

Financial services firms: the office reimagined?



The office reimagined?

Over three years have passed since the start of the pandemic, but companies around the world are still working out what the future of work will actually look like for them.

The stakes are especially high for financial services firms – many of which occupy some of the world’s most impressive state-of-the-art offices.

There are lots of things that remain uncertain. Will employees ever go back to the office five days a week? Where are employees at their most productive? Can we all just move to a tropical island and work from there?

There’s never going to be a one-size-fits-all answer and many companies are likely to decide they need to cut down on space. But whatever happens, there’s a general consensus that companies still need some sort of fixed physical space for teams to get together.

So – what role will offices play for financial services firms, and how can technology support a hybrid approach? Let’s find out.



The return to office debate

In recent months, many financial services organizations have been calling their employees back to the office, with some high-profile bosses sharing their reservations surrounding remote work.

JPMorgan CEO Jamie Dimon [said earlier this year](#) that working from home “doesn’t work,” with the company [recently asking](#) its managing directors to work from the office for five days a week, citing “the importance of being together.”

In contrast, Morgan Stanley’s CEO James Gorman has [stated](#) that “five days in the office for everybody is not going to happen again,” although he has also shared his wish for employees to come in “at least three or four days.”

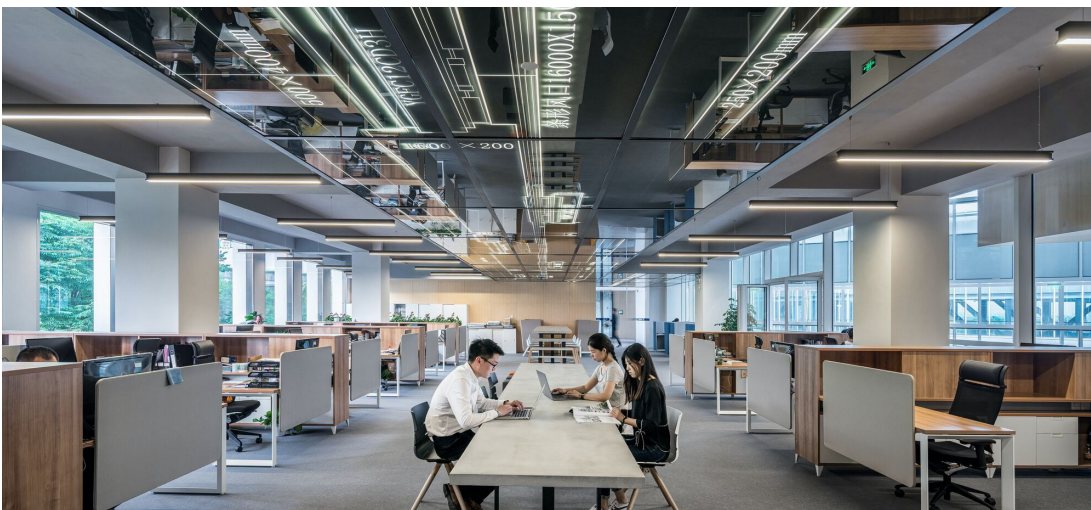
There are also banks like BNP Paribas that have taken a very different approach, with Przemek Gdanski, CEO of the Polish division, [explaining](#):

“The only thing we want is for people to be in the office at least four days a month, but I don’t expect them to work very intensely on those days. I want them to be together to maintain and develop relationships and basically chat about life, grab a pizza, and move on.”

The current reality for most companies probably lies somewhere in the middle, with a recent survey finding just [59%](#) of finance workers in New York were at their workplace on an average weekday in January.

And at the end of the day, whether employers are keen to come back to the office on a daily basis, or just a few times a month, the most important thing is for organizations to create an office that employees want to return to in some capacity.

Next up, we take a look at the role the workplace will play for financial services firms.





What role will offices play for financial services firms?

1. The office as a destination

The next era for the office is all about delivering experiences employees can't get at home.

We've seen that typical tasks can be done just as well – if not better for some of us – while working remotely, so how can companies gain buy-in from employees and build excitement around commuting to an office?

It's all about making the office a destination worth visiting, not just a place where you go and sit at a desk for eight hours.

A great example of this is the £100m-plus transformation of Citi Group's Canary Wharf EMEA headquarters. Citi is completely refurbishing the 42-storey office block at 25 Canada Square in London Docklands over the

next couple of years to create flexible work and collaboration spaces, a winter garden, and even some wellbeing zones for employees.

