

The Future of Work

A trends
forecast for

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A trends forecast for 2025



2025 is set to be another transformative year for the world of work and we will continue to see businesses and their employees adapt to an evolving landscape. As we can see from our operations and accelerated growth across more than 120 countries, the rise of hybrid working shows no signs of abating, yet there has been much discussion about how companies and their people will operate under the model.

Unless you have been living under a rock, you couldn't fail to see sensational media headlines on a regular basis that suggest the only productive place to work is in a traditional city-centre office – with critics claiming productivity is suffering because of new ways of working.

Headlines have talked about Return to Office or Return to Work mandates gaining significant momentum amongst businesses. But this misses the point on several fronts – most notably that the phrase “Return to Work” implies employees have been off work, slacking, or taking an extended holiday while “Return to Office” suggests employees have been working purely from home, which is another fallacy.

Businesses that do not offer hybrid working risk missing out on keeping and attracting the best talent. Flexibility is no longer a nice to have, it's a necessity, and many will not consider new roles that require long daily commutes when they can work just as effectively from a local workspace nearer to where they live.

Other trends that are set to have a major influence on the world of work find forward-thinking companies demonstrating a growing understanding that productivity stems from good management, rather than simply being a function of where employees are located. Employers are also coming to terms with the expectations of the new cohort that's entering the workplace in ever greater numbers: Gen Z.

Companies that stay abreast of these trends will drive performance and profits in 2025, paving the way for growth and innovation in the years ahead.

Mark Dixon

Founder and CEO, International Workplace Group plc

The Rebuff of the So-Called 'RTO'

Companies that continue to expect their employees to commute long distances to a central office every day will trigger a wave of resignations as employees resist their so-called return-to-office (RTO) mandates. This phenomenon parallels the earlier trend of the Great Resignation, which saw large numbers of workers quit because they were dissatisfied with their jobs and wanted a better work-life balance.

At a recent conference at Stanford on the implications of remote work, three research papers looked specifically at so-called RTO

policies and found that, when companies switch to asking their employees to commute long distances on a daily basis, there is a corresponding increase in staff looking for new jobs. This particularly applies to more tenured, senior employees.

And the numbers can be significant. 73% of employees at a major US company told job review site Blind that they were considering resigning following a so-called RTO mandate. More than a third said they knew someone who had already handed in their notice.



It has also been suggested that some employers have used a five-days-a-week mandate as a way of deliberately reducing headcount. However, hybrid working expert Professor Nicholas Bloom, of Stanford University, says that such "backdoor layoffs", as he describes them, tend to backfire. A 2023 report by workplace design company Unispace found that almost half of employers who implemented so-called RTO policies saw a greater than anticipated level of employee attrition, and almost 30% reported subsequent recruitment difficulties.

It was clear from the Stanford conference that enforcing so-called RTOs breeds employee resentment. On the other hand, research has consistently shown that hybrid working leads not only to greater employee satisfaction but also greater productivity. Companies that embrace the hybrid model and empower their employees to work when and where they prefer will fare much better than those that don't, and will attract the best talent. "The RTO debate should end," says Bloom.

New Additions to the Office Lexicon

The dissatisfaction of employees forced to work five days a week in a central office is creating new business buzzwords.

Resenteeism describes the experience of staying in a job despite being fundamentally unhappy, and it is particularly common among employees who have no flexibility over working location and practices. Some companies have started tracking the use of employees' passes to enforce attendance at a central office, and this has led to an increase in **coffee badging**, the phenomenon of scanning your pass at the office but only staying long enough for a cup of coffee and maybe a meeting before leaving. Those who are angry about their employer's policies and feel forced to look for another job are **rage applying** for new positions. And to avoid losing team members, some managers are introducing **hushed hybrid**, allowing them to work remotely in secret.

Output Will Transcend Hours



There was a time when productivity was measured simply by the number of hours worked sat at a desk in a central office. If leaders could see their teams, they felt reassured that work was being done, regardless of whether this was the case or not. But as Mark Dixon, Founder and CEO of International Workplace Group says: "In fact, productivity is about the good management of people, setting clear KPIs and holding effective business reviews. It's not about requiring employees to work from a specific location."

In 2025 and beyond, employers will increasingly prioritise output over hours, and progressive companies will empower their employees to achieve them how and where they think best, thanks to hybrid working.



Progressive companies will empower their employees by utilising hybrid working.

