



2023 Edition

The State of Workplace Experience

High-performing companies need high-performing workplaces and employees. Here's everything industry leaders need to know in 2023.



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01

Introduction

The State of Workplace Experience

by Chase Garbarino, CEO and Co-founder of HqO

In 2022, the world adjusted to new ways of working, and many companies experimented with new and exciting technologies to optimize the workplace. In 2023, as the state of the market continues to evolve, new trends will undoubtedly start to emerge, but the latest data tells us that many employees are dissatisfied with their workplace environments and are resistant to return to the office, despite more and more companies demanding it.

As a result, we expect to see strong investments in workplace technology continue into 2023 and beyond. Deloitte's 2023 *CRE Outlook Survey* finds, for example, that 48% of commercial real estate (CRE) CFOs will look to increase their spending on technology in the coming year. Deloitte also found that 17% of CFOs will look to increase that spending by at least 5%.

As industry leaders consider adding workplace experience technology as part of their increased technology investment, they'll have to make sure that they're choosing the right technology to meet their business needs, especially in today's challenging economic climate. That's why we're publishing an extensive new collection of employee sentiment data in our *2023 State of Workplace Experience* report.

The data in this report comes from two exclusive sources: industry researchers at Gartner, and employee experience researchers at **Leesman, an HqO company**. The Gartner insights originate both from Gartner's qualitative analysis of the workplace experience marketplace, and from its rigorous survey of roughly 200 industry researchers, commercial real estate CFOs, and industry finance leaders. The Leesman data results

from roughly 300,000 responses to Leesman's surveys of office workers. By comparing these two datasets, we'll give you and other industry leaders an exclusive look at how workplace experience has evolved over the past year, what trends will emerge in 2023, and what real estate and employee experience leaders need to do to stay ahead in this ever-changing landscape.

When times change, we learn more about ourselves and what we truly value. That's one of the reasons why we're continuing to see companies make smart investments in workplace experience. By strengthening the social infrastructure of our workplaces—and, ultimately, the social infrastructure of the cities that support them—we help bring people closer together, and right now, that's exactly what people want and need.

02

Predictions for 2023 and Beyond

The Road Ahead: Key Workplace Experience Trends for 2023

In 2023, corporate real estate leaders will continue to make smart investments in workplace experience, but they'll do so under radically different economic conditions. While office occupancy rates, for example, have largely rebounded from mid-pandemic lows, today's occupancy rates are still significantly beneath their pre-pandemic levels. The relatively slow pace of the post-COVID

recovery has led some in the industry to alter their long-term business plans. In some cases, this has led companies to **reimagine their use of old office space**.

In this section, we'll look at a few key planning recommendations from Gartner and HqO, which are based on best-in-class exclusive data and industry analysis.



Predictions for the Coming Years

By 2024

Organizations with a persistent cross-functional team tasked with workplace experience strategy will be 80% more likely to have high employee satisfaction with the workplace.

According to research from HqO, a growing number of corporate real estate leaders have started to build out their workplace experience teams. That's because more and more industry leaders have begun to recognize the financial benefits (decreased turnover costs, higher employee productivity, and improved NOI, among others) that come with an improved workplace experience. Independent research from Gartner validates the growth of the field and projects that the impact of workplace experience professionals will only continue to grow in coming years.

By 2025

Corporate workspace allocation will flip from 70% individual workstations and 30% collaborative space to 30% individual and 70% collaborative space.

HqO research has found that collaborative workspaces like meeting rooms are still significantly important to today's employees. Research from Gartner supports these findings, and even goes a step further: according to their projections, 70% of corporate workspace allocation will be devoted to collaborative space by 2025. This is a radical shift from the pre-pandemic allocation, where only 30% of workspaces were designed to enable collaborative work.

Less than 5% of desk workers will prefer to work from a corporate workplace full-time, down from 17% in 2021.

Gartner projects that the frequency of 5 days per week in-person work will continue to fall. This projection corresponds with data from Leesman and other industry sources, which have widely registered the falling prevalence of full-time in-person work.

By 2027

80% of millennial workers will prefer to spend their time in various workplaces rather than full-time remote or full-time work from the office, up from 61% in 2021.

As office occupancy rates **continue to rise**, remote-only positions have started to vanish; according to the **Washington Post**, only 15% of jobs posted to LinkedIn in October 2022 were listed as remote—that's down from 21% in March of the same year. In place of remote work, hybrid work is evidently on the rise: according to Gartner, 80% of today's leading organizations have already adopted hybrid work. As a result, Gartner projects that a large majority of younger workers will prefer to spend their time in several office locations. This projection underscores the time-sensitive imperative to optimize the office for hybrid work. It also shows industry leaders how critical it is to reevaluate their understanding of employee needs, behaviors, and preferences. Hybrid employees might be working from your office on a given day—but they might also be working from home, from a coffee shop, or from another place entirely. This means that the needs of hybrid workers are both highly-individualized, and highly susceptible to change.

