Office Views

What Employees Value Most

INSIGHTS FROM OUR 2024 WORKPLACE SURVEY

Lincoln

The prevailing view in the business world today is that amenities are what draw U.S. workers back to work in office buildings.

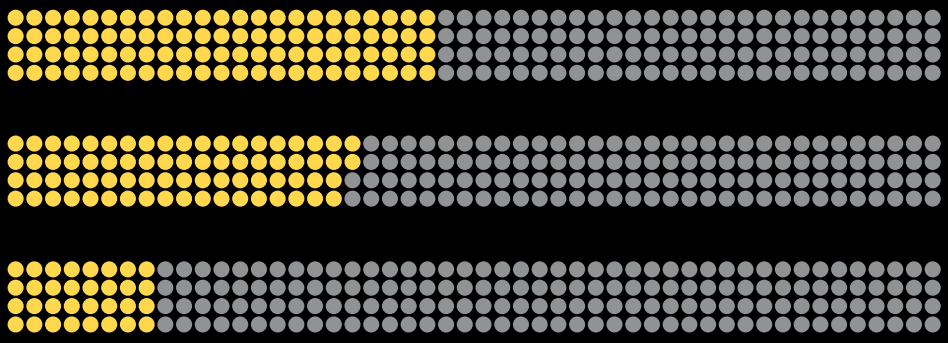
In this report, Lincoln examines the evolving view of workplace amenities and the value different cohorts across today's multi-generational workforce place on them when it comes to how and where they prefer to work.

Since 2020, assumptions about the role the office plays in U.S. business have been much studied, frequently informed by the views of company leaders and office building owners, and firms have made large investments in office amenities based on that research. Less commonly heard are the perspectives of typical U.S. office workers, the most significant daily users of office spaces.

Lincoln's Corporate Advisory & Solutions (CAS) group conducted a survey of 1,000 office workers in more than 20 industries and across a wide range of ages and other demographic cohorts.

When it comes to drawing workers to the office, our findings reveal intriguing insights into the value different generations place on popularized amenities common in modern workplace design, versus more traditional work considerations including dedicated/private workspaces, compensation, and commute times. These insights can help inform bespoke strategies for both office occupiers and office landlords when investing dollars in creating workplace environments that appeal across generational cohorts.

Respondent Overall Preferred Office Schedules

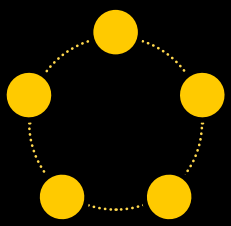


46%
4-5 Days per Week in the Office

37%
1-3 Days per Week in the Office

16%
0 Days per Week in the Office

Encouragingly for corporate executives and office building owners, employees surveyed overwhelmingly expressed a desire to work in person. **Nearly half of respondents reported wanting to work from the office four or five days per week, and fewer than 20% expressed interest in fully remote work.** The CAS survey strongly suggests that U.S. workers are more receptive to working from the office than the commonly accepted narrative describes.



In this report, we highlight **five key insights** to help companies better understand and align with employee motivations and values—and direct their investments accordingly.

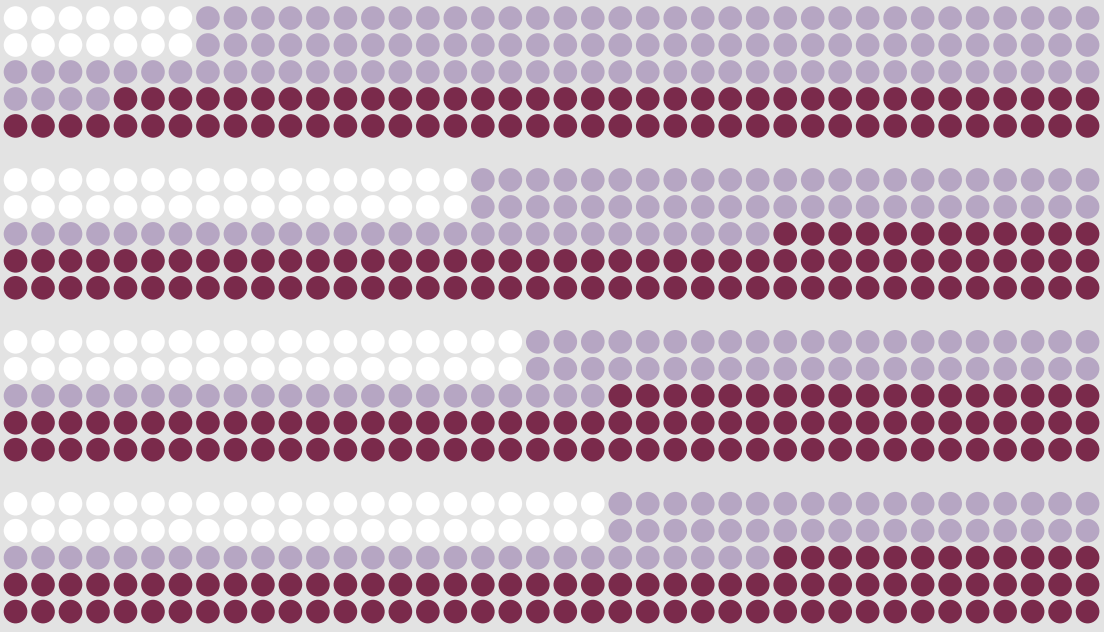
Key Insight **01**

Across all generations—and contrary to the prevailing narrative—employees prefer being in the office to working fully remotely

The number of fully remote employees has steadily declined since peaking in 2020, and today, fewer than 20% of survey respondents reported that they never go to the office. While commonly cited in popular media, stories of tension between employers and employees over fully remote work are overblown according to our survey data. In fact, the number of employees who currently work fully remote and those who say they would prefer to is at a nearly perfect equilibrium: 17% of respondents say zero days is their preferred amount of time in the office, while 16% of respondents report working fully remotely.