In a survey of leading HR executives by International Workplace Group, more than eight-out-of-ten agreed that hybrid working increases productivity and, in a separate survey, three-quarters of workers said they were both more productive and more motivated as a result of adopting the hybrid model. This ties in with research by Professor Nicholas Bloom and others demonstrating the productivity benefits of hybrid working. According to Bloom, the hybrid model increases productivity by 3% to 4% on average. Research by Boston Consulting Group found that salespeople at firms with flexible working policies grew sales by four times more than those without them.



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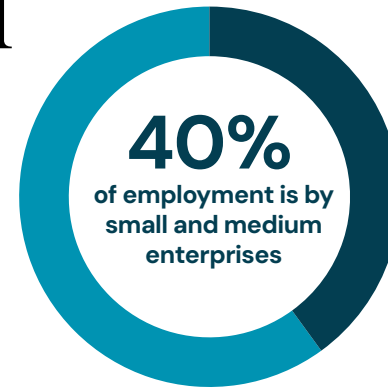
There Will be a Continued Need for Quality, Professional Workspaces by Growing Startups and SMEs

As small businesses proliferate and businesses launched during the pandemic era boom, there will be increased need for scalable, flexible workspaces. Moving forward, as these businesses increase their headcounts or footprints, the flexible workspace model will support their efforts in cost-effective ways.



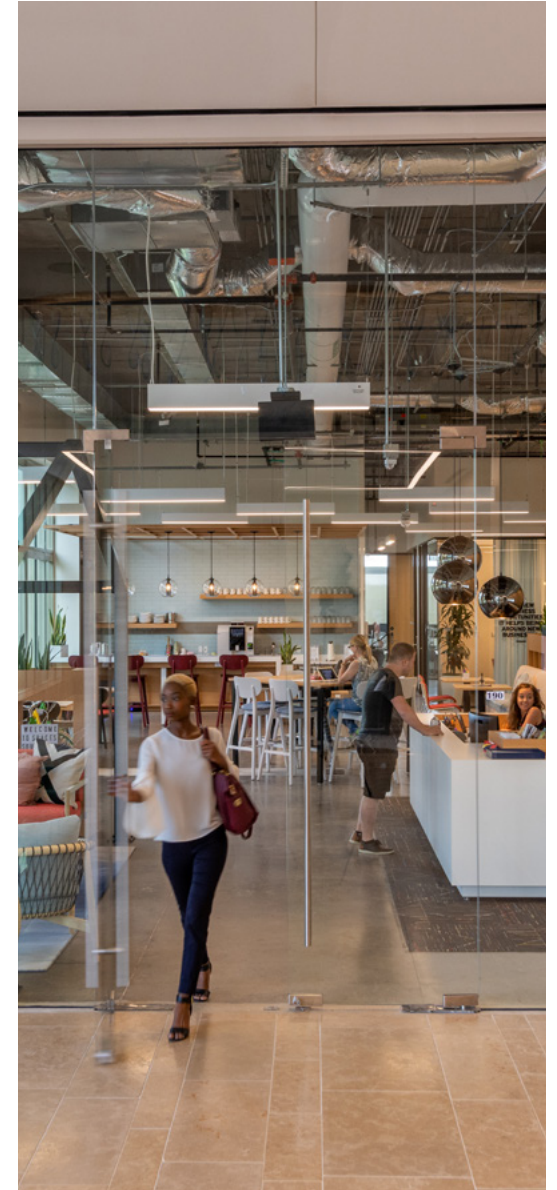
America is currently undergoing what The Economist has called “an extraordinary startup boom”, with applications to form new businesses at record levels. The boom is significant for local economies, leading to more job creation and boosting other local businesses across every state. Recent research has also shown US entrepreneurs migrating from expensive coastal tech hubs to set up in affordable, liveable communities in so-called ‘tier two’ cities. These include the likes of Atlanta, Cleveland, Kansas City and Indianapolis, which are all seeing major small business growth.

A similar picture is emerging in the rest of the world. Small and medium-sized enterprises account for around half of global GDP and around 40% of all employment, and SME numbers worldwide are anticipated to almost double between now and 2031. As the example of the US demonstrates, the majority of these new businesses are likely to be established in smaller cities and towns.