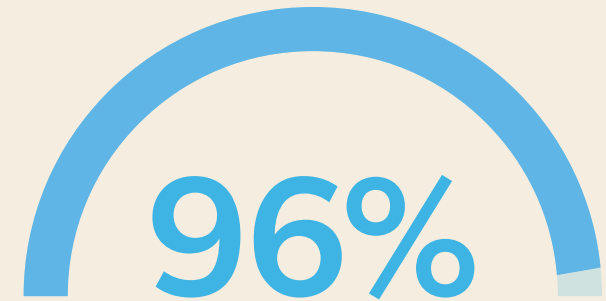
To Weather Uncertainty, Build a Better Workplace Experience

Building Engines Prism **recently found** that 96% of property teams are looking to maintain or expand their spending on workplace experience software. This again signals that workplace decision-makers will continue to acquire new workplace experience technology throughout the coming year, even as economic uncertainty looms.

Corporate real estate leaders are continuing to spend on workplace experience technology in 2023 because they understand that an improved workplace experience brings tangible business results. By improving employee

satisfaction, employers save on turnover costs and increase productivity. An improved workplace experience also helps build stronger workplace connections, which is exactly what employees will want and need in 2023. Stronger workplace connections lead to a stronger workplace experience, which in turn leads to better business outcomes—like increased NOI and boosted productivity. That's why—according to last year's *State of Workplace Experience report*—76% of commercial real estate organizations currently use a building mobile app.

“Stronger workplace connections lead to a stronger workplace experience, which in turn leads to better business outcomes—like increased NOI and boosted productivity.”



of property teams are looking to spend on workplace experience software

03

Critical Priorities and Must-Have Amenities and Services

Better Workplace Connections Deliver Better Business Results

Today's employees care more than ever about building strong workplace connections—and it's not hard to understand why.

At the beginning of the pandemic, most white-collar employees were confined to their homes, far away from close friends and colleagues. But now, as the public health picture changes, employees are eager to reconnect, and the data shows us that they increasingly see the workplace as a place that can enable stronger, more meaningful workplace connections with peers and colleagues. That's why the importance of activities like informal social interaction, group learning, and others have all shot up.

In 2023 and beyond, it will be important to support activities that lead to stronger workplace connections, both because support for these

activities can boost employee satisfaction, and because better workplace connections have been proven to lead to better business results. A recent **study from MIT**, for example, found that increased network connectivity leads to stronger, more fruitful collaboration among colleagues. Another **recent report** found that a better workplace experience can lead to 21% greater profitability and 17% higher productivity.

In other words, a better workplace experience leads to better workplace connections—and better workplace connections lead to tangible business results.



Achieve Better Outcomes Through Improved Experiences and Services

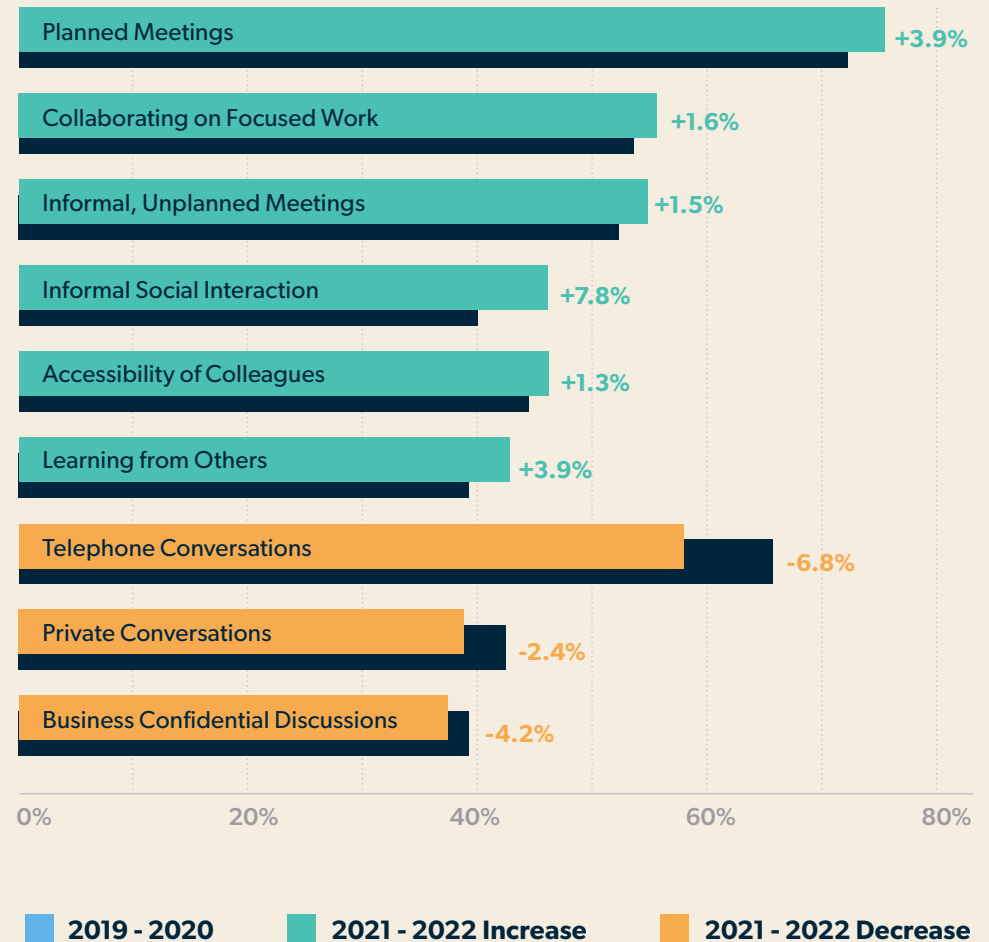
In 2023, employees will want:

1. More informal social interaction in the workplace.
2. Stronger workplace connections.
3. Better support for collaborative activities.

