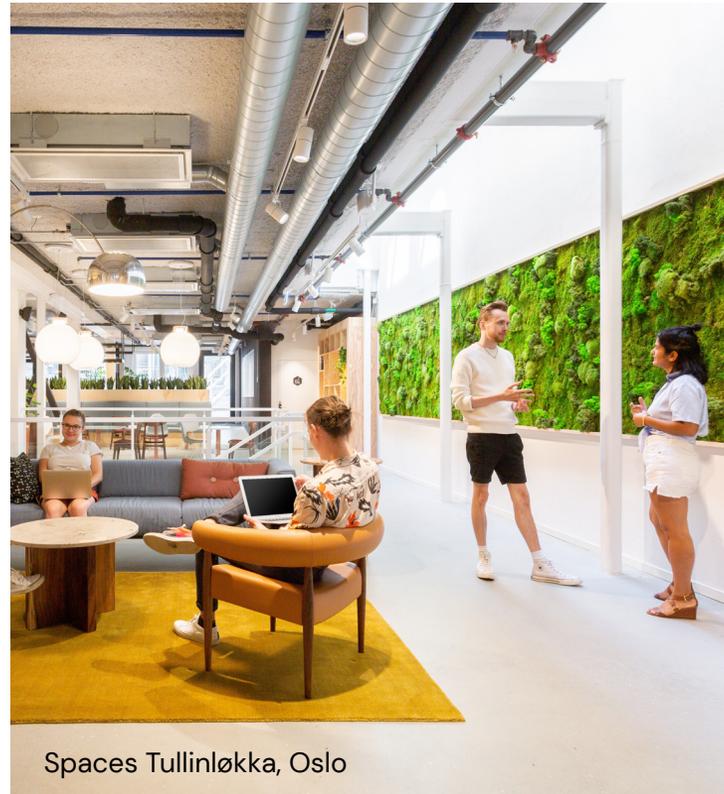
"It's a win-win," says Mark Dixon. "People who live locally can work at The Engine Room and skip the long, pricey commute to London's city centre while, at the same time local amenities, businesses and retail outlets in Wandsworth will receive a boost." Dixon adds that this is one of a series of 15-minute cities that IWG is helping to establish across London and beyond. "More and more workers want to live in a 15-minute city and our continued expansion in suburbs and small towns around the world is increasingly making this a reality," he says.

Keeping it Green

Hybrid working plays a key role in the drive towards Net Zero.



It has been shown that buildings currently account for 40% of societal energy use, and that every unused desk in an office creates a tonne of unnecessary CO2 each year, equivalent to driving a car 6,000 miles. As companies around the world consider their path to Net Zero, the environmental credentials of their office real estate are increasingly coming under the microscope. “For architects, building owners, developers and investors, sustainability is now a major priority,” says Mark Dixon.



Spaces Tullinløkka, Oslo

And it’s not just a duty to protect the planet that’s driving the green trend. “Regulations are getting tighter and tenant expectations are rising when it comes to environmental credentials,” Dixon adds. “And buildings with high sustainability certification also command higher rents.” Employees are also demanding higher environmental standards from their employers: ‘climate quitting’ is a new entrant in the business lexicon to describe the trend, particularly among Gen Z, for workers to leave jobs or turn down job offers because a company’s ESG credentials are not up to scratch.

The new focus on workplace sustainability has seen the rise of the ‘green lease’, which allows both landlords and tenants of properties to work collaboratively to improve the environmental efficiency of a building, particularly in terms of energy and water usage and waste recycling. In partnership with IWG, HSBC signed a green lease for its use of Spaces Gasperich in Luxembourg, which has been certified as “outstanding” by environmental assessment organisation BREEAM. It was the first agreement of its kind in Europe for the bank.

The most significant way for companies to reduce their carbon footprint is to adopt flexible working. A recent landmark report by IWG and Arup found that the switch to hybrid could reduce urban carbon emissions by as much as 70% in London and by as much as a staggering 87% in the US. This was the result of less frequent commuting and the use of environmentally-efficient shared flex spaces close to workers’ homes.

“The single biggest positive environmental change we can all make is to provide people with the choice to work closer to where they live,” says Dixon.

Organising for Hybrid

New startups – and new C-suite members – are maximising the efficiency of hybrid working patterns.