While preferences for fully remote work vary somewhat among generations and education levels, across every cohort in the survey, preference for remote work was much lower than preferences for hybrid and fully in-person arrangements. In fact, four to five days in-office was the most-preferred arrangement, with nearly half of respondents selecting this option.

Respondent Preferred Amount of Days in Office by Generation



Gen Z

Employees in the early stages of their careers reported the highest preference for hybrid arrangements, with 55% of Gen Z respondents wishing to work in-office one to three days per week.

Millennial & Gen X

Working from the office at least 80% of the time was the most popular option with surveyed employees in the middle of their careers.

Baby Boomers

Later-career employees had the strongest preference for remote work among the generations. Baby Boomers reported the highest percentage of remote workers (19%) and they expressed the strongest desire for full-time remote work (23%); interestingly, they rated hybrid schedules as least desirable.

Occupier Insight

A popular stereotype is the mid- or upper-level manager (usually portrayed as a "Boomer") who is frustrated by "all the young people who don't want to come to work." The facts tell a different story: Even in the Baby Boomer cohort surveyed—which contrary to the stereotype had the MOST interest in remote work—other factors weighed more heavily in their return to office-based work (or not). Results of the CAS survey were clear that three out of four employees want to work in an office environment most of the week.

Office property owners and occupiers take note. Engage with your employee base and do it well before making big decisions about investing in the office properties where they work. Understanding the real impetus behind your employees' office attendance behavior will likely empower you to make smarter, more impactful decisions about how to invest in real estate and how to most effectively use the spaces you currently occupy.

Key Insight **02**

Career stage is an important indicator of office-work preference

There are certainly generational stereotypes for a reason: Data, including some of the survey results from this study, support them. However, instead of solely applying generational labels to this research around office space use, it is helpful to explore worker preferences in relation to their career stage. Looking through this lens at the survey data reveals interesting patterns in the attitudes and preferences of employees at different stages of life and career.

Armed with this knowledge, companies can create office environments that better meet the needs of the multi-generational workforce without overspending on low-value initiatives. Trends we observed in the data fell into three general career-stage categories:

Early-Career Employees

Often less opinionated about the location from which they work than more seasoned employees, they care more about seeking human connection and expanding professional networks at the office, so events and activities hold more appeal for them than other cohorts.

- They care less about having private, dedicated work areas and are more open to shared spaces.
- They like hybrid work arrangements, but not full-time remote work, even though they are more successful at creating functional home workstations than some older cohorts.
- They are less resistant to long commute times and are more willing to take public transit.
- Building design matters to them, and they prefer to work in Class A high rises in premier locations.

Mid-Career Employees

Whether they're Gen X or Millennial, mid-career employees mean business. They want to be productive and effective at work, wherever they perform it.

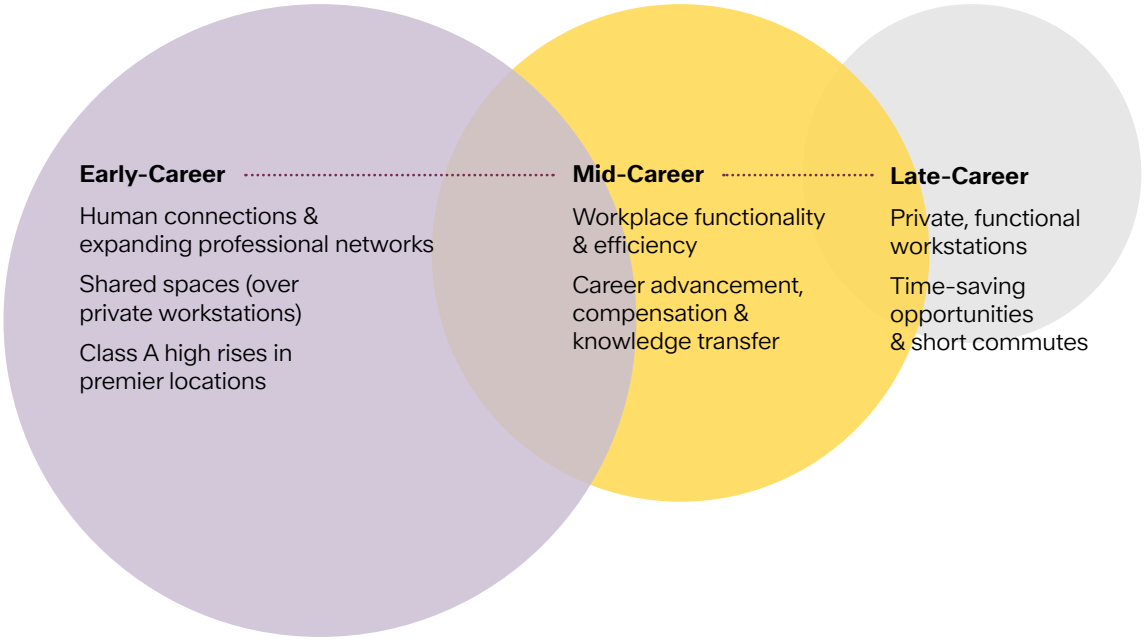
- They clearly value workplace functionality and are good at creating successful home workspaces.
- Career advancement, compensation increases, and knowledge transfer are stronger motivators for office attendance than collegial relationships.
- They are the most likely to be in the office full-time; however, some of them may prefer to work from home a few days per week.

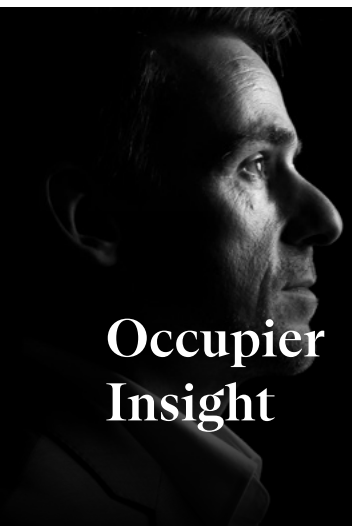
Late-Career Employees

After spending decades working to build their expertise, these folks (largely older Gen Xers and younger Baby Boomers) are by far the likeliest generation to say private workstations and offices are the most important amenities.