The International Workplace Group is already meeting the increasing demand for flexible workspaces in such locations with a major programme of new openings in its global network. It now has more than 4,500 flex spaces around the world, and they are increasingly in suburbs and small towns. In the US, new locations include Bluffton, South Carolina (pop. 27,716), Kodak, Tennessee (10,500), and Destin, Florida (14,000). In the UK, there is a similar story, with new centres opening in towns such as Gerrards Cross, Buckinghamshire (pop. 8,000), St Mellons, Cardiff (14,801), Broxburn, West Lothian (15,970), and Coleraine, Co Londonderry (24,483).

“Our aim is to expand our network locations deep into the heart of the communities where they are needed,” says Mark Dixon. “What all these towns and suburbs have in common is that they are great places to live, raise families and socialise.”



Commuter Towns are Set to Boom Thanks to Hybrid Working

Hybrid working is driving major demographic and economic change around the world, with formerly sleepy commuter towns being brought back to life. New technology now allows us to work when and where we feel most fulfilled and productive and, as a result, millions have abandoned the long, daily commute in favour of a hybrid solution, dividing their working hours between a local flex space and home, with occasional visits to a central office for brainstorming, meeting clients, training, or simply socialising. In a parallel trend, people are increasingly leaving big cities for a better life in these towns, benefiting in the same way from the hybrid model.

Research by International Workplace Group and Arup predicts that commuter towns in the US could see an increase in the presence of white-collar workers by as much as 60% over the next 20 years as a result of hybrid working. Locations that have historically larger white-collar commuter populations and fewer local white-collar jobs are set to benefit the most. For example, Westport, Connecticut, a town with traditionally high levels of white-collar residents, could see an increase in its skilled workforce of

up to 72%. In the UK, the hybrid effect is likely to be even more dramatic. The report predicts that the presence of white-collar workers in commuter towns will increase by up to 175% by 2043, with a 44% increase in those choosing to work from local flexible workspaces.

Local economies are already beginning to see the knock-on effects of the increase in business and job opportunities that come from this demographic shift. "The potential economic effects of hybrid working are staggering," says Dixon. "This is a major shot in the arm for communities that until very recently have been struggling in financial terms."



The Projected Increase in Numbers of White-Collar Workers in Commuter Towns by 2043



Generation Hybrid Will Continue to Change the Way We Work



Gen Z now make up a growing proportion of company rosters.

2025 will see an even greater proportion of workers who have never experienced working life as it was before the Covid-19 pandemic. These are the members of Gen Z, born between the mid-1990s and the end of the Noughties, who now make up a growing proportion of company rosters. Within the next few years, they will comprise a third of the workforce, and their attitudes and beliefs are increasingly influencing the workplace.

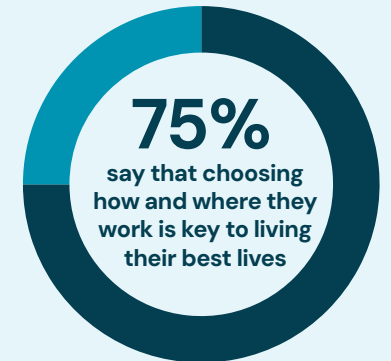
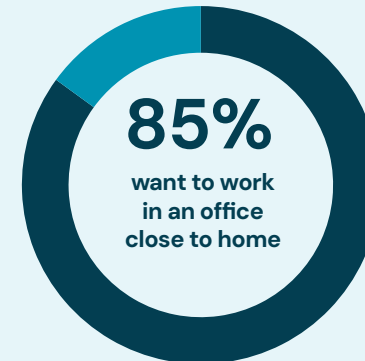
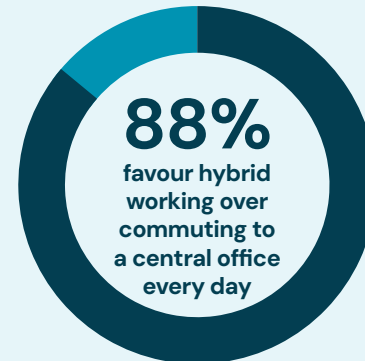
Gen Z are digital natives who have grown up doing school and college work wherever they can find a Wi-Fi signal. For that reason, they take for granted flexibility in terms of where and when they do their work for an employer. Research by International Workplace Group found that two-thirds of new graduates will not consider work that forces them to commute five days a week to a city centre location.

Gen Z-ers also prioritise a healthy work-life balance over long hours and rigid routines, and

they expect understanding from their bosses. Rather than the traditional command-and-control leadership style, this generation responds best to a more empathetic management approach that prioritises emotional wellbeing. Expect to see leaders take more interest in their employees' emotions and concerns.