It's one thing ensuring you have a workspace that's designed for collaboration, and quite another to make sure that it's being used in an optimal way. An increasing number of specialist companies are aiming to help with that. A recent survey by Crunchbase found that more than \$700m had been raised in venture or seed funding over the last two years by companies offering new technology solutions for hybrid working. Most aim to make the hybrid experience as efficient as possible by co-ordinating people, places and projects.

A new, specialised role is also increasingly being seen in the C-suite, as companies recognise the importance of hybrid working and strive to maximise its potential by appointing an individual to ensure that all runs smoothly. The role can differ between different companies, as can the job title. Remote software

company Doist, development platform GitLab and Facebook parent Meta have all appointed a Head of Remote. Annie Dean, who used to be Meta's Head of remote, is now Head of Team Anywhere at software company Atlassian. The prize for the longest title goes to Tiffney Fort at Cisco, where she's Chief Orchestration Officer, Hybrid Strategy and Team Solutions. Fort says she's responsible for guidelines that define where work will happen, the technology tools needed, the team norms, core collaboration hours, and rituals for success.

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“Whatever you call it – and I quite like Chief Hybrid Officer – this is a role that’s becoming ever more common as companies adopt hybrid working,” says Dixon. “And it makes sense. Getting the most out of your workforce is all about planning and organisation. The way that people have worked for decades has been transformed, so having an expert on board to help navigate the way forward can only pay dividends.”



Regus, New York,
US



Together Tuesdays

One essential task for the Chief Hybrid Officer – and for companies in general – is to make sure they bring people together for collaboration in a structured and organised way. This can happen at any point during the week, but both transport and workspace data show that the most popular day for getting teams together is Tuesday – making ‘Together Tuesdays’ a new entry in the workplace lexicon. Figures from the hospitality industry also show that Wednesday and Thursday evenings have become the new Thursdays and Fridays for drinking and dining out.

Making Space

Companies are realising the benefits that neurodiversity can bring – and office designers are responding.

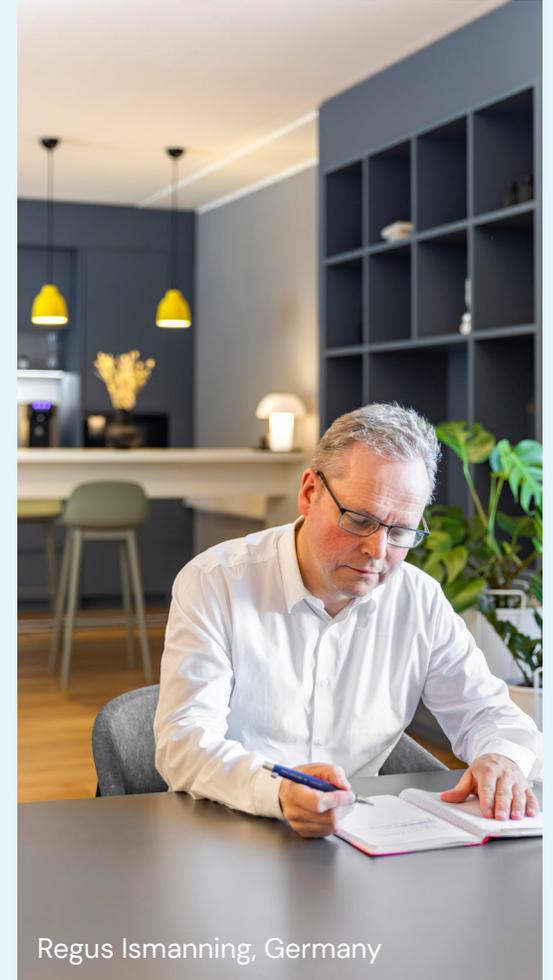
It's estimated that around 15-20% of the population is neurodivergent in some way. This includes a variety of conditions such as autism, ADHD, dyslexia and other social and learning disabilities. Research has shown that neurodiversity can bring benefits for an organisation, introducing valuable new ways of thinking to the workplace – but for the neurodiverse, the workplace can often seem a hostile environment, and historically, neurodivergent people have been disproportionately excluded from work, even when compared with other disabilities.