- They also value the time-saving opportunities resulting from remote work and have little tolerance for long commutes; however, they often struggle to create functional home workstations that are comparable to their office setups.
- They are less motivated by compensation increases and primarily want functional workspaces where they can separate work from home, preferring a "one or the other" approach - working fully in-office or fully remote, as opposed to a hybrid schedule.
- Positive relationships with colleagues are important to this cohort, but they are less motivated by networking opportunities. In-office lifestyle and entertainment amenities hold little appeal to them.

Office Attendance Motivators by Career Stage





Occupier Insight

The big takeaway here for occupiers is: Solve for your current talent and build the right equation for the employees you want in the future. Who are your company's most successful workers at each of the three career stages? What are their expectations of the office environment today, and what might they be in the future? Whether your company will be relying on seasoned marketing experts or filling its stable of early-career engineers to get the work done in the next two, five, or ten years, create the office environment for the future employee base you want and need.

Key Insight **03**

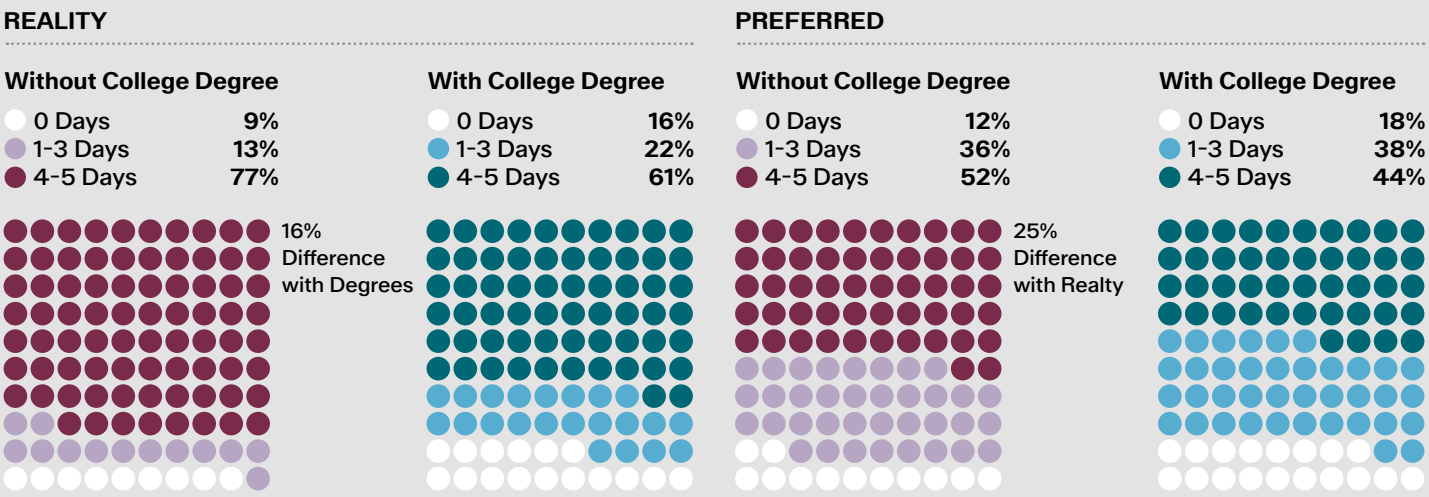
Time spent in the office varies more by education level than by generational identity

One often-overlooked element of the in-office versus remote work discussion is the possible influence of education level on employee work preferences. In fact, differences in preferences for in-offices versus remote work are starker when viewed by educational cohort instead of generational cohort.

Employees without college degrees are far more likely to be in the office than college graduates—this difference is more pronounced than the largest generational split.

These attendance levels track with employee preferences, as college grads reported being more likely to want to work from home. Although employees lacking college degrees are happier to come to the office, many wish they could work an extra day or two per week from home.

Reality vs. Preferred Office Schedules by Education Level



Employees Who Never Attended College

These employees are less motivated by productivity and workplace functionality than college grads and are more driven by the networking and social opportunities of the office. Professional networking was this cohort's second-ranked motivation for office attendance, compared with its eighth-place ranking among college grads. They also picked events, activities, and entertainment as a top-three motivation for office attendance about twice as commonly as those with college degrees. Fitness centers, childcare services, pet-friendly spaces, and shared informal meeting areas are all rated more favorably by employees who didn't attend college than in the overall survey. Compensation increases are their top motivating factor for working in the office, but to a lesser degree than for college grads.

Some College & College Degree

These groups have similar rates of amenity preferences. Both value compensation increases and privacy at the office more than workers who never went to college, and grads value private offices more than part-time attendees. About 50% of each say commute times are the most important feature of office locations, while college grads are more likely to care about neighborhood amenities. A preference for walkability to restaurants among degree earners correlates with a higher preference among urban workers, which makes sense given that higher education levels often correlate with city living. Workers who attended or graduated college are more likely to prefer remote work, although their strongest preference is to be in the office four or five days.

Occupier Insight

Degree holders may ascend to managerial roles more readily than their peers without degrees, and in-person presence could be crucial for successful leadership and management. Conversely, college-educated professionals might have more extensive personal and professional networks, possibly leading to decreased interest in socializing at the office. And anecdotal evidence suggests that the necessity of remote work in the early 2020s prompted many seasoned professionals to recognize their capability to work effectively without daily office attendance, though they still acknowledge the importance of maintaining regular "face time" at work.

