2021 was the year the world stayed remote.

As the pandemic continued to evolve throughout the year, so did the way we work. Employee expectations permanently shifted, with many choosing to resign for a better work life balance or more flexibility in where and when they work. And with nearly 70% of full-time U.S. workers having worked remotely – with many still doing so – employers started adjusting their workplaces to fit a new hybrid working model.

For the 5th Annual State of Remote Work report, Owl Labs, in collaboration with leading remote work consulting firm Global Workplace Analytics, surveyed 2,050 full-time workers in the U.S. to learn more about the current state of remote and hybrid work and what lies ahead. This survey data was collected in September of 2021.

We learned that productivity didn’t suffer, with 90% of respondents that worked from home during the pandemic saying they were as productive -- or more -- working remotely when compared to the office. 84% of respondents also shared that working remotely after the pandemic would make them happier, with many even willing to take a pay cut. Employers, listen up, if you haven’t adjusted and created new workplace policies yet, read on to understand why you should.
EXECUTIVE SUMMARY

Key Findings

1. Of those that worked from home during the pandemic, 73% have returned to the office at least one day a week, with 25% returning in September 2021

2. Of those that have returned to the office, 78% say that they feel more included, and 57% say that they prefer working from home full-time

3. 1 in 4 changed jobs or are actively seeking a new opportunity for many reasons

4. 20% of workers said they relocated during the pandemic, 4% moved permanently

5. Of those that worked from home during the pandemic, 70% of employees say virtual meetings are less stressful

6. 83% say they are at the same productivity level -- or higher -- working from home compared to the office

7. 55% say they work more hours working remotely than at the physical office

8. Of those that worked from home during the pandemic, almost 70% needed to provide care for children or a dependent during the pandemic

9. 76% said working from home after the pandemic would make them happier

10. 3 in 4 (74%) said after the pandemic working from home is better for their mental health

11. 38% said they would be willing to take a 5% pay cut to work remotely at least part of the time

12. 1 in 4 would quit their job if they could no longer work remotely after the pandemic, with an additional 19% still undecided

13. 70% want a hybrid or remote working style after the pandemic is over

14. 39% of employers are requiring employees to be in the office full-time post-pandemic, but only 29% want to be

15. 38% said that their employer has upgraded their video technology to allow for more hybrid collaboration

16. Since the start of the pandemic, 22% of companies have reduced office space, while 21% have increased their office footprint

17. Only 36% of people believe the office is best suited for individual work
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Hybrid work isn’t going anywhere

The global pandemic transformed how we work overnight – and because of this, we’ve officially fast-tracked to the future of work.

You’re probably quite familiar with some of the major shifts that have happened in the past 18 months (‘Zoom’ is officially a verb now, so there’s that). However, there is one notable change that sticks out above the rest: employees now expect flexibility in not only where they work, but when.

In fact, nearly 1 in 2 people (48%) said that if they were no longer able to work remotely, they would start looking for another job that offered more flexibility in when they worked, with men saying they would quit nearly 60% more than women. In the U.S., 81% of those that worked from home during the pandemic said they want a hybrid or remote working style once the pandemic is over. This shows there is a clear path forward post-pandemic.
Flexibility is essential for workplace success.

Of those that specifically worked from home during the pandemic:
- If they were not able to work remotely going forward...
  - **1 IN 3 (32%)** said they would quit their job with an additional 18% still undecided
  - **MORE THAN HALF (56%)** would quit or look for a new job that offered flexibility in when they work
  - **58%** would expect a pay raise
  - **NEARLY HALF (48%)** would stay in their current role, but would be less willing to go the extra mile

How many people worked -- or are still working -- from home during the pandemic?

- **69%** Working or worked remote during the pandemic
- **31%** Working or worked onsite
What is the modern employee looking for from their employer?