A recent survey found that the most beneficial adjustment that can be made to neurodivergent workers' work experience is to offer more flexibility in

schedules and work location, with the possibility of working away from the office. Workspace design also plays a major part in how neurodivergent people feel at work, with noise and lighting being a particular issue. Even surfaces can be problematic: uncomfortable textures or 'visual noise' such as distracting patterns can be very stressful for someone who has autism or ADHD, whereas a neurotypical person wouldn't notice them.

Designers are now beginning to actively design spaces with neurodivergent needs in mind. This can include providing different kinds of furniture such as sit-to-stand desks and even rocking chairs, as well as zones where people can pace and work at the same time. Sensory environments where light and sound can be dialled up or down to suit an individual's needs can also provide relief for neurodiverse employees.

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Regus Ismanning, Germany

for Neurodiversity

Hybrid is the Best Perk

When it comes to benefits, flexible working is now a major attraction.



The advantages of hybrid working for employees are numerous. The hybrid model empowers them to work when and where they prefer, it's good for their health and wellbeing, and it saves them the expense and stress of commuting long distances five days a week. According to Stanford University's Professor Nicholas Bloom, who is a world expert on hybrid working, employees value hybrid working so much that they equate it with getting a pay increase of around 7% or 8%.

So it's no surprise that the option of hybrid working is now the top benefit for workers: an IWG poll found that 88% of employees considered hybrid working to be the leading benefit they would expect in a new role. For a large proportion of them, it was seen as far

95%

of HR executives see the offer of hybrid working as an effective recruitment tool.

more than just a benefit: almost half said they would only consider roles that allowed them to work in a hybrid way. Similarly, a survey by Microsoft found that more than half of workers would consider quitting their job if their hybrid working policy was axed.

An IWG survey of HR executives in the US found that 95% see the offer of hybrid working as an effective recruitment tool. According to Josh Brenner, CEO of recruitment company Hired, "Workplace flexibility is now the number one driver of why employees are looking to move to other opportunities. Companies that have forced people back to the office for a full five-day-a-week schedule have seen really large attrition because of that, and are seeing workers starting to look around for other opportunities."

50%

of employees would only consider roles that allowed them to work in the hybrid way.

Mixing work with raising a family can be a headache. Research in 2023 by IWG among more than 1,000 parents found that arranging childcare for the summer holidays was a significant source of stress for more than two-thirds. This led to more than half of them using their annual leave to meet their childcare responsibilities.

The news came against a background of sharply rising costs for childcare services, especially for workers who were forced by employers to spend more days in the office. A survey by flexible childcare provider Pebble found the average increase was a staggering £664 a month. A third of the parents surveyed said they had already changed jobs to avoid the extra office time. In a separate survey of more than 10,000 parents with children

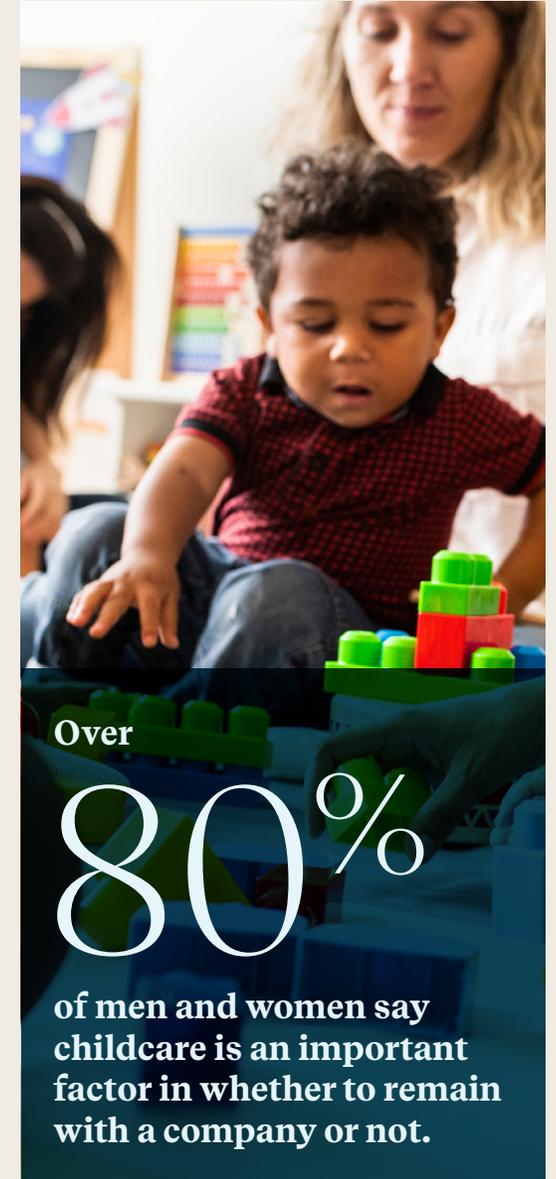
Childcare Takes Centre Stage

Employers are under increasing pressure to help workers with young families.