Regardless of the reason, it is clear that a multitude of factors come into play in office attendance preferences and behaviors. As office property owner and/or occupiers, it behooves us to take multiple data points into account, from company culture to individual employee career stage and path. We cannot simply keep up with the neighbors, investing in office acquisitions and improvements that may not have the desired effect on employee behavior. We must do our research within our own companies.

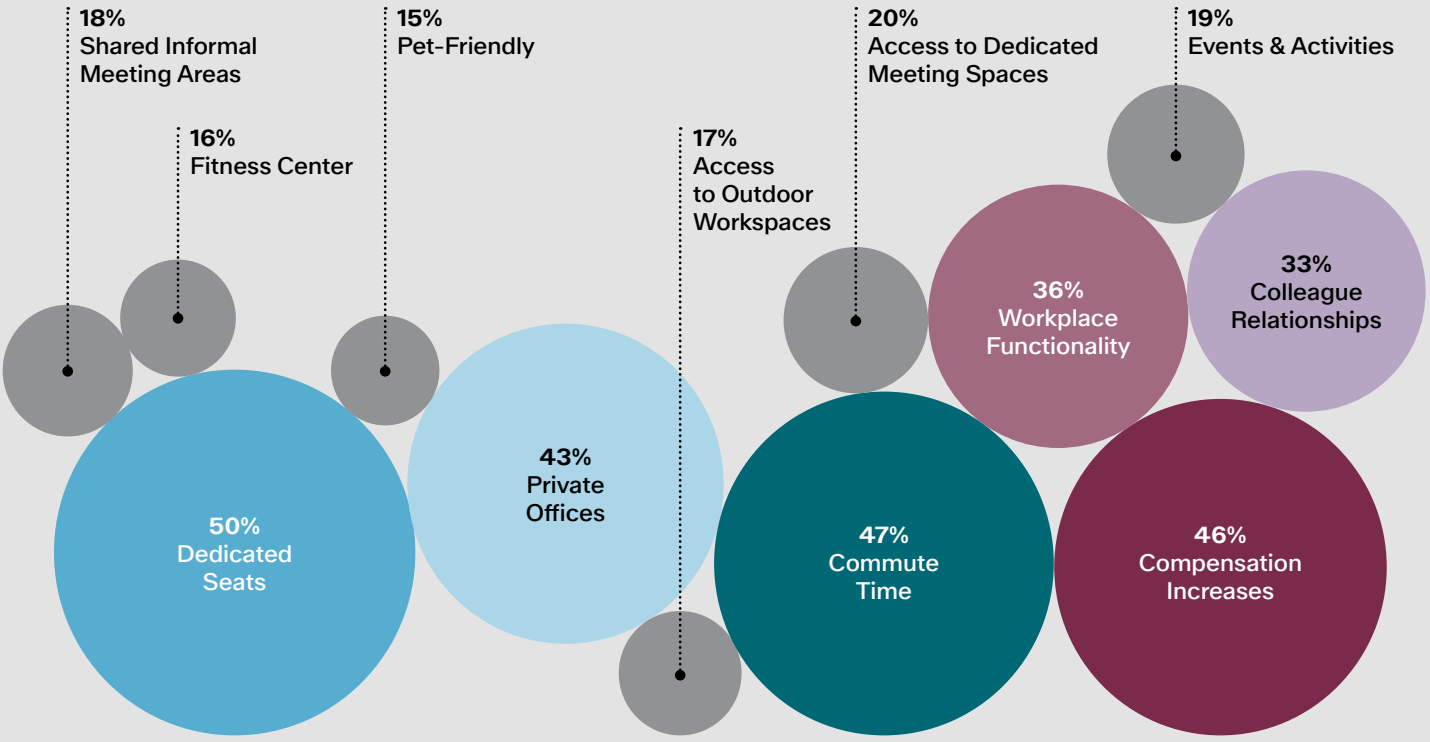
Key Insight **04**

Employees value modern amenities, but don't forget to take care of the basics

Our survey shows that while employees value modern amenities and in-office social opportunities, it's also essential that employers don't forget to take care of the basics. Employees are still strongly in favor of traditional, and perhaps timeless motivators to be present in the office.

- Increased compensation ranked as the biggest motivation for office attendance, followed by workplace functionality, relationships with colleagues, and career development opportunities.
- While most workers want to spend time in person, short commute times were cited as the most important office location consideration by a wide margin.
- Every cohort selected dedicated seats and private offices among their highest ranked motivators, and nearly half of overall respondents placed these features in their top three.

