RETURNING TO THE OFFICE

A SURVEY BY CENTRAL HOUSTON, INC. REVEALS HOW THE WORKPLACE IS EVOLVING IN DOWNTOWN HOUSTON
Across the globe, employers are grappling with the opportunities and challenges of getting their workplaces back up and operating. For some, the transition to work-from-home was stark and uncomfortable. For others, it opened doors to understanding more about how work can get done, and how to use technology to stay connected with colleagues across town and around the globe. Now, as employment centers increasingly welcome employees back, CEOs and internal policy makers are balancing conundrums associated with maintaining remote work as a part of a new office culture, the tradeoffs associated with vaccine requirements, and adapting workplaces to create something better than the traditional office or working from home—the next frontier for the places and spaces where work gets done.

—Kris Larson, President & CEO, Central Houston, Inc.
A new and exclusive survey done in November 2021 by Central Houston, Inc. finds that just a quarter of Downtown Houston companies say their employees are fully back in the office and operating in a normal, pre-pandemic work style.

For a majority of companies, many employees are continuing to work remotely at least several days a week.

This survey of key corporate leaders drills down to find out how they are meeting the continuing and evolving challenges of COVID-19 and offers insights that could be valuable in finding ways to retain current employees and to recruit new ones.

“We heard from leadership in the Downtown business community,” says Kris Larson, Central Houston’s President and CEO. “Frankly, there’s no class in business school where they teach you how to bring your employees back from a pandemic. It’s natural for these decision-makers to want to know more about what their peers are doing to help them make the right decisions to support their workforce.”

**Key Takeaways**

**WHO’S IN THE OFFICE**

The extremes: only one company said its employees are still working fully remote while 22% of companies said they’re fully back in the office.

The rest are hybrids with 68% having requirements to spend at least a couple days a week in the office. 71% of companies expect remote work to continue for at least two more years. 24% said the office may “never” get back to normal. Said one CEO: “We will be hybrid-remote beginning in February 2022. Each employee will have a blend of in-office and remote days, determined in collaboration with their supervisor.”

**SAFETY PROTOCOLS**

68% of companies said they had relaxed or lifted safety protocols like masking, social distancing, limiting the use of break/amenity rooms and common areas or restricting visitors.

**VACCINE CARROTS AND STICKS**

21% of companies reward the vaccinated with health insurance discounts and even cash bonuses. But for the unvaccinated, penalties can range from termination to health insurance surcharges to being banned from the office or from visiting clients off-site.

**A BETTER OFFICE EXPERIENCE**

To lure employees back, 20% of companies are now offering incentives including free meals and snacks and transportation benefits. 66% say they’re planning to change their office environments. Said one CEO: “We’re trying to make the workplace a positive experience where employees want to come to the office.”

**SPACE AVAILABLE**

In recognition that COVID-changes could be long-term, nine companies (22% of those surveyed) said they’re planning either to consolidate office space, relocate to different buildings or expand into additional space. Five of those companies are planning to decrease their footprint while four are planning to increase it. Three of the five planning to reduce their footprint are planning to do so by more than 25%, contrasted by two companies that plan to increase it by 25% or more. Among larger companies with 500 or more employees who are planning to change their real estate footprint, three planned to decrease their real estate footprint while one is planning to increase it.
A NEW NORMAL
With a majority of CEOs and corporate leaders predicting the hybrid work style could last many months, Central Houston’s Larson says a key to staying competitive is being comfortable with managing change: "While we all hoped for a very quick end to the pandemic, realistically, I think we have to temper that expectation. That means coming to terms with this version of a new normal and finding what we can do as employers to adapt our expectations so we don’t give our employees a reason to seek employment elsewhere."

THE IMPACT OF BEING REMOTE
Almost half the corporate leaders surveyed said working remotely was impacting recruitment and retention. Over half said working remotely is making it harder to develop and advance their teams. A third said it made it more challenging to attain workplace safety protocols and to maintain performance levels reached before the pandemic.

VACCINATIONS
A majority of companies say they are asking employees if they’ve been vaccinated with more than half of those companies now requiring actual proof of vaccination. And while being challenged in court, the vaccine mandate for Federal contractors is set to take effect January 4th and two-thirds of the companies in the survey said they would likely be subject to compliance. Said one CEO: “While we strongly encourage vaccination and provide accommodations to facilitate vaccination, we do not require it. We do require unvaccinated employees to pay higher premiums and to wear masks.” Said another: “We have not instituted any formal policies, but clients are requiring proof of vaccination to be able to access their offices. This is posing a serious challenge to meeting client needs.”

EMPLOYEES GIVE THUMBS UP TO WORKING FROM HOME
The survey suggests that a large portion of employees have come to enjoy working from home (WFH) and will be reluctant to give up their new work-life balance. Nearly half the companies said their employees have expressed concerns about what they’ll lose by returning full-time to the office: the lifestyle conveniences available to them at home, the extra time with family and the extra hours gained by not having to commute.

That’s prompting some corporate leaders to consider making the workplace more like home. Of companies planning improvements to their office environments, the most popular ideas include adding more space for collaboration and team building as well as more space for additional workplace amenities. Some are considering new programs to support a healthier work-life balance. One CEO said that with so many more employees becoming WFH hybrids, the company is forming an “Office Environment & Experience Committee” to figure how best to accommodate them and determine which WFH practices could be replicated in the office.

Gensler’s Houston office
REMEMBER HOW WE GOT HERE

The challenges are daunting and there’s no one-size-fits-all solution. But think back to March 2020 says Central Houston’s Larson. “We sent employees home at the onset of this pandemic to protect them. We had their health and wellbeing in mind at that time. There’s still an opportunity to keep that frame of reference as we plan for the future. We’re no longer simply trying to protect people from the virus, we’re trying to help them build more well-rounded, happier lives which can lead to improved business outcomes.”