- **Compensation**: 97% (96% very important, 1% important)
- **Health insurance**: 96% (95% very important, 1% important)
- **Good technology**: 95% (92% very important, 3% important)
- **Learning opportunities**: 92% (91% very important, 1% important)
- **Career growth**: 91% (91% very important, 0% important)
- **Flexibility in when they work**: 87% (60% very important, 27% important)
- **Flexibility in where they work**: 79% (79% very important, 0% important)
- **Ability to work from anywhere**: 79% (46% very important, 34% important)
- **Dedicated desk or office**: 79% (45% very important, 34% important)
As the workplace has changed, so have employee expectations. Those who worked from home during the pandemic have now experienced the challenges and benefits of remote work firsthand. Because of this, the question becomes: do employees’ new expectations align with what employers are planning to offer post-pandemic? Not exactly.

Take the return to the office. Of the respondents that worked remotely during the pandemic, 60% have returned to the office in some capacity over the past six months. It’s encouraging to see businesses of all sizes open their doors again. 39% of employers are requiring employees to be in the office full-time post-pandemic, but only 29% want to be. And 1 in 4 (25%) of total respondents say they would quit their job if they could no longer work remotely after the pandemic. Hybrid work is clearly what employees expect going forward, but don’t dismiss the physical office. Employees also want days in-office to meet with their teams, engage with leadership, brainstorm and more. But as companies reopen, it’s important that every employer takes a step back to evaluate how their current workplace policies and practices impact their business and their employees.
Employers may have to reconsider their plans.

Of those that worked from home during the pandemic, 73% have returned to the office at least one day a week, with 25% returning within the last month.

- 27% have not returned to the office.
- 25% returned one month ago.
- 21% returned 2-3 months ago.
- 13% returned 4-6 months ago.
- 8% returned 7-12 months ago.
- 6% returned 13-18 months ago.

Of those that have returned to the office:

- 57% say that they prefer working from home full-time.
- 42% say they are feeling stressed about uncertainty around their employer’s in-office requirements.
Employees' preferred working arrangement vs. what their employer is requiring them to do:

Overall, how are employees feeling right now?

- 83% trusted
- 75% valued
- 73% that they are treated equitably
- 73% empowered to make decisions
- 72% like their voice is heard
What working from home really looks like

Today’s remote employees have to balance a number of roles while working from home.

Whether they are a parent, caretaker or pet owner, many employees have been challenged with fulfilling the needs of their employer with the needs of their families or households. Maybe that’s why it’s called work–life balance.

One trend that surged during the pandemic for employees: moving. Many have moved – both temporarily or permanently – to better accommodate their needs and the needs of their families. Of those that worked from home during the pandemic, more than a quarter (27%) relocated during that time, with younger employees (ages 21-40) temporarily relocating 14X more than older ones (ages 40+).
Here’s a better picture of what a modern ‘home office’ looks like.

40% of employers provided a one-time payment to employees for work from home expenses...

35% of employers provided a monthly stipend.

Of those that worked from home during the pandemic, the most popular places to work are:

- Home office: 73%
- Bedroom: 39%
- Dining room: 39%
- Couch: 38%
- Coworking space: 31%
- Kitchen: 29%
- Office/shop or restaurant: 25%
- Outdoors: 24%
- Closet: 21%
Of those that worked from home during the pandemic, 1 in 2 (51%) adopted a pet.

- **PANDEMIC PETS**
  - 42% adopted a dog
  - 28% adopted a cat
  - 11% had a pet certified as an emotional support animal
  - 9% had a pet certified as a service animal

- **CARETAKERS**
  - Of those that worked from home during the pandemic, 63% needed to provide care for children or a dependent during the pandemic.
  - About one fifth (21%) cared for children under 5.
  - More than one third (38%) had children 5-11 in their care.
  - More than one third (35%) had children 11-18 in their care.

- **RELOCATION**
  - 78% moved from an urban location
  - 23% moved from suburbia to an urban location
  - 47% moved from a suburban location
  - 24% moved from suburbia to a rural location
  - 58% moved from an urban location to suburbia
  - 13% moved to another country
  - 41% moved to another state
  - 20% moved from an urban to a rural location

Many moved during the pandemic (some more than once). Of those that moved:
Of those that permanently moved while working from home during the pandemic:

Ages 26–40 accounted for approximately 2/3 of the move from urban to suburban (68%) and urban to rural (63%), and more than half (57%) of the suburban to rural moves.