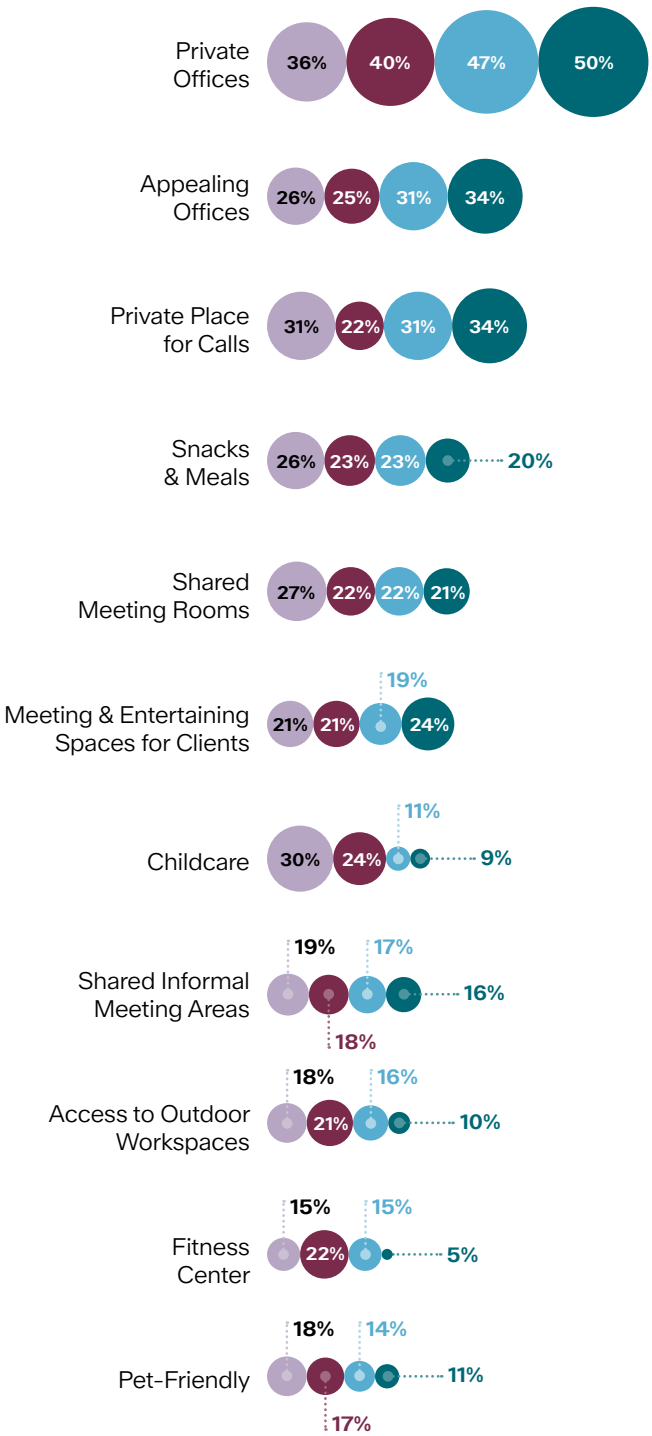
Average Highest vs. Lowest Rated Workspace Amenities and Motivators
Percentage Ranked Among the Top 3



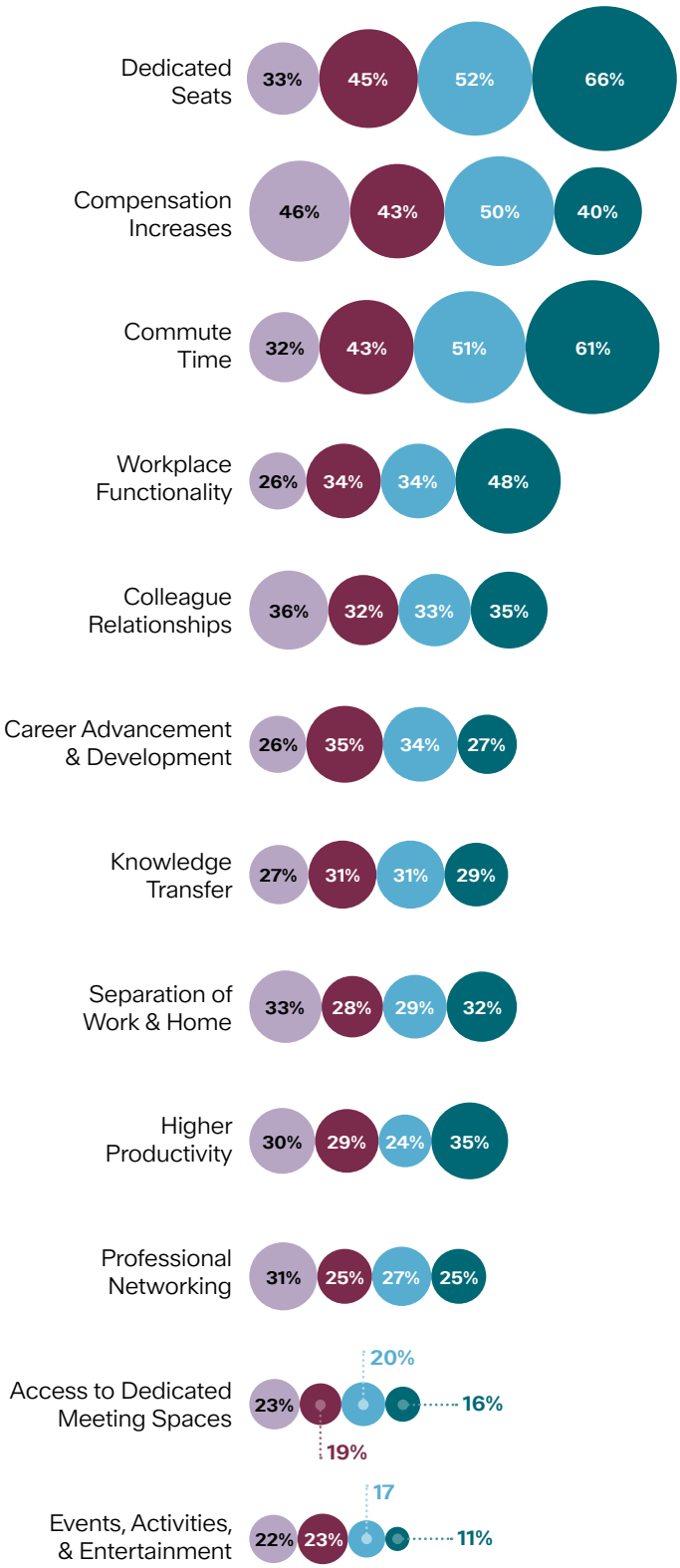
Workspace Amenities and Motivators by Generation
Percentage Ranked Among the Top 3