"We'll be punching holes through the floor and connecting a lot of the floors with staircases," Kathryn Harrison-Thomas, the EMEA head of Citi's realty-services team, [told Insider](#).

The collaboration spaces will be self-configurable, with walls that can move and 'click-and-play' furniture that can be adapted as needed for each meeting.

"It's really space that's agile, that can be easily configured to the need of the day – or the hour," Harrison-Thomas continued. Sounds like a pretty cool destination to us!



2. The office as a center of innovation, ideas and learning

With an ever-changing financial landscape and the rise of disruptive FinTech companies, financial services firms are making their headquarters places that foster innovation and generate game-changing ideas.

A [PwC report](#) found that in response to the growth of FinTech:

- 88% of firms are increasingly concerned they are losing revenue to innovators
- 77% of firms plan to increase their focus on innovations to boost customer retention

To stay ahead of the curve, there's a growing need for common areas where employees can come together to exchange thoughts, knowledge and skills. And it's not just the planned brainstorming and strategy sessions that are important, it's often the most spontaneous moments that bring about the best ideas.

It can be as simple as bumping into coworkers you don't work with on a day-to-day basis, meeting new joiners, or being inspired by experienced colleagues around you.

A range of flexible working strategies have been introduced to facilitate this sort of collaboration, like American Express' model, [Amex Flex](#), where colleagues can work in the office, at home, or take a hybrid approach.

"Offering flexibility has always been a part of our culture, and with Amex Flex, we want to achieve the best of both worlds – recapturing the creativity and relationship building of working together in person, while also retaining the flexibility and progress we have made in a virtual environment," said Chairman and Chief Executive Officer Stephen J. Squeri, in a letter to shareholders.

"Our time in the office will be spent connecting with each other, holding group meetings, and focusing on building relationships, networking, and mentoring."

This is exactly what the future workplace is all about: embracing flexibility and bringing employees together.



3. The office as a place primed for productivity

With employees spending more time working remotely, many have started to feel as though they are more productive at home than in the office.

In response to a [FlexJobs survey](#):

- 51% said they are more productive working from home than in a traditional office
- 44% said their productivity was about the same
- 5% said they are less productive at home



If financial services bosses want to entice employees back into the office, they need to focus on making workplaces that are primed for productivity.

Productivity varies massively from person to person, but there are some factors that enable us all to work more effectively. This includes obvious quick-fixes, like ergonomic chairs and good lighting, to the invisible features of our indoor environments, like [indoor air quality](#).

Making sure the design of an office caters for different types of work is also important. While the workplace is a prime destination for collaboration, it also needs to have focus spaces for getting heads-down work done.

You need a place where people can make a phone call, or just sit and do a bit of work – otherwise, employees could end up wishing they were back in the quiet and comfort of their own home.

With a recent survey suggesting that productivity at financial services firms deteriorated by [7% in the first quarter of 2023](#), there's no doubt that boosting productivity will be at the top of the agenda for many. And [according to Richard Jeffrey](#), CEO at ActiveOps, the best way for firms to do so is to start “investing in initiatives to boost employee wellbeing and loyalty.”

How can technology and data support a hybrid approach?



It's clear that the next generation of the office is all about employee experience, collaboration, and productivity. But with [many offices half empty](#) – companies are likely starting to consider how they can cut office costs and energy bills, all while maintaining a seamless workplace experience.