Boomers represented the largest age group to move to another state (35%).

Boomers represented the largest portion of the group that moved from rural to urban (40%).

Takeaway: Younger generations moved to suburbia when older generations moved to urban areas.

Millennials represented over half (50%) of the moves to another country (followed by Gen X at 33%).
For many, transitioning to remote work started with setting up a dedicated workspace, learning new virtual collaboration tools, and adapting to new ways of engaging with colleagues and clients virtually. But that was all temporary, right? Not so much.

Today, these same employees that have become remote work pros are evaluating what their return to the office looks like - with many asking if they will return at all.

The modern workforce has a new set of needs and expectations – with only 1% of employees that worked from home during the pandemic saying they are less productive, proving that remote and hybrid work has to continue to be part of the equation. That said, managers are still skeptical. For those that manage remote workers and teams, 36% are concerned about employee productivity and 36% are worried about reduced focus.

It’s clear that employees are seeing and feeling the benefits of remote work, but there are also drawbacks – long hours, increased stress, and of course, burnout. Managers and employees must work together to overcome these challenges.
There are clear benefits to working from home.

For those that worked from home during the pandemic, being able to work from home -- at least some of the time -- post-pandemic said it would make them:

- 86% happier
- 84% less stressed
- 83% more likely to recommend their employer
- 82% more likely to choose one job over another
- 79% less likely to leave their employer
- 79% feel more trusted
- 78% feel like their employer cares
- 75% feel more engaged
- 72% more willing to take a pay cut of up to 5% to work remotely at least part of the time in the future

PAY CUTS

- Almost 1 in 2 (46%) would take a pay cut of up to 5% to work remotely at least part of the time in the future
- 40% would take a pay cut of up to 10%
- 37% would take a pay cut of over 10%
Of those that worked from home during the pandemic:

90% say they are at the same productivity level -- or higher -- working from home compared to the office.

For those that worked from home during the pandemic:

- 67% are more productive while working at home
- 24% said their productivity is the same working from home
- 1% feel much less productive working remotely
But, there are also drawbacks.

When it comes to gender:

- 30% of men and 21% of women reported working 2+ extra hours per day.

Employees are working significantly more,

- Yet only 11% of managers are concerned about employee burnout.
For decades, employers have recognized that every employee operates differently. Some companies choose to administer personality-like tests in the workplace – like Myers-Briggs for example – to learn more about how their employees work collectively and independently.

The pandemic threw some employers and employees for a loop, with many employees having to rethink their work routines and habits basically overnight. And some of these adjustments haven’t been easy. In fact, they’ve exposed some inequities between coworkers.

One challenge – employees are now split across locations making it harder for everyone to be part of the conversation and collaborate. In fact, 70% said it’s often or always difficult to contribute or be part of a conversation when on video calls, 72% said they can’t tell who’s speaking, 63% can’t see people’s faces, and 62% can’t see the whiteboard. On the other hand, 71% said it’s easier to present on a video call than in person.

Let’s take a look at a few other trends by age, gender, and location.
Generational differences

Of the 73% of employees that have returned to the office at least one day a week:

- Millennials represent the largest percentage at 60%, compared to:
  - 25% Gen X
  - 8% Boomers
  - 7% Gen Z

Of the 25% that quit or are looking to change jobs during the pandemic, Gen Z accounted for:

- 62%...
  - compared to just 4% of Boomers
When it comes to gender, not all things are created equal.