Gen Z · Millennials · Gen X · Baby Boomers

TOP 3 AMENITIES



TOP 3 MOTIVATORS

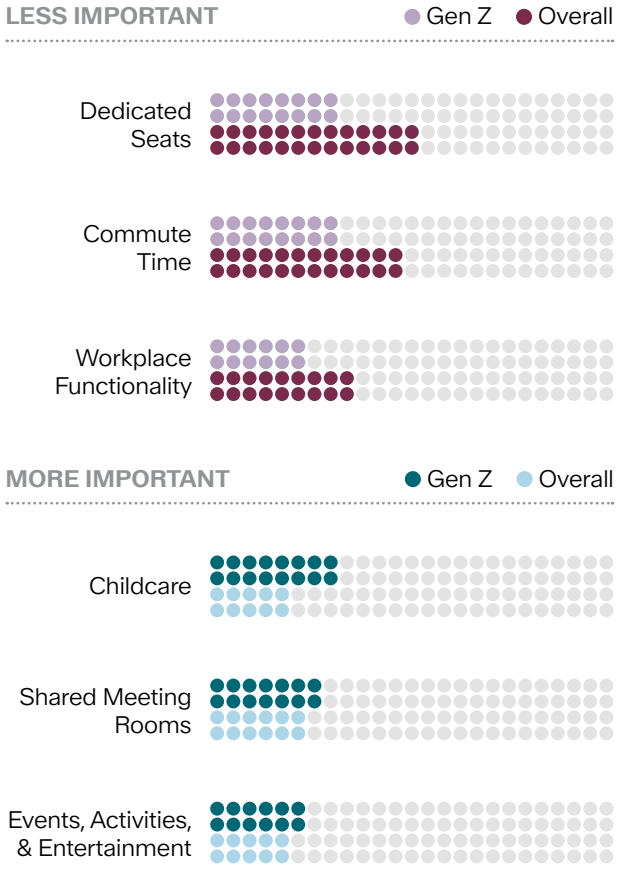


Although still broadly motivated by traditional office features, Gen Z broke from the pack in how it rated various workplace motivators.

This generation does not place a dedicated seat in the office as a top three motivator, compared to Baby Boomers who were twice as likely to count it among their top three.

Workplace functionality and commute times were also much less frequently cited as important considerations than in the overall survey. Conversely, Gen Z is more open to social and forward-thinking office amenities. A higher percentage of Gen Z responded that shared meeting rooms and events, activities, and entertainment were top motivations than in the overall survey. The survey also indicated that young professionals are especially concerned with the financial and time costs of starting families, with Gen Z far likelier than older cohorts to rate childcare as a top office amenity.

Gen Z Workplace Motivators



Occupier Insight

Preferences for private workspaces and short commutes may indicate most employees value efficient workdays. While younger employees are more lenient about commute times and dedicated seats, there appears to be a risk of alienating older employees by overdoing shared workspaces. Even within Gen Z, opinion appears split on collaborative vs. private setups. Creating office environments offer both collaborative and private workstations, while striking the right balance between social and entertainment opportunities and efficient workdays, may be key to meeting the needs of a multi-generational and multi-opinionated workforce. For a sizable number of employees, modern office amenities and experiences hold great appeal, as long as the basics like functional workstations and opportunities for career development and compensation increases are prioritized.

Key Insight **05**

The time employees are willing to spend on the road is misaligned with average commute times, making commuting the biggest hurdle for companies trying to bring employees back

Commute insights are a critical component of a smart office location strategy, and one of the most important decision-making factors for occupiers who value in-office attendance.

But it's also a challenge. When it comes to commutes, based on the survey findings, office employees are more idealistic than realistic. About three-quarters of respondents say they wouldn't even consider going into the office if it meant a roundtrip longer than 45 minutes. The reality is commutes this short are tough to find in the nation's most populous metro areas, with roundtrips averaging over an hour across the 15 largest office markets.

Quick trips to work are more prevalent in smaller markets, but roundtrip commutes still average more than 50 minutes nationally. After declining in 2020 and 2021, when the prevalence of remote work kept many cars off the road, traffic has picked back up and commute times are increasing again, according to the American Community Survey.

- 73% of respondents would not make a round-trip commute longer than 45 minutes.
- Per Geotab, of the 15 largest office markets, average roundtrip commutes range from 52-54 minutes in Phoenix and Minneapolis to over 80 minutes in Boston, D.C., and New York.
- More than 10% of employees in San Francisco, Boston, D.C., and New York have roundtrip commutes exceeding 1 hour.
- Per the American Community Survey, average commute times nationally increased by about 3% to 53 minutes from 2021 to 2022.

All cohorts placed a high value on shorter commutes, but older employees were more adamant than their younger coworkers. Not surprisingly, commute times also rise in importance the farther you move from the urban core.

Other Key Insights

More than 60% of Baby Boomers said the commute time is their single most important office location feature, which roughly doubled the percentage for Gen Z.

Just 4% of Baby Boomers said they would consider a commute longer than 1 hour, 15 minutes roundtrip, compared with 6% of Gen X, 7% of Millennials, and 11% of Gen Z.

58% of rural respondents selected commutes as the most important location feature, followed by 50% of suburbanites, and 38% of urban workers.

Gen Z and urban employees are more willing to take public transportation, but employees overall place little value on transit options. 19% of Gen Z and 17% of urban workers consider public transit access the most important location feature, compared with 12% of the overall survey.

In the 15 largest office markets, since the start of 2020, the central business district vacancy rate has increased at three times the pace of suburban submarkets.

Occupier Insight

In our industry, we often hear assertions like, "People in the Sun Belt like to work from the office, but people in California just don't." The data actually shows that commuting is less about geographic location and more about how commutable your community is. If your commute to work is awful and long, you're much less interested in coming into the office (and truthfully, you'll be more efficient if you don't). A commute longer than 45 minutes is apparently a deal-breaker for most U.S. workers (though the roundtrip average is over an hour across the 15 largest office markets in the U.S.).

A smart location strategy can have a direct impact on your ability to recruit and retain top talent. It is essential to consider both where your existing employees live and where likely future hires will come from. In both cases, you should consider how you can better accommodate shorter commutes. This could involve leasing small suburban satellite offices to supplement a centrally located larger regional office, giving suburban employees the option to work fully or part-time from locations closer to their homes, or selecting office locations closer to transit hubs.

Key Takeaways for Business Owners

There's no one-size-fits-all approach to creating a compelling in-office work environment.