The pandemic and the subsequent shift toward hybrid work have caused many employees to think differently about their workplace environments. This has led a significant number of workers to modify or reevaluate their workplace behaviors.

In this section, we'll review two sets of survey response data from Leesman—one set from the year before the pandemic (Q2 2019 - Q1 2020), and one from the year after (Q2 2021 - Q1 2022)—to understand how the pandemic and the rise of hybrid work have changed employee attitudes about common important workplace activities. In particular, the research shows us that today's employees want stronger and better workplace connections to improve the overall workplace experience.

Change in importance of common workplace activities before and after the start of COVID-19



Workplace social interaction has never been more important to high-performing companies

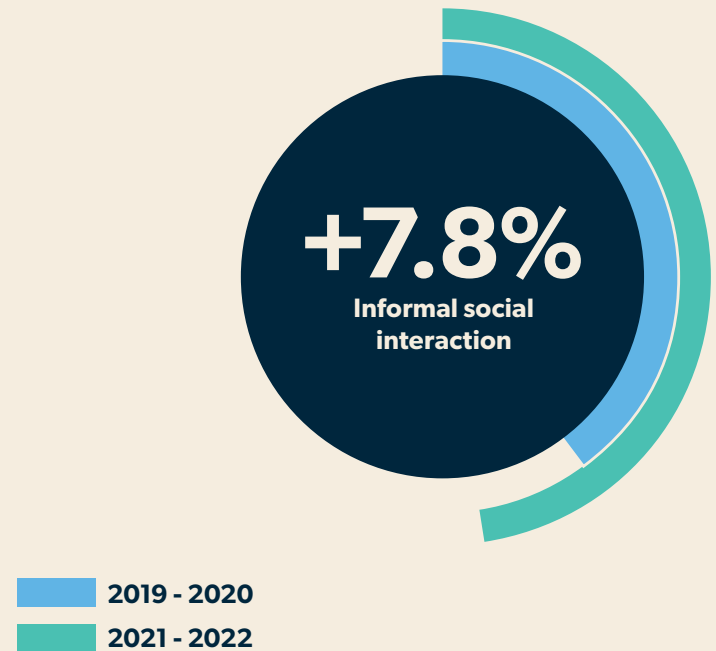
Before the start of the pandemic, 40% of surveyed employees said that they thought informal social interaction was an important activity in the workplace.

After the start of the pandemic, however, that number increased by 8%, with almost half of employees now reporting that they think informal social interaction is an important workplace activity. No other workplace activity had a greater increase in importance than informal social interaction.

The large increase in the importance of informal social interaction suggests that employees now see the workplace not just as a space for doing individually-focused

work, but also a space for building more meaningful workplace connections. Whether they're working from the home office or the corporate office (or more likely a blend of both) today's employees clearly want to feel connected to their colleagues, their companies, and their workplace environments. This is something that employers and CRE companies need to be mindful of as the future of work continues to evolve.

Change in Importance
Pre- and Post-Start of COVID-19



Meetings and person-to-person activities are now critical to the workplace experience

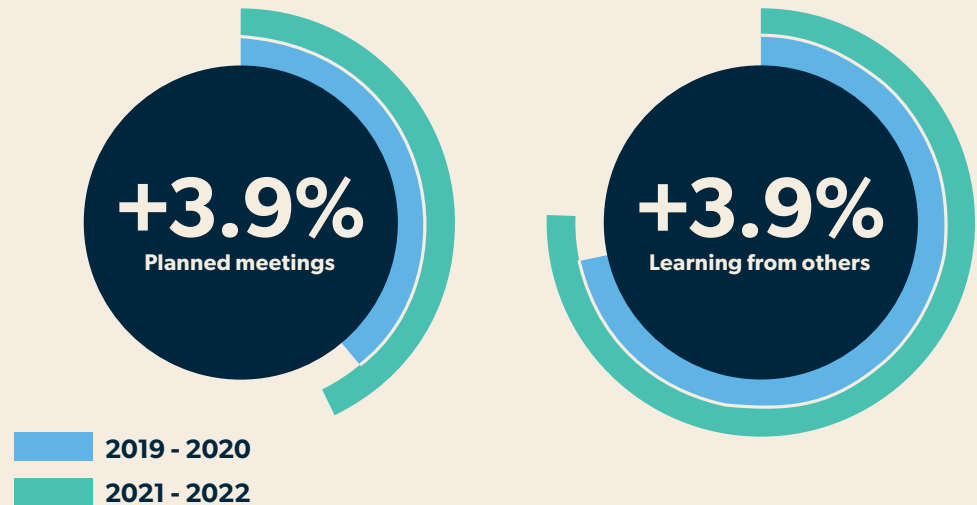
“Planned meetings” and “learning from others” both saw an uptick in importance after the start of the pandemic.