Men are **41% more likely** than women to work 10+ additional hours/week

...with women reporting working the same number of hours as they did in the office **56% more** than men

For those that moved, the reasons varied:

Men were **6X more likely** to relocate to start their own business than women

Women were nearly **2X more likely** to relocate for a better lifestyle

Women were more likely to relocate to be closer to family and friends

If they could no longer work remotely:

Men say they would stay at their job, but be less happy **34% more** than women

Men say they would expect a pay increase **34% more** than women

For those who worked from home and are now back in the office:

Men said they enjoyed the commute to the office **55% more** than women

Men said they enjoyed being back in the office **24% more** than women
WFH vs. in-office

Of the 69% that worked from home during the pandemic, they learned a few things. Top challenges when on a video call while others are in-person:

- They can’t tell who’s speaking: 72%
- It’s difficult to contribute or be part of a conversation: 70%
- They feel disengaged: 67%
- They can’t see people’s faces and miss visual cues: 63%
- Can’t see the whiteboard: 62%
- Can’t see the presentation: 62%
- They feel left out: 60%

Those that worked from home during the pandemic say that when participating in meetings remotely compared to in-person:

- It’s easier to present to a group: 71%
- It’s less stressful: 70%
- It’s just as productive as in-person meetings: 67%
- It’s easier to contribute: 66%
- It makes participation more equal: 66%
- It was not as productive: 15%

64% of employees that worked from home during the pandemic said that their top meeting style preference is a hybrid video conferencing call.
The rise of hybrid work forced many organizations to operate differently, and because of this, the physical office space has taken on a new identity. An office used to be a place where employees would gather daily to do individual work, group work or socialize. Every space had its own characteristics – at one point, relaxation rooms were all the rage. Don’t get us wrong, there is absolutely a need for physical offices. In fact, of those employees that have returned to a physical office, 78% say that they feel more included when at the office. It’s just, the reason people will come to the office and how they will use it has changed so the physical space must change, too.

In this new era of work, if a space isn’t wired for hybrid collaboration, it’s now a wasted space. It’s really that simple.

Collaboration has always been at the center of work, but with hybrid workforces, the tools and spaces people collaborate in need to be elevated. To date, only 38% of employers have upgraded their video technology to improve hybrid collaboration. There’s room for improvement.

It’s clear that seamless connectivity and collaboration is key for those both in and out of the office, which is why employers need to step up and rewire their offices, so that employees can do their best work, wherever they are located.
The current state of office space

Only 36% of people believe the office is best suited for individual work.

Of those that worked from home during the pandemic, 70% say virtual meetings are less stressful and 64% now prefer hybrid meetings.

Roughly one-third of employees always or often experience difficulties on video calls.

Since the start of the pandemic, companies have:

- Expanded meeting room + collaboration spaces: 24%
- Closed the office: 22%
- Reduced office space: 22%
- Increased their office space: 21%
- Implemented hot desking: 18%

The largest employers (10k+ employees) and smallest (1-50 employees) were least likely to have expanded spaces.

More than 3 in 10 small to midsize employers (200–5k employees) increased space.

More than a quarter of midsize to large employers (500–5k employees) added the option of coworking space for some or all employees.

The largest employers (10k+ employees) and smallest (1-50 employees) were least likely to do so at 9% and 11% respectively.

One-third of midsize employers (500–1k employees) reduced office space.

CHANGES IN OFFICE SPACE
As an authority on the future of work, we are always looking towards, well - the future. So, if hybrid work is here to stay, what’s next? Many companies are looking beyond today to build more progressive workplace policies that will help employees thrive.

Employee engagement has always been at the forefront of the minds of companies of all sizes and all industries for a simple reason: engaged employees produce better work. And with 1 in 2 (49%) managers who oversee remote workers concerned about employee engagement, it seems to be the topic on everyone’s mind.

So what happens if employees aren’t engaged? Well, for one thing, they look to leave. 1 in 4 changed jobs or have been actively seeking a new opportunity during the pandemic. Women changed jobs 43% more than men – yes, you read that correctly, 43%.

To avoid employees leaving, but in hopes of saving their bottom line, some companies announced salary adjustments for those working from home. That also didn’t go over well. 81% of employees said they should be compensated the same whether they work in-office or remotely.