The best way to make smart decisions that encourage office attendance is deceptively simple: Ask your employees what they value.

Some of the most costly shortcomings for office-oriented occupiers in the early 2020s have been the result of incorrect assumptions about employee behavior and values.

There are significant generational and other differences in what employees value when it comes to office work and amenities within the workplace.

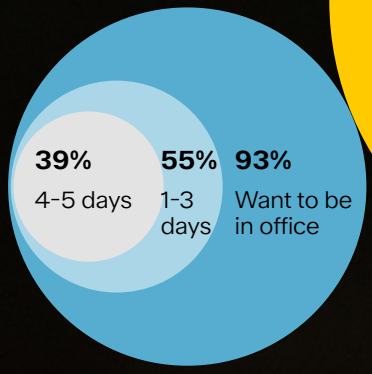
Smart occupiers seek clarity on how their employees want to operate within the office environment, and determine if making changes to that environment will enable them to better meet critical business goals.

When considering office property location, size, and amenities, solve for the present workforce, while refining your equation for the future workforce you desire.

Gen Z

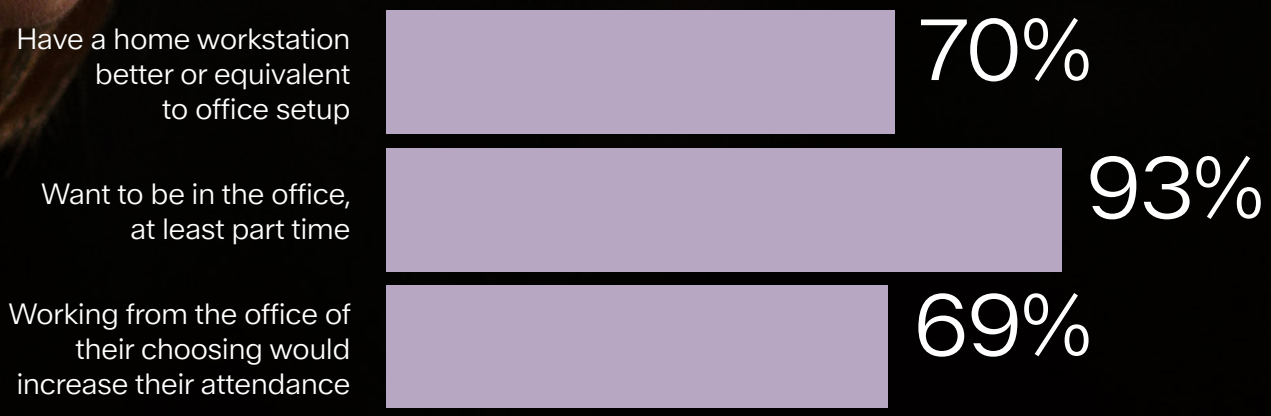
Born
1997 - 2012

Preferred Office Schedules



Highlights

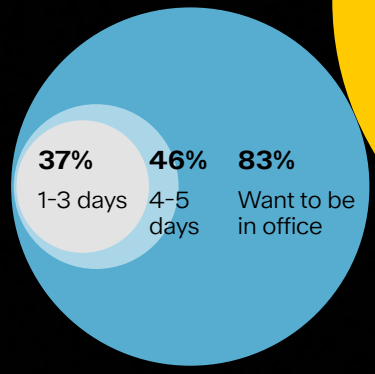
- Cares the least about commutes, with only **32%** saying it's their most important consideration
  - **11%** are okay with a commute longer than 1 hour 15 minutes, about double the amount of Gen X and Baby Boomers
- Most in favor of being able to work from any of their companies' office locations
  - **69%** say working from the office of their choosing would increase their attendance, compared with just 16% of Baby Boomers
- Most micromanaged, with **43%** in meetings at least **40%** of the workday



Millennials

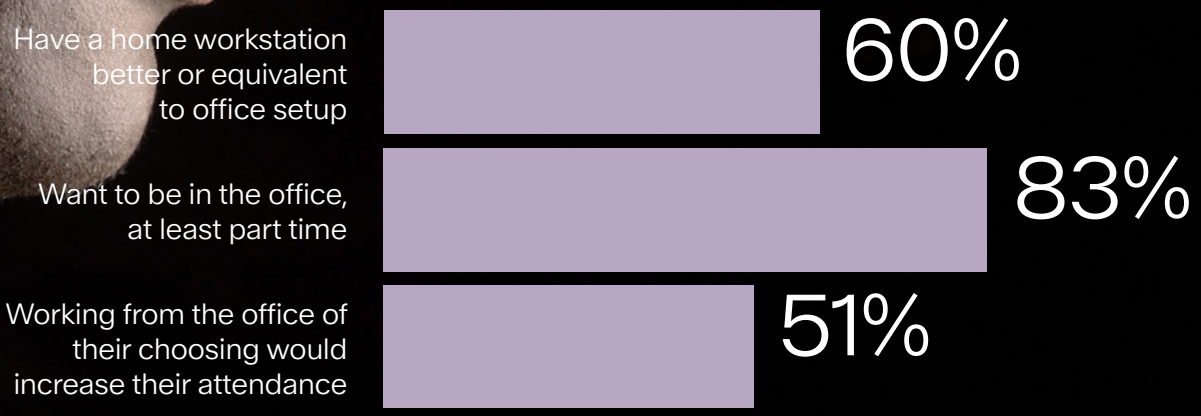
Born
1981 - 1996

Preferred Office Schedules



Highlights

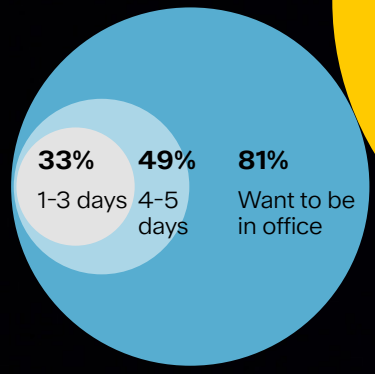
- Preferences are **closest to Gen X** in regards to hybrid work arrangements, days in the office, success at creating home work stations, time spent in meetings, and greater tolerance for longer commutes
- At **43%**, commute times ranked as the most important location feature of an office (although more tolerant of longer commutes than Gen X or Baby Boomers)
- More in favor of lifestyle amenities at the office than other generations
  - Access to outdoor spaces and fitness centers (**21%**), childcare (**24%**), and pet-friendly policies (**17%**) ranked above the overall average, but as with other generations, private space ranked as the top office motivator