“Collaborating on focused work”, meanwhile, saw an increase of 2%, while “informal, unplanned meetings” also increased in importance by 2%. “Accessibility of colleagues” has also increased in importance since the start of the pandemic.

These upticks correlate with the **findings of other workplace researchers**, who say that the office will become a more collaborative place, with greater emphasis placed on connectivity and interpersonal interaction. Another **study from Microsoft** came to a similar conclusion: according to that report, 84% of employees would be motivated to come back to the office by the promise of socializing with colleagues, while 85% would be motivated to return by rebuilding team bonds.

Today’s workers value person-to-person contact and group learning. They want to build closer connections with colleagues, and they want to leverage those connections in their hybrid work environments.

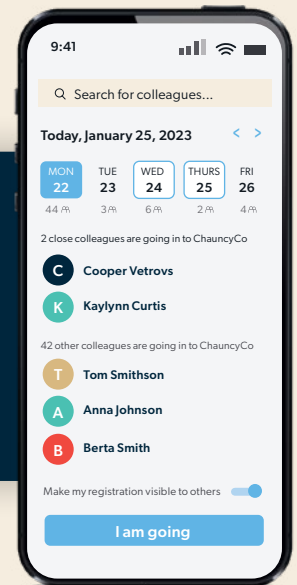
Change in Importance Pre- and Post-Start of COVID-19



Build Stronger Workplace Connections with HqO Who's In™

Curious to know which of your colleagues will be in the office on a given day? HqO Who's In™ lets employees know who will be in the office and when. This makes it easier to collaborate on projects that require or benefit from in-person, face-to-face interaction.

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Better access to the office and electronic resources are key requirements for hybrid employees

As the pivot to hybrid work continues, access to technological tools that make hybrid work possible has increased in importance as well.

The significance of mobile computing equipment, IT help, and access to remote work files or networks have all gone up in the years since the start of the pandemic. Among these three service features, mobile computing equipment (e.g. laptop or tablet) increased the most (8%). IT help and remote access to work files/network, meanwhile, increased by 3% and 2% respectively.

As the pivot toward hybrid work continues to accelerate, CRE companies, property

teams, and employers all need to optimize their workplaces for hybrid employees. This means that they'll have to expand access to electronic work equipment. It also means that they'll have to offer practical tools and hardware – like cardless mobile access – that remove friction from employees' days.

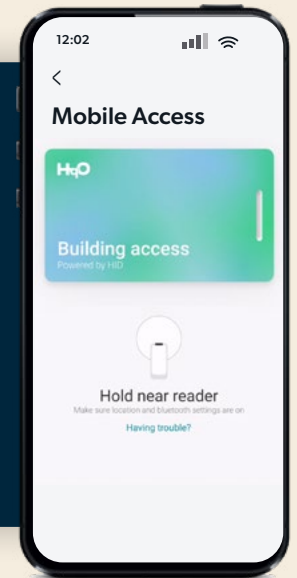
The world and the workplace have changed dramatically over the last few years. Employers, CRE companies, and others will have to take action to keep pace with the times in order to compete.



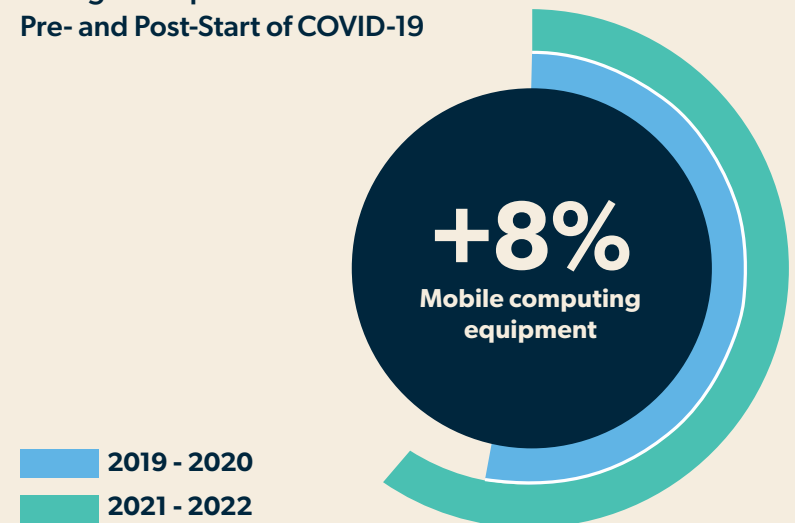
Support hybrid work with cardless mobile access

Ditch your key card – forever. The HqO App lets employees use their smartphones to enter the office, which means that workers can quit worrying about cumbersome, easy-to-lose key cards. This feature is particularly useful for hybrid workers, who may use their access cards infrequently.