under five, almost two-thirds said they or their partner had reduced their working hours as a result of childcare costs.

Unsurprisingly, businesses are now coming under increasing pressure to step up and help. US-based news outlet, theSkimm, has launched the #ShowUsYourChildCare database,

which highlights companies who are going above and beyond with childcare benefits – from backup care programmes to onsite nurseries. In both the UK and the US, childcare benefits in private companies tend to be relatively rare, but they can be a powerful recruitment tool. Hotel company Marriott International recently expanded its



Over

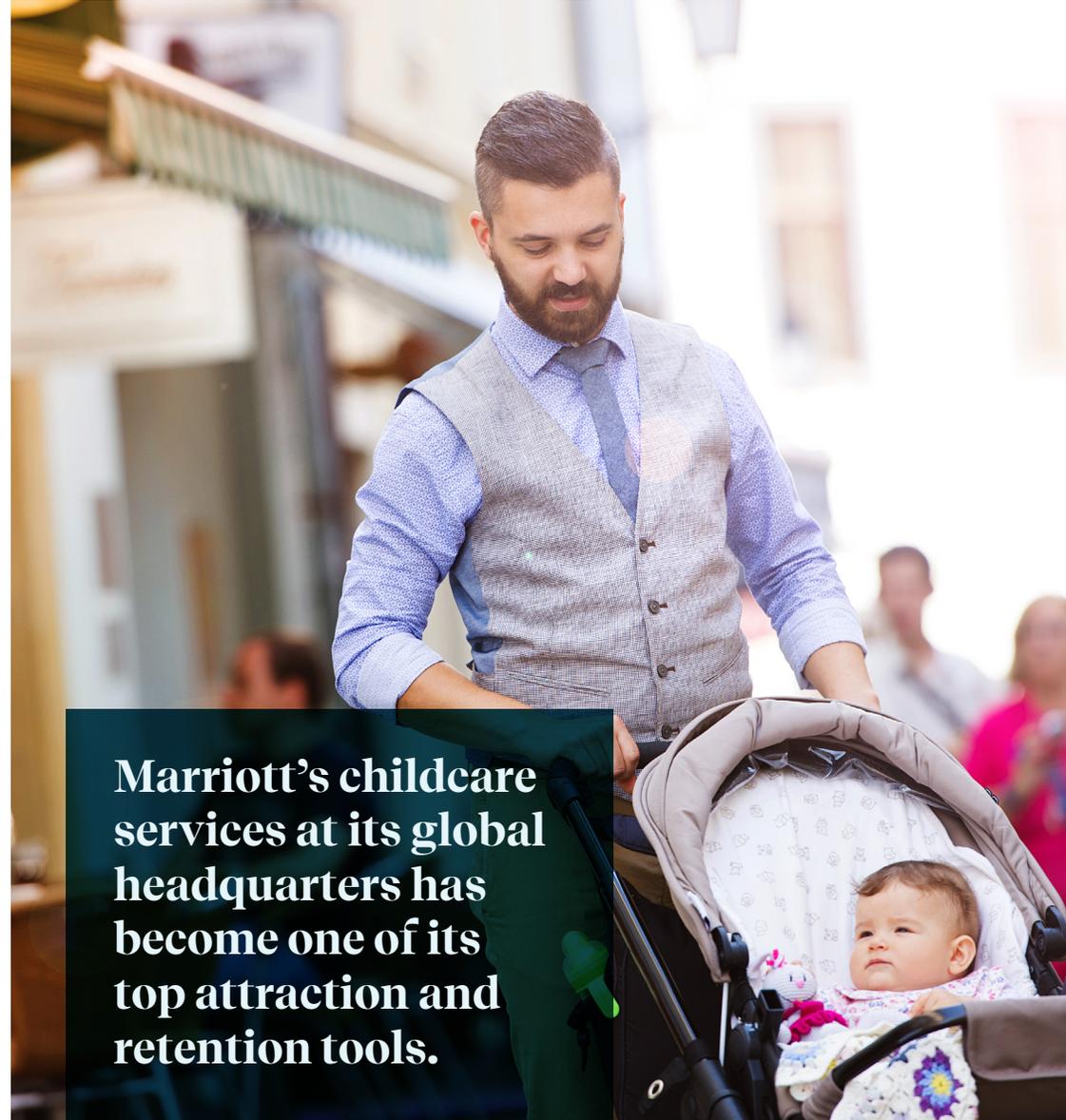
80%

of men and women say childcare is an important factor in whether to remain with a company or not.

existing childcare services with a bigger daycare and pre-school area at its new Bethesda, Maryland, global headquarters, and according to Judy Fennimore, Vice President of Benefits, it's become "one of our top attraction and retention tools".

A recent study by McKinsey found that 69% of women with children under the age of five say they're "more likely to choose an employer that offers assistance with childcare expenses or provides access to on-site childcare." Over 80% of men and women say the availability of childcare benefits is an important factor when deciding whether to stay with a company.

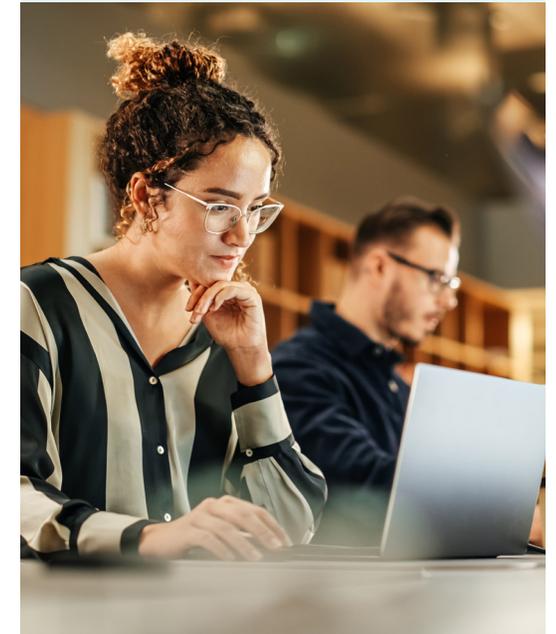
For a large number of the parents surveyed by IWG about the challenge of childcare during the summer holidays, the number one factor in reducing stress was hybrid working arrangements that allow them to cut down on the commute and work closer to home. More than a third (38%) identified this as the primary solution, with the proportion rising to almost half (49%) among parents of children under five years old.



Marriott's childcare services at its global headquarters has become one of its top attraction and retention tools.

69%

of women with children under the age of five would choose an employer that provides assistance with their childcare needs.