Companies who do not fully understand the needs of 'Generation Hybrid', and fail to offer them the flexibility and understanding they crave, will miss out. "Gen Z is the future of the global workforce and of the world's economy," says Dixon. "As they enter the office in ever increasing numbers, they are starting to transform the way that work is done, and they also bring important new thinking about diversity, transparency and authenticity. By understanding their expectations, we have a greater chance of attracting their unique talents."

What Gen Z want:



The Traditional Commute Defies Logic: Calculating the Money Savings

There is a growing appreciation by both employees and employers of the cost-saving and time-saving benefits of working locally – and a realisation that the long daily commute to a city centre office makes no sense. Why would anyone choose to sit in endless gridlock or on a packed train when they can now choose how

and where they work? On the other hand, freeing people from a long, unproductive, and expensive journey that takes hours of the day, to perform tasks that technology enables to be performed anywhere, can yield immediate boosts to employee productivity, health and happiness.



Commuters could save up to \$30,332 annually by working locally four days a week.

Ditching the commute also brings measurable benefits for workers in terms of saving money. To quantify the value of working in a hybrid way, International Workplace Group collaborated with consultancy Development Economics, and our collective research revealed that more than three-quarters (76%) of workers save on travel costs due to hybrid working, and commuters could save up to \$30,332 annually by switching from commuting to a city-centre daily to working locally four days a week.

Members of Gen Z entering their careers at a time of marked inflation, and more debt than previous generations, stand to save even more. The ability to forego a daily and costly commute to a city-centre office space could be the solution to making ends meet, getting or staying out of debt, or being able to save for a financial



goal, like homeownership. Our analysis shows, for example, a 24-year-old Gen Z worker living in Red Bank, New Jersey, could save up to \$388,320 throughout their working life by doing their job from their trendy downtown four days a week and commuting into Manhattan only once a week.

“It’s clear that hybrid working not only makes us happier, healthier and more productive, but as our earlier research has shown, it also makes us better off,” says Dixon.



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Cutting the costly daily commute helps people to reach financial goals.

Hybrid Working is Set to Boost Gender Parity in the Boardroom



2025 will start to see a shift in the number of women promoted and hired into C-suite roles.

2025 will start to see a shift in the number of women promoted and hired into C-suite roles. Over the past few years, hybrid working has made workforces more equal and diverse, allowing employees from different backgrounds to work in ways that suit their personal circumstances. However, to date this has not necessarily been reflected in senior appointments for women, and it is becoming a matter that needs urgently addressing. Hybrid working will play a central role in improving female representation in C-suites across a range of sectors and industries.

It is established that women usually bear a greater share of child and family care. And the demands on their time are becoming ever greater for those in the so-called 'sandwich generation', who are looking after both ailing parents and young children or teenagers. On both sides of the 'sandwich', stresses are increasing, as the elderly live longer and are prone to greater infirmity, while rates of anxiety and depression are rising among teenagers. Hybrid working is a lifeline for women carers, as it provides them with the flexibility and extra time to carry out familial responsibilities. It also empowers women to realise their full potential in the workplace. A survey by International Workplace Group found that two-thirds of women say the hybrid model has given them opportunities at work that they would not otherwise have had.

On the other hand, companies who impose inflexible work routines can often give women no choice but to quit their jobs. Such policies would appear to be responsible for the fact that, as shown by the latest research by Standard & Poor Market Intelligence, the number of women in C-suite positions is



decreasing for the first time since S&P started collecting data in 2005.

Beyond the basic demands of equity and fairness, companies have a real incentive to increase female representation in the C-suite: research has shown that firms with more women in senior positions are more profitable and more socially responsible, and provide higher-quality customer experiences. This year, more and more companies will seek to address ways to prevent senior female employees leaving the workforce as a result of inflexible working policies. The adoption or continuation of the hybrid working model will play a major role in that.

The Right to Switch Off Will Gather Pace



Advances in technology have enabled us to work how and where we choose. However, the same technology also makes us potentially contactable at all times, meaning the boundary between work and leisure time can sometimes become blurred. Legislation to counter this issue has already been introduced in a number of countries, including France, Greece, Portugal, Spain, Italy, Ireland, Belgium and Australia. In the coming year, the 'right to switch off', giving employees the right not to work outside their contractual hours, will become even more widespread.