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Change in Importance Pre- and Post-Start of COVID-19



With the increasing shift toward the hybrid workplace, support for individually-focused work is a vitally important area

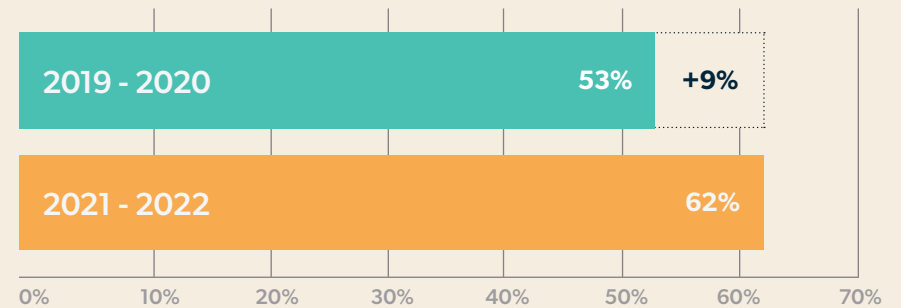
Employees have started to use the office not just as a place for doing business, but also as a space that enables connection and connectivity.

After the start of the pandemic, 62% of employees said that they thought their workplaces were supportive of private conversations, compared to 53% before the start of the pandemic, when most employees were working from an office 5 days a week. 68% of hybrid employees, meanwhile, said that business confidential discussions were supported by their workplaces after the start of pandemic, compared to 60% before.

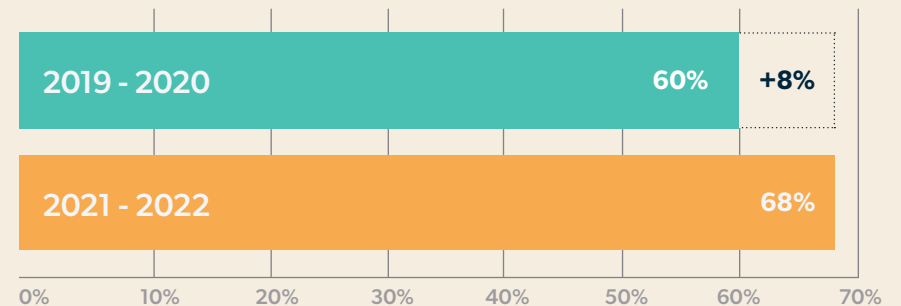
These increases of 9% and 8% respectively suggest that the shift

toward hybrid work has made it easier for employees to conduct private work conversations. This might be attributable to the rise of hybrid work, which has made it easier for employees to conduct private work activities from the privacy of their home (rather than corporate) offices. This again suggests that employees have started to use the office not just as a place for doing business, but also as a space that enables connection and connectivity.

Employees who feel private conversations are supported



Employees who feel business confidential discussions are supported



Increased access to meeting spaces is crucial

In the 2021-2022 dataset, 40% of surveyed workers were not satisfied with the meeting rooms (both large and small) offered by their workplaces. 45% of surveyed employees, meanwhile, were not satisfied with the room and desk-booking systems offered by their workplace environments.

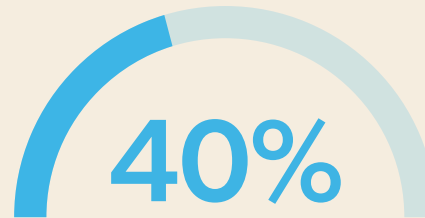
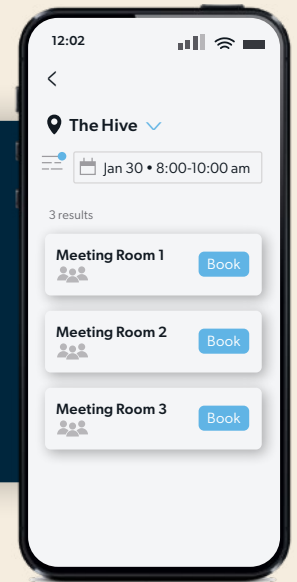
While the data shows us that meeting rooms are slightly less important to employees now than they were before the start of the pandemic, it also shows us that meeting spaces and desk-booking systems remain one of the most important physical features of the office. Almost three-quarters of employees, for example, rated “meeting rooms (small)” as an important office amenity in the 2021-2022 dataset. This means that small meeting rooms are still more important to employees than other key physical features like temperature control, noise levels, and office lighting, all of which ranked lower in importance. It also means that small meeting rooms are the third most important physical feature of the office.



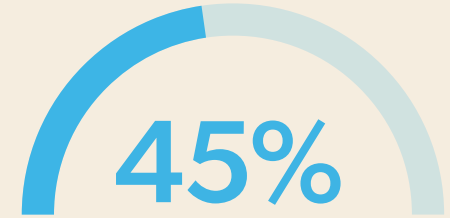
Streamline Room & Desk Booking

The HqO App helps your employees plan their days in advance by giving them the power to book meeting rooms and desks from their mobile devices. The App also integrates seamlessly with other resource booking platforms like Microsoft Exchange, which means that you can reserve space in HqO and see it in Microsoft Outlook.