The pressure of set working hours can mean that the notional 'lunch hour' often ends up as a 'lunch 15 minutes', just enough time to wolf down a sandwich at our desk before it's time to crack on. Worse still, we can end up combining lunch with a meeting, attempting to chomp and contribute at the same time.

But fortunately, the flexibility of hybrid working, which allows people to work how and when they choose, is now enabling increasing numbers of people to reclaim their lunch hour. That means getting to spend time and share a bite with colleagues or clients, building or rekindling relationships. Or maybe it's just an

opportunity for some me-time, whether it's heading to the gym, going for a walk or cracking on with that novel you can't put down: anything, in fact, that enhances your physical or spiritual wellbeing.

"This is a great example of the way in which hybrid working improves our lives," says Dixon. "One of the greatest strengths of hybrid is the way in which it empowers us to reclaim our own time. By ditching the traditional nine-to-five in favour of more flexible arrangements, we give ourselves space to do the things that make our lives better."

Workers Reclaim the Lunch Hour

Hybrid working is letting us do the things we actually want to do in the middle of the day.



Getting Ready for AI

Companies need to be aware of both the potential benefits and possible downsides of easily accessible generative AI.

The arrival of ChatGPT and other AI-powered language models has suddenly put the powers of artificial intelligence at our fingertips in the workplace. It's already being used by companies to create content, write code, power chatbots and do myriad kinds of research. But this is just the beginning of generative AI's inexorable march into our working lives. A recent report by Goldman Sachs predicted that nearly two-thirds of jobs in the US and Europe are likely to be exposed to some degree of automation, and a quarter could end up being fully automated. Around 300 million jobs around the world could be affected.