Leadership must rethink their workplace culture to be more inclusive of remote and hybrid work – this is the next normal.
Of those that changed jobs during the pandemic or who are actively seeking a new opportunity, they are looking for:

**JOB SEEKING**

- **Better career opportunity**: 90%
- **Better work-life balance**: 88%
- **Better compensation**: 88%
- **Lower stress**: 87%
- **More flexibility in where they work**: 84%
- **More flexibility in when they work**: 82%

**STRESS**

- **100%**: 75% are stressed about having a meeting with their manager to request to work from home
- **75%**: 38% are stressed about the uncertainty of needing to take a pay cut to work remotely
- **50%**: 37% are stressed about not feeling seen or heard as a remote employee and feeling like a second-citizen to in-office employees

Employees are stressed:
Top future working trends:

- Interested in 10-hour/4 day work weeks: 53%
- Interested in flexible policies that will not require them to be in the office specific times: 49%
- Interested in working from anywhere: 48%
- Interested in core hours: 37%
- Interested in having large screens dedicated to every employee: 29%
- Interested in working from a coworking space: 26%
- Interested in holograms: 28%
- Interested in virtual reality: 27%
Conclusion

The pandemic has proven that anything can happen to disrupt our personal lives and businesses without notice. The good news? We learned a few things in the past two years, and now we can all prepare. We can all set ourselves up for future success.

We’ve had a forced try because of the pandemic, but now is the time to be proactive and strategic with our business decisions and priorities. Implement the right strategies, tools, products, processes and expectations to navigate any future disruptions. Your employees will thank you for it.

Successful companies are the ones thinking about long-term strategy rather than “let’s just survive this crisis”. The reality is, most businesses were forced remote, and are now hybrid. We all need to work together to create a new way of working that is productive for businesses and employees alike.

Thanks for taking the time to read our report. We hope you found it insightful and useful.

Reach out to press@owllabs.com with any press inquiries and questions.
Background + demographics

Owl Labs in collaboration with Global Workplace Analytics (GWA) surveyed 2,050 full-time workers in the United States between the ages 21 and 65 at companies with 10 or more employees and a 50/50 gender split. This survey data was collected in September of 2021.

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### Company Size

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### Role

- **Individual Contributor**: 35%
- **Consultant**: 7%
- **Manager**: 32%
- **Director**: 11%
- **Vice President**: 2%
- **Senior/Executive Vice President**: 5%
- **Founder/C-Level**: 8%
AGE/GENERATION
- Gen Z: 7%
- Gen Y/Millennials: 48%
- Gen X: 30%
- Boomers: 15%

CARETAKER ROLE
- 30% I do not have children
- 59% I have children living at home
- 11% I have children, but not living at home
Owl Labs is a collaborative tech company revolutionizing how the world communicates, through its inclusive and immersive video experiences. Built for modern businesses, Owl Labs is dedicated to empowering hybrid and remote organizations with its award-winning technology and robust product suite. The company’s flagship product, the Meeting Owl Pro, features a wifi-enabled, 360-degree camera, microphone, and speaker with Owl Labs’ proprietary AI technology, that automatically focuses on the speaker using audio and visual cues. In 2020, the Meeting Owl Pro was honored as one of TIME’s 100 Best Innovations. Owl Labs continues to champion the hybrid work conversation with its annual State of Remote Work reports. To learn more about Owl Labs and to join the work and learn from anywhere movement, visit www.owllabs.com.

Global Workplace Analytics is a research-based consulting firm that has been helping employers launch and optimize distributed workplace strategies for nearly two decades. The firm’s proprietary tools include a database of over 6,000 research papers, case studies, and other documents related to where and how people work and a Hybrid/Remote Work Savings Calculator© that a report to Congress described as “comprehensive and based on solid research.” Kate Lister, president of Global Workplace Analytics, is a recognized thought leader on the future of work and trusted source of insights for news outlets including the New York Times, Washington Post, Wall Street Journal, Newsweek, and many others. In June of 2020, She was one of only three witnesses invited to testify before a U.S. Senate committee on the post-pandemic potential for remote work in government.