[LEARN MORE >](#)



of today's employees
are not satisfied with the
meeting rooms offered by
their workplaces



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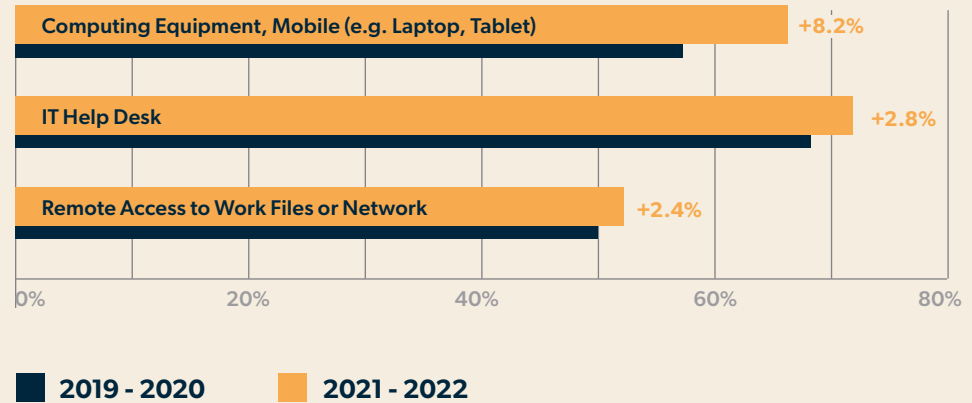
Parking more important; less so for other facilities, physical amenities

Office space isn't necessarily being used less—it's just being used differently.

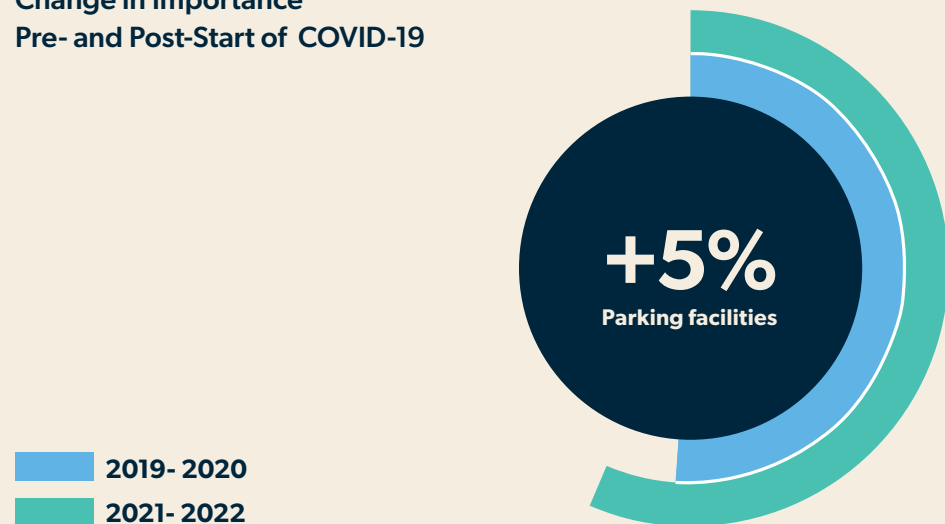
The importance of parking facilities was over 5% higher in 2021-2022 than it was in before the start of the COVID-19 pandemic. However, other service features and amenities like telephone equipment, restaurants and cafeterias, and hospitality services became significantly less important over the same period.

These changes seem to reinforce what we started to learn in 2022: that office space isn't necessarily being used less—it's just being used differently. The importance of these built amenities will continue to change as the workforce itself changes.

Change in Importance Pre- and Post- Start of COVID-19



Change in Importance Pre- and Post-Start of COVID-19



04

High-Impact Areas to Boost Employee Engagement

Pulse Check: Top Employee Pain Points in 2023

In 2023, employees will want:

1. A greater sense of community in the workplace.
2. More support for productivity.
3. More collaboration and knowledge sharing in the workplace.

In 2023, as the state of the market changes, many top employers and CRE companies will be looking to get the most out of their investments in office space and workplace experience. But, to achieve maximum ROI, workplace experience leaders need to have

access to the latest employee sentiment data. That's why, in this section, we'll share and analyze Leesman's insights into important, and broad questions of employee sentiment and value.

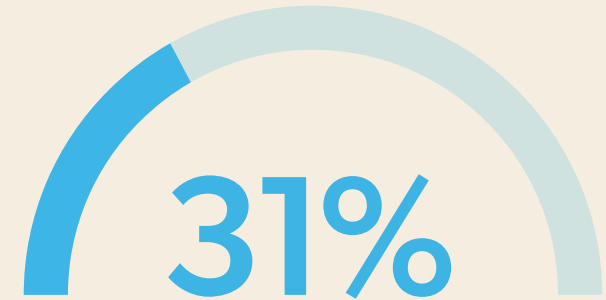


Poor workplace connections are hurting employee satisfaction

There's still more work to be done when it comes to creating and preserving a sense of community in the workplace.