Gen X

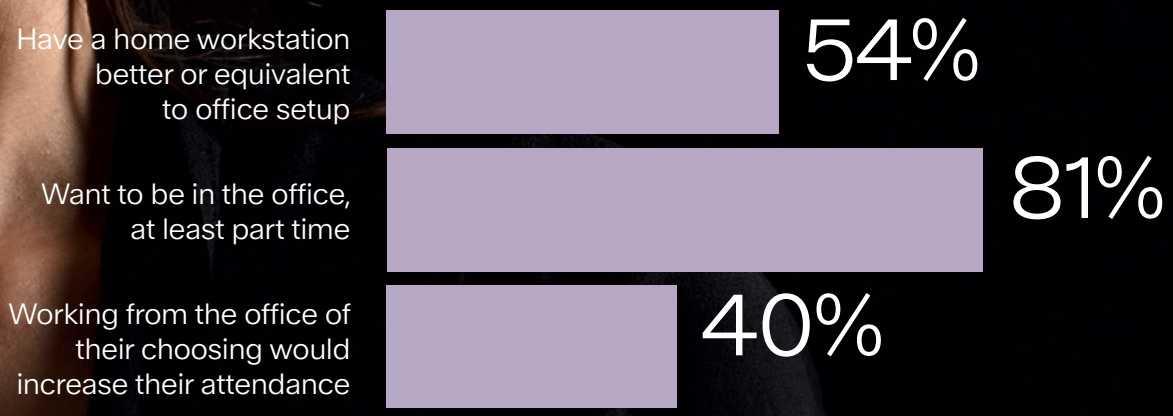
Born
1965 - 1980

Preferred Office Schedules



Highlights

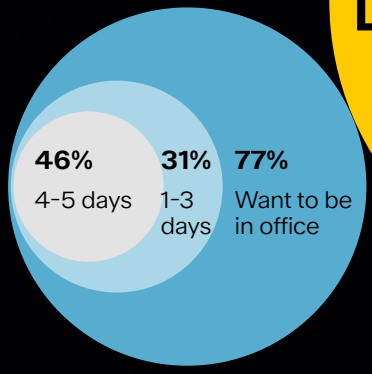
- Lands in the middle on many metrics, but is the most motivated by **compensation** and **career advancement**
  - **50%** placed compensation increases in top 3 motivations for going to office
  - Poll above the average motivation ranks for career advancement opportunities, knowledge transfer, and professional networking
- Most likely to choose to be in the office **4-5** days per week
- More likely **not to care about building design** than to highly value it (unlike younger generations)



Baby Boomers

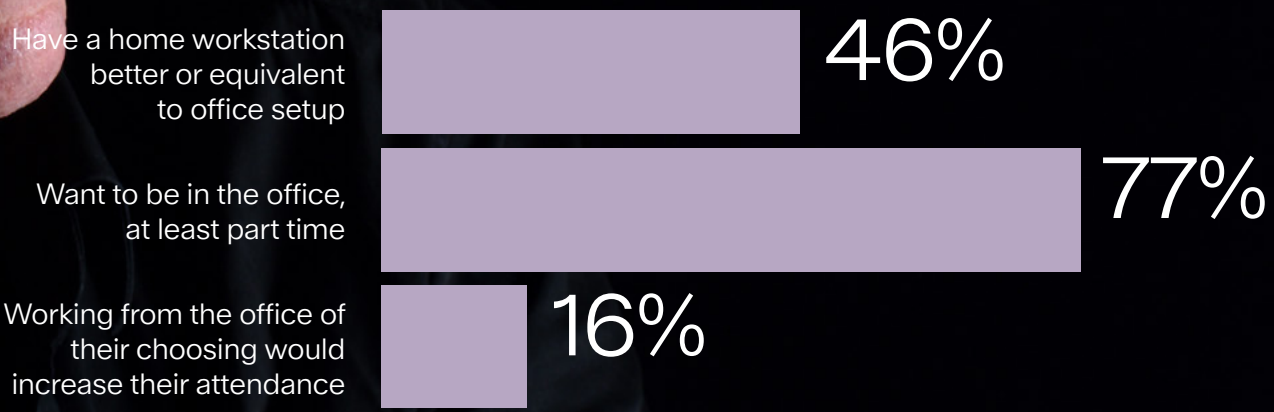
Born
1946 - 1964

Preferred Office Schedules



Highlights

- Like routine in their work schedules
  - Have the highest percentage of remote workers (**19%**) and express the strongest desire for fulltime remote work (**23%**), but also rank near the top of all cohorts for being in the office fulltime (**54%**). They rank last in their preference for hybrid schedules, although are not far from Gen X and Millennials in the percentage that would like to be in office 1-3 days
- Less motivated by compensation increases and career advancement
- Have little preference for lifestyle amenities like fitness center, outdoor spaces, and pet-friendly spaces
- Ideal office space seems to be a place they can commute to quickly, work in a private and highly functional setup, and boost their productivity



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August 2024

Lincoln's Corporate Advisory & Solutions group provides comprehensive real estate services tailored to the unique needs of corporate occupiers. From strategic planning, site selection, lease and transaction management, project management, facilities management and more, Lincoln focuses on delivering the strategic real estate solutions to enhance operational efficiencies and support corporate goals.

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