In the UK, the Government's Make Work Pay Plan includes prospective legislation for a right to switch off in a way that is mutually beneficial, "giving workers and employers the opportunity to have constructive conversations and work together on bespoke

workplace policies or contractual terms that benefit both parties." And, in the US, there are also signs that legislation may be on its way. In 2024, San Francisco Assemblyman Matt Haney proposed a bill to make California the first state in the country to give employees the legal right to ignore non-emergency calls and emails once the workday ends. Both Washington and New York City have also considered bills.

As research by International Workplace Group has shown, workers cherish the extra time that the hybrid model brings them, and get considerable physical and mental wellness benefits from it. Both governments and employers around the world will increasingly realise it is important that people are fully able to enjoy their leisure time without work interruptions.

Hybrid Working as a Wellness Benefit

Similar to the way in which health insurance is extremely valued in today's workplace, flexible and hybrid working is going to become an equally important part of many professionals' compensation packages in 2025. A recent survey of global HR leaders by International Workplace Group found that, in almost nine-out-of-ten companies, hybrid working is one of the most in-demand benefits sought by prospective employees. Research has demonstrated the significant benefits that hybrid work can have on workers' overall wellbeing and, subsequently productivity and motivation at work. This trend will manifest itself in new ways: from more robust hybrid working policies and greater access to fitness facilities, to improved employee assistance programmes and mental health days off.

Separate research by International Workplace Group has shown that hybrid workers report feeling less drained, less stressed and less anxious, with an overwhelming 86% saying they feel they can cope with day-to-day life better when working in a flexible model. More than two-thirds of hybrid workers say their physical health has also improved, with more time for exercise and healthier meal preparation, and better sleep.



Mixed-use Developments Will Transform City Centres

Dynamic mixed-use developments are changing the face of business districts in cities around the world. The impact of hybrid working has reduced the number of inner-city commuters, and is driving investors, landlords and developers to reimagine the commercial cores of cities with a wider mix of uses and experiences beyond the basic provision of office space.

In London, HSBC has announced that in 2027, when its lease expires, it will leave the iconic



Signature Star Metals, Atlanta

42-storey HSBC Tower in the Canary Wharf financial district. The banking group plans to downsize its office space because it is now committed to flexible working. The Tower will then undergo what management company Canary Wharf Group (CWG) describes as the largest-ever conversion of an office tower into a mixed-use building.

The revamp will see large chunks carved out of the tower's façade to create terraces, and the building will include leisure, entertainment, education and cultural attractions as well as some office space. Shobi Khan, chief executive of CWG, says: "This redevelopment is another step in Canary Wharf's evolution into a vibrant mixed-use neighbourhood offering workspace, retail, homes, leisure and amenities all in one location." He describes the Canary Wharf of the future as "a true 15-minute city", referring to the urban concept of creating living and working areas where all amenities can be reached by a 15-minute walk or cycle ride.

Atlanta's Star Metals district is a perfect example of what Canary Wharf could become. Situated in the city's thriving West Midtown neighbourhood,



The redeveloped mixed-use Battersea Power Station.

it describes itself as "the ultimate integrated district experience, tailored to the new urban lifestyle". Offices (including a Signature flex space), homes, hotels, shops, a café and a bar are all part of the stylish development.

"Because the geography of work is changing, as employees increasingly work closer to their

homes in the suburbs and in former dormitory towns, the role of cities is changing forever," says Dixon. "Places like London, whose economy has been geared to meet the needs of millions of itinerant office workers, will need to evolve to become hubs for collaboration and entertainment."



A Landmark Site Gets a Mixed-use Makeover

London's Olympia is set to become "a universal platform for every passion and interest".

The famous Olympia exhibition centre in London's West Kensington is currently undergoing a £1.3 billion redevelopment into a world-class arts, entertainment, exhibition and creative district. This includes the creation of new offices, a four-screen cinema, a 4,000-seat music venue, a 1,500-seat theatre, two new hotels, new retail outlets and public space. International Workplace Group has signed an agreement to deliver a range of workspaces across an entire floor of the One Olympia building. The 73,000 sq ft space, scheduled to open in 2025, will include private offices, coworking and creative areas, recording studios and podcast rooms.



We help more than eight million people work the hybrid way, with 5000+ locations across more than 120 countries. Find out how we can help your business navigate the new world of work at iwgplc.com.