Two years after the start of the pandemic, many corporate real estate leaders have already improved their experience strategies to boost productivity and engagement, and increase workplace connections. But the latest research tells us that there's still more work to be done when it comes to creating and preserving a sense of community in the workplace. That's why (according to [LinkedIn data](#)) roughly 10,000 employers were hiring for workplace experience professionals in 2022.

Still, despite the importance of community to the workplace experience, Leesman found that 31% of today's employees do not think that the workplace contributes to a sense of community at work. This presents a problem for today's employers and corporate real estate leaders, who need to do all they can to attract and retain tenants and employees in a challenging market.



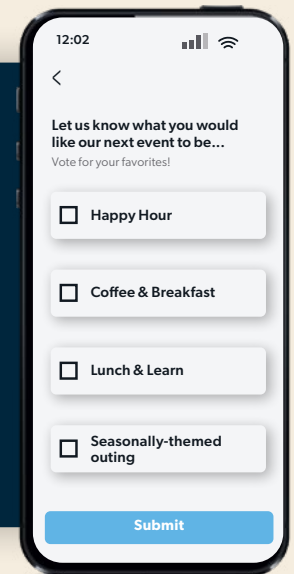
of today's employees do not think that the workplace contributes to a sense of community at work



Boost Employee Satisfaction with In-app Polling and Micro Feedback

Wondering how your employees feel about their workplace? With the HqO App, you can track overall satisfaction with periodic surveys and polling, and gain real-time insights about specific programming or amenities with ongoing micro feedback before you make any new investments to improve your workplace.

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Support for employee productivity is critically low

According to Leesman, 30% of today's employees do not agree that their workplace environment enables them to work productively.

While these numbers have improved in the years since the start of the pandemic, Leesman shows industry leaders that dissatisfaction with both built and digital workplace environments remain persistently high. In 2023, as the macroeconomic picture remains uncertain, corporate real estate leaders will have to do more to support productive work and justify the commute for their employees. They'll also want to discourage certain behaviors like “**quiet quitting**”, which can be avoided by boosting collaboration and satisfaction in the workplace. Behaviors like quiet quitting

can also be discouraged by requiring or encouraging some in-person presence.

Employers and property teams can support productive work environments by improving access to office spaces, adding new technology, and improving workplace connections. They can also help create productive workplace environments by gathering employee sentiment data proactively, on an ongoing basis, and using it to meet their employees' evolving needs.

“Employers and property teams can support productive work environments by improving access to office spaces, adding new technology, and improving workplace connections.”



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Knowledge-sharing is a crucial area lacking focus and delivery

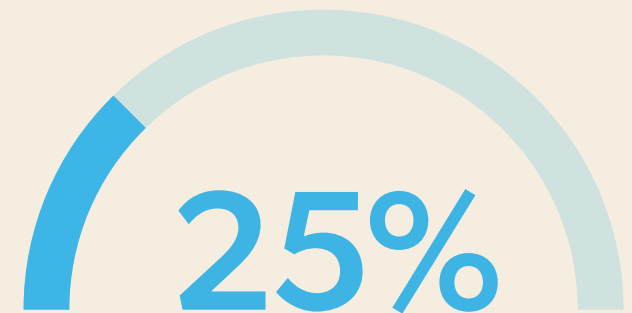
Corporate real estate leaders will have to do more to support knowledge sharing, which is a key workplace activity.

The sharing of knowledge and ideas amongst colleagues is essential for the success of any organization. But, according to Leesman, 25% of today's employees do not agree that their workplace environment supports the sharing of ideas and knowledge among colleagues.

In 2023, as the shift toward hybrid work accelerates and workplace connectivity becomes more important, corporate real estate leaders will have to do more

to support this key workplace activity. Employers and CRE decision-makers can do this by improving workplace connections and adding support for important newly-important work activities like informal social interaction. They can also boost satisfaction and increase connectivity by adding technology to bridge the gap between hybrid-remote and in-person employees.

Boost satisfaction and increase connectivity by adding technology to bridge the gap between hybrid-remote and in-person employees.



of today's employees do not agree that their workplace environment supports the sharing of ideas and knowledge among colleagues

05

Top Workplace Experience Takeaways for 2023

Maximize Productivity & Achieve Peak Performance

01

Meaningful Workplace Connections

Sentiment data shows us that today's employees want better, more meaningful workplace connections. And yet, 31% of today's workers do not agree that their workplace contributes to a meaningful sense of community.

02

Support for Productivity

Employees need more and better support in the workplace to stay engaged and be productive; 30% of today's employees do not agree that their workplace enables them to be productive.

03

Hybrid Work Setting

With more and more companies calling employees back to the office, remote work continues to become less and less common. 80% of companies now operate in a hybrid work setting.

04

Improve Workplace Connections

Workplace experience will continue as a high priority in 2023, as corporate real estate leaders look to leverage technology to facilitate and maintain improved employee connections. 96% of property teams plan to maintain or expand their spending on property technology in 2023.

05

Workplace Experience Roles

Workplace experience professionals are in high demand as corporate real estate leaders continue to invest in workplace experience: over 10,000 companies were hiring for workplace experience roles in 2022.