In the short term, this means employees need to be properly educated about both the potential benefits and also the challenges of working with AI, while also being given the relevant skills to work with AI both creatively and responsibly. In the longer term, as AI frees us from repetitive, everyday tasks, our roles are likely to shift more into areas of creativity and oversight. Roles that don't even exist today will also appear as AI opens up new technological possibilities. This means reskilling and upskilling are going to become of paramount importance.



Send a Bot

Can't make that 10am video call? Then why not send your meeting bot instead? We're used to dealing with bots in a customer service context, but now they're starting to appear in videoconferences. All the main platforms now offer the option for us to send our own bot, which will then feed back with AI-generated meeting notes and action items after a meeting has taken place. There's an obvious drawback: if everyone sends a bot, there won't be much to take notes on. Nevertheless, if bots are used in a planned way, there are real benefits to be gained.

Unretirement Brings

Employers are learning to get the most out of older workers' acquired knowledge.

According to the latest annual survey of workforce trends around the world by recruitment agency Randstad, the phenomenon of 'unretirement' is on the up. Driven mainly by economic factors, those who are beyond retirement age are increasingly opting to return to work, while others who are reaching retirement age are delaying their exit from the labour market. For companies, this can prove to be a boon, as it means they can continue to profit from the skills and expertise of their older employees. And it's a growing resource: by 2031, more than a quarter

of the workers in the world's leading economies will be aged over 55. At the same time, falling birth rates mean that the supply of talent at the younger end of the career ladder is dwindling.

Unilever, a pioneer in the field of flexible working, is actively encouraging employees of retirement age to stay on. Its trial U-Work scheme offers older workers the opportunity to continue working part-time, while passing on their accumulated knowledge to others. The concept was devised by Unilever's Chief



Benefits to the Workplace



Falling birth rates mean that the supply of younger talent is dwindling.

Talent and Reward Officer, Placid Jover, after he discovered that almost a third of his workforce was going to be eligible for retirement within five years.

An article by the Oxford Institute of Population Ageing recently described the rise of hybrid working as “a reason to be cheerful” for older workers for several reasons: it curtails what can be a difficult daily long-distance commute, it makes it easier to administer self-care or care to others, such as an ageing partner, and it also frees up more time for non-work commitments such as volunteering or hobbies while still holding down a job. Research has also shown that older workers tend to struggle more than other age groups amid the noise, distractions and lack of privacy of traditional large open-plan offices.

By 2031 more than

25%

of workers in leading economies will be over 55.