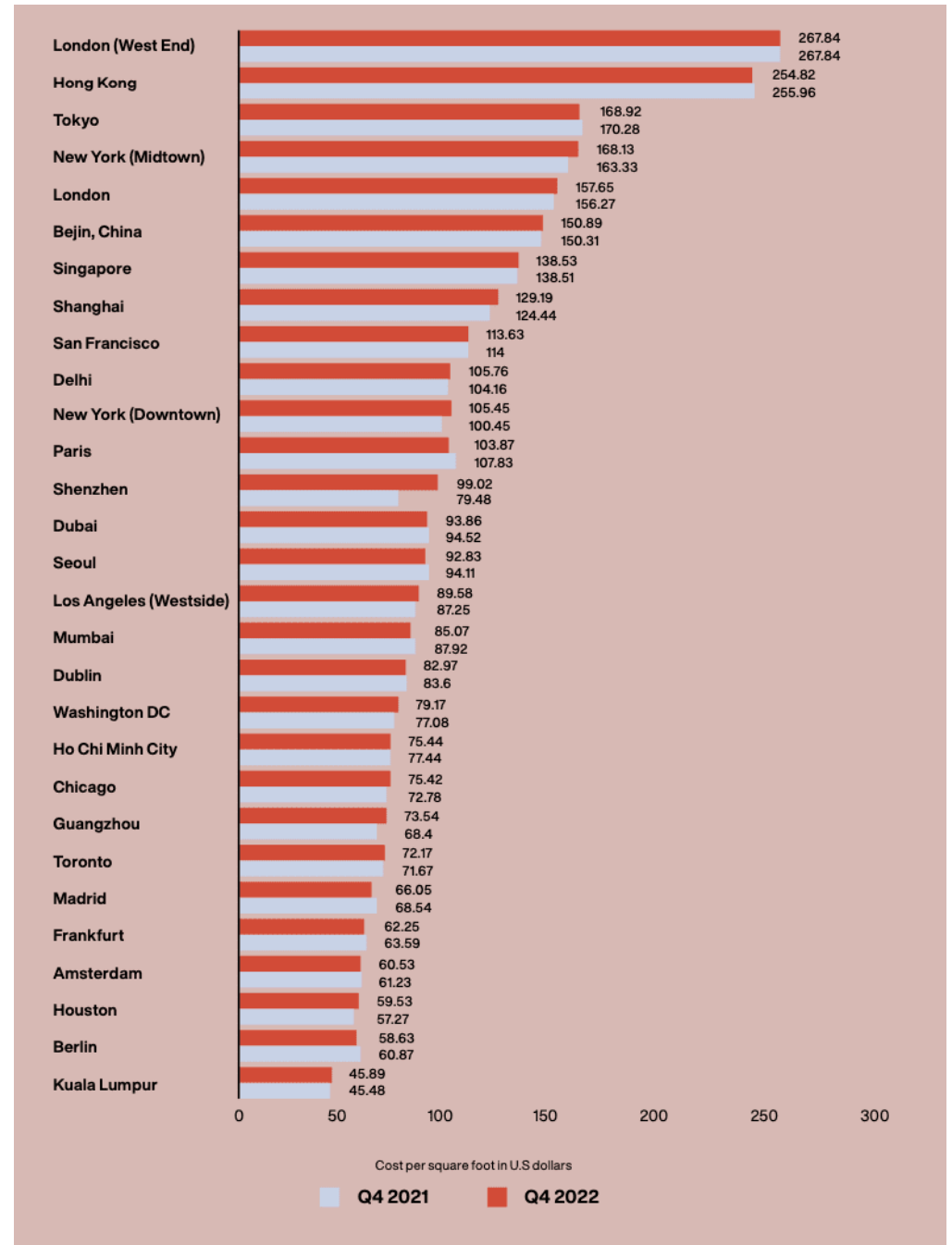
Luckily, there's a wide range of technologies on hand that can help to facilitate a hybrid working model and make offices more efficient in every way.

1. Improving space optimization to reduce costs

There's no two ways about it: Commercial Real Estate is very expensive. When it comes to budgets, renting physical office space is usually one of the biggest financial outgoings for companies.

This graph shows the annual net effective cost for prime office space in markets around the world, [in Q4 2021 and Q1 2022](#) – all in US dollars per square foot.

With costs so high, you can understand why companies want to reduce this space where possible, especially if a large portion of it isn't even being used.



Getting real-time data about space utilization is the first step in running a building as effectively and efficiently as possible. This involves installing sensors to monitor different data points – [such as occupancy](#) – to gain a comprehensive view of how often and when different areas are being used.

A common concern with occupancy monitoring is that it might infringe on occupancy privacy. But in reality, the majority of sensors don't actually capture any identifiable information about employees. An occupancy sensor would count 'one person at desk X', not 'Joe Bloggs is at desk 12', and the data is used to show general trends rather than individual behavior.

Occupancy monitoring can highlight specific areas in an office that are underused, allowing companies to make informed decisions about downsizing – something that could save businesses around the world a massive [\\$1.5 trillion](#) in reduced rental costs.

And this same data can also be used to reduce energy consumption, ensuring compliance with ever-growing sustainability regulations, such as [Local Law 97](#).

If you know a specific area – or even an entire floor – is completely empty, you can make sure HVAC systems are adjusted accordingly to avoid energy being wasted in unoccupied areas.

It's thought that at least [30%](#) of the energy consumed by commercial buildings goes to waste, so there are some big potential savings on offer!

All of this means better utilized space, improved operational efficiency, and reduced costs. When it comes to buildings, it's clear that data really is power.