As the future of the workplace continues to evolve, companies can insulate themselves from uncertainty by building stronger and better-connected workplaces.

HqO equips employers, property teams, and commercial real estate companies with practical tools that improve the workplace experience, which leads to decreased turnover, and increased NOI over time. By delivering engaging events, exciting programming, and a wide array of practical tools to our customers, HqO helps make the workplace a more human and connected place. And, in 2023, that's exactly what employees need.

Interested in learning more about how HqO can help your company succeed?

[SCHEDULE A DEMO >](#)

The data in this report comes from Gartner's Market Guide for Workplace Experience Applications report, which was prepared exclusively for HqO. Other data comes from Leesman, an HqO company.

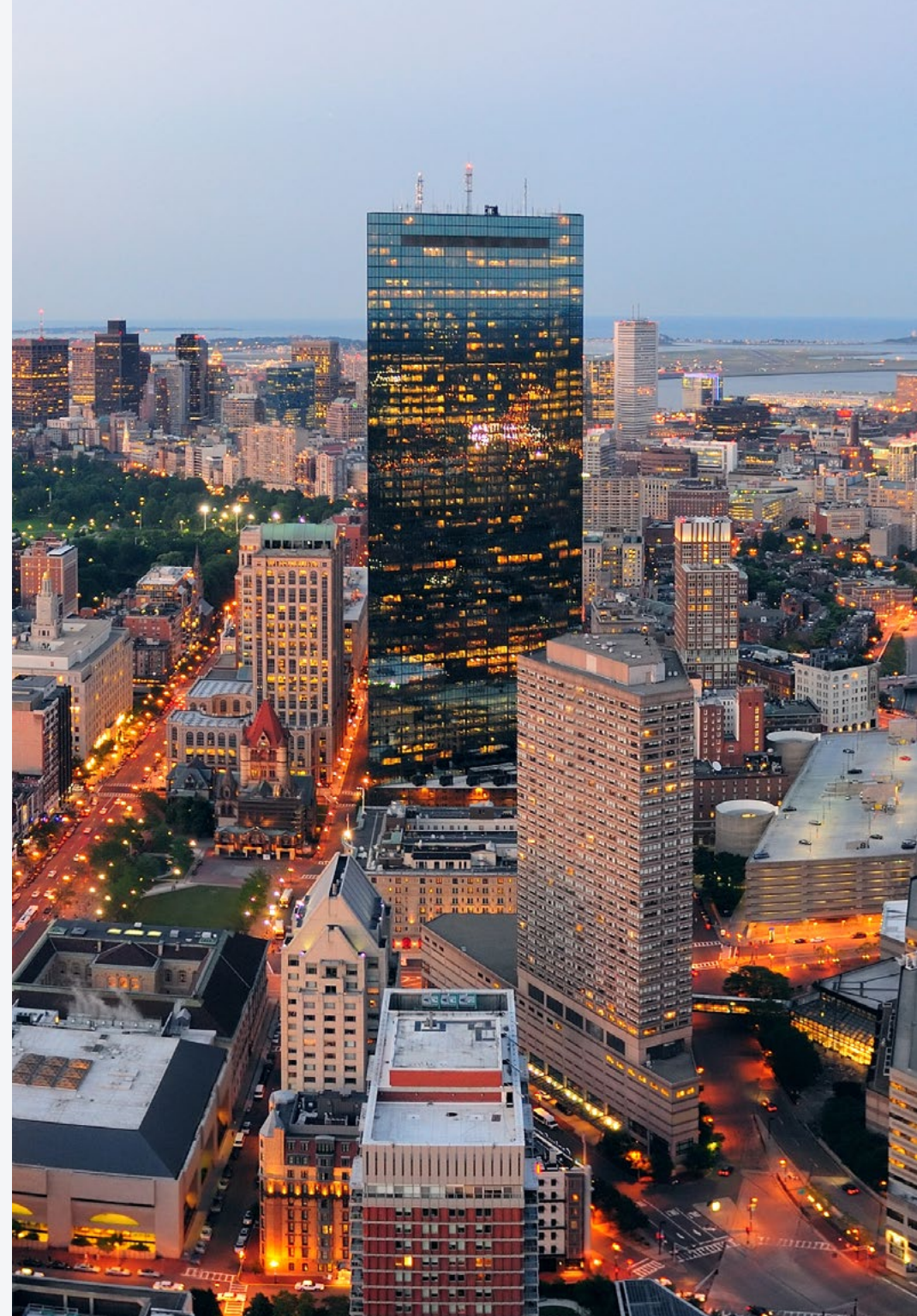
About HqO

HqO, ranked No. 75 on the Inc. 5000 list, is transforming how people connect with each other and the places they work. The HqO Workplace Experience Platform and App makes it easy for companies and commercial property teams to create modern workplaces through world-class amenities and services that allow people to thrive and produce the best results. Active in over 250 million square feet in 25 countries, 57% of the Fortune 100 rely on HqO to enhance their workplace experiences, improve employee satisfaction, and drive operational excellence.

For more information, visit www.hqo.com

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