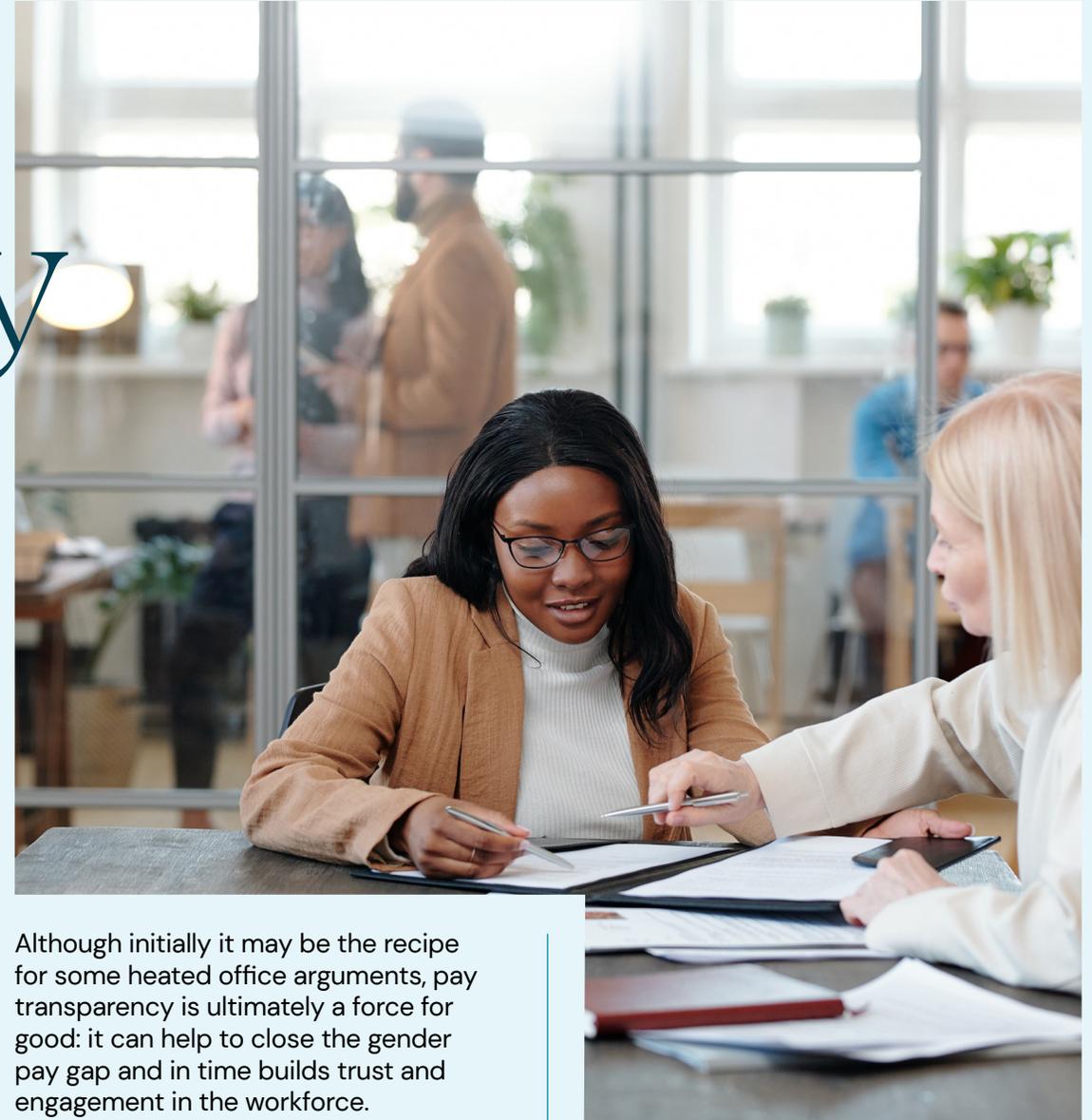
Pay Transparency is Coming

The days of secret salary deals are coming to an end.

Are you happy for your colleagues to know how much you earn? In the coming months, it may become easier for them to find out. With the rise of online job postings and self-reported wage tools, employees already have greater access to information about pay than ever before, leading to increased discussions about compensation in the workplace. But now pay transparency is becoming an increasingly hot topic, and legislators around the world are seeking to remove the taboo from salary disclosure.

In the US both California and New York introduced pay transparency laws in

2023, and the EU approved a new Pay Transparency Directive that is likely to become law in member states within three years. There's also a generational change happening in terms of how we view salary confidentiality. According to Marcie Merriman, cultural insights expert at EY, Gen Z, the latest cohort to enter the world of work, don't understand why people can't just share how much they earn: "Organisations are going to be increasingly pushed to be more transparent about what salaries are, going beyond 'here's the range for somebody who's been with the company for 10 years,'" she says.



Although initially it may be the recipe for some heated office arguments, pay transparency is ultimately a force for good: it can help to close the gender pay gap and in time builds trust and engagement in the workforce.

Hybrid is Here to Stay

As the American economist Milton Friedman once observed, “Only a crisis – actual or perceived – produces real change.” Four years on from the Covid-19 pandemic, those words could scarcely be more pertinent. The growth of hybrid working, accelerated by that huge disruption in our lives, has permanently changed the way that millions around the world spend their working days.

“As each year goes by, it becomes clearer that we’re living through a landmark era of transformation in working life,” says Dixon. “Look at how the geography of work is shifting, as more and more people get to live their dream of working close to home. And consider the significant and growing contribution that hybrid work patterns are making on the road to Net Zero. There’s no doubt that hybrid is here to stay – and it’s changing the world for the better.”

We help more than eight million people work the hybrid way, with around 4,000 locations across more than 120 countries. Find out how we can help your business navigate the new world of work at [iwgplc.com](https://www.iwgplc.com).