Want to find out more about ESG compliance? Read '[How bad are buildings? The past, present and future of ESG](#)'



2. Optimizing indoor air quality to increase productivity

Indoor air quality is the type of thing that you don't notice until it's bad, and so it's rarely considered as a contributing factor to productivity. But poor air quality can significantly hinder employee performance and impact even the most motivated of workers.

There are a number of factors that can have an impact on the air quality in your office, including temperature, humidity, carbon dioxide (CO2), total volatile organic compounds (TVOCs) and particulate matter (PM2.5).

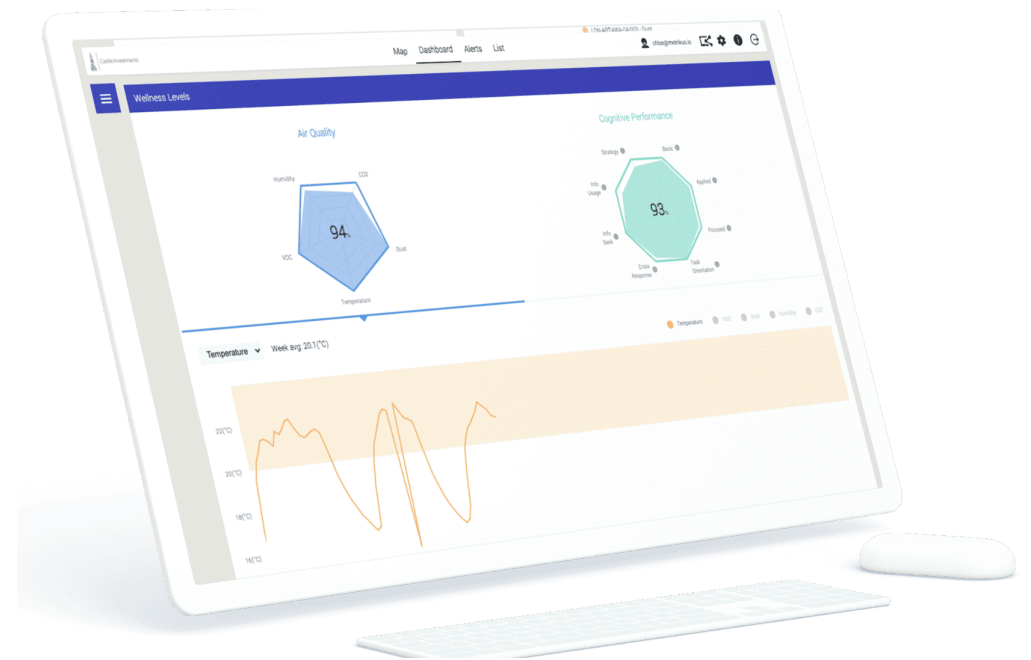
And these parameters can have a huge effect on your employees – elevated levels of CO2 can cause a [23%](#) impairment in decision-making and an [11%](#) reduction in productivity. And according to a study by the National Institute for Occupational Safety and Health, productivity losses due to poor indoor air quality in the US amount to approximately [\\$60 billion annually](#).

As with occupancy, getting real-time data is the best way to start optimizing your indoor air quality. Sensors can be installed to assess key parameters, and alerts can be set up to notify you when these parameters exceed optimal levels.

These sensors can even be integrated with your Building Management

System (BMS) so that any necessary changes to boost indoor air quality are made automatically.

Maintaining a healthy workplace is not only better for your employees, but also for your company's bottom line, so it's a no-brainer to start monitoring indoor air quality throughout your space.



[Metrikus' wellness panel](#)

3. Using workplace data to drive a seamless experience

As we've explained, occupancy and indoor air quality data are both vital for helping companies to make data-driven decisions about their workplaces.

But the same data can also be incredibly valuable for employees – helping them to make more informed decisions of their own.

As financial services organizations start to reduce their Real Estate footprints, some employees no longer have an assigned office or desk to come into the workplace.

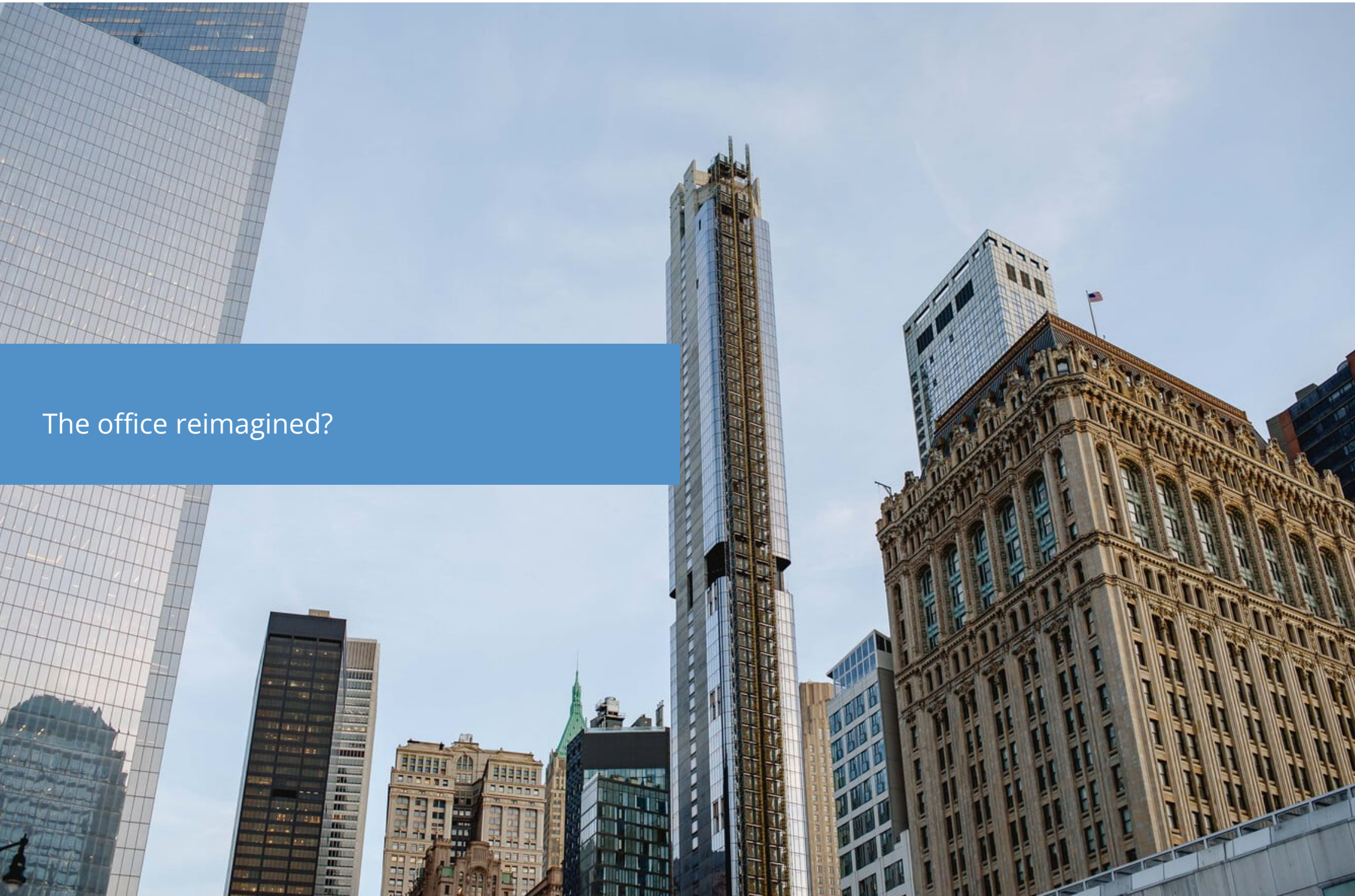
With occupancy data displayed on employee aps or digital signage, employees can easily book a free desk or empty meeting room. And once they arrive at the office, they can quickly navigate their way to their reserved space, where they will be checked in automatically. If they don't turn up, it'll be released so that it can be used by other employees, avoiding no-show meetings clogging up your board rooms.

Employees can also take a look at real-time indoor air quality data across the office and select a space based on their preferences for factors like noise, light, and temperature.

As we've already mentioned, working in a space that's comfortable is really important. [53%](#) of people are less productive when their work environment is too cold, and [71%](#) are less productive when it's too warm, so being able to choose an area that suits your preferences could have a big impact on employee productivity.

Want to empower employees with workplace data? [Find out about Metrikus and Appspace's joint solution.](#)





The office reimagined?



There isn't a blanket policy on what the future of work holds or what employees are going to want or need. But it's clear that offices and headquarters still have an important role to play in fostering connections, collaboration and innovation.

Technology and data have the potential to transform workplaces for the better: reducing costs, increasing productivity, and creating a more seamless experience.

Leading financial services firms have already started to reinvent their headquarters – it's time for others to follow suit.

If you want to get started, [book a workplace consultation with a Metrikus expert](#).

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