HOW THE SURVEY WAS DONE

The Central Houston survey is based on anonymous responses from key corporate personnel at 42 independent companies located in Downtown Houston. Responses were collected from November 16 to December 3, 2021. Participating respondents represent firms which range in size from less than 50 employees (14 companies) to large operations with over 1,000 employees (9 companies) with the rest falling somewhere in between. Over half are professional services and financial firms with the remainder involved in oil & gas, leisure and hospitality and other industries. Given that the pandemic and the virus itself have been evolving, the results should be seen as representative of a specific group of leaders within a defined geographic area at a specific point in time.
Respondent Pool

Which of the following job titles best describes your position?

- Chairperson: 28.57%
- President/CEO: 33.33%
- Regional President: 11.90%
- EVP or SVP: 11.90%
- Managing Partner/Director: 4.76%
- Other: 2.38%

Which of the following best describes your industry sector?

- Education & Health Services: 4.76%
- Construction: 16.67%
- Professional & Business: 16.67%
- Mining, Quarrying, Oil: 4.76%
- Trade & Transportation: 2.38%
- Other: 2.38%

How many people are employed at your company in Houston?

- Under 50: 47.62%
- 51-100: 16.67%
- 101-500: 16.67%
- 501-1,000: 11.90%
- 1,001-3,000: 11.90%
- 3,000+: 2.38%
Returning To Office / Remote Work

Has your company at least partially re-opened its office to employees?

- Yes
- No
- I’m not sure
- Other

Where is/was the decision (being) made about when and if your company returns to the office?

- Local
- National HQs
- Global HQs
- I’m not sure

Which of the following best describes the current status of your office?

- Fully Remote
- Hybrid – Formal
- Hybrid – Flex
- All Employees Back
- Other

APPENDICES
SURVEY AND CHARTS
Returning To Office / Remote Work

As a result of the pandemic and remote working, which of the following employment-related challenges apply to your business?

- Professional development of employees/advancement due to fewer in-person interactions: 58.54%
- Obtaining compliance with workplace safety protocols as guidance changes: 17.07%
- Updating appropriate workplace safety rules as guidance change: 39.27%
- Retaining talented employees: 43.90%
- Maintaining pre-pandemic employee performance levels: 39.27%
- Hiring/filling open positions: 48.78%
- None of these: 9.76%
- Other: 14.63%

How long do you believe it will take for your company to return to pre-pandemic workplace norms inside the office?

- Already back to normal: 26.83%
- 1-3 months: 17.07%
- 3-6 months: 7.32%
- 6-12 months: 9.76%
- >12 months: 7.32%
- Hiring: 7.32%
- Not returning: 24.39%
Returning To Office / Remote Work

Do you believe that fully- or partially-remote workplace policies will remain in place for more than two years at your company?

- Does Not Allow Remote Work: 4.88%
- Yes: 12.20%
- No: 12.20%
- I'm Not Sure: 70.73%

If your company allows remote work, do you have any requirements for time spent within the office?

- Yes
- No
- I'm not sure
- Does not allow remote work

In a normal 5-day workweek, how many days per week do you require/strongly encourage employees to be in the office?

- Less frequent
- One day per week
- Two days per week
- Three days per week
- Four days per week
- Five days per week
- Zero days per week
Returning To Office / Remote Work

Do any levels of employees have more generous remote work allowances than employees at other levels?

- Yes: [Bar chart with percentage]
- No: [Bar chart with percentage]
- I don't know: [Bar chart with percentage]

Has your company instituted any incentives or other perks to employees who return to the office?

- Yes: 19.51%
- No: 75.61%
- To be determined: 4.88%
- I don't know: [Bar chart with percentage]

Which of the following incentives has your company offered to those employees who choose to return to the office?

- Financial incentives: 12.50%
- Additional leave: 12.50%
- Preference for professional: 12.50%
- Workplace meals: 62.50%
- Preference on physical space: 12.50%
- Increased transportation: 25%
- I don't know: 12.50%
Vaccinations

Does your company ask or survey your employees if they are vaccinated for COVID-19?

Yes
No
I don’t know
Other

Percentages:
- Yes: 41.46%
- No: 41.46%
- I don’t know: 4.88%
- Other: 12.20%

Does your company require a proof of vaccination from employees?

Yes
No
I don’t know
Other

Percentages:
- Yes: 41.46%
- No: 41.46%
- I don’t know: 4.88%
- Other: 12.20%

Does your company have plans to implement or has it already implemented a COVID-19 vaccine requirement for employees?

Yes
No
I don’t know
Other

Percentages:
- Yes: 41.46%
- No: 41.46%
- I don’t know: 4.88%
- Other: 12.20%
Vaccinations

Does your company grant religious or health-related exemptions from getting the COVID-19 vaccine?

Yes 81.82%
No 4.55%
I don’t know 4.55%
Other 9.09%

Aside from religious or health-related reasons, does/will your company require COVID-19 vaccination for all of its employees?

Yes 59.09%
No 9.09%
I don’t know 13.64%
Other 18.18%

Will your company be subject to the Jan. 4, 2022 Federal COVID-19 vaccine mandate for certain employers?

Yes 65.85%
No 29.27%
I don’t know 4.88%
Other
Vaccinations

Has your company instituted a method for identifying employees who are or are not vaccinated?

- Yes: 65.85%
- No: 21.95%
- I don’t know: 9.76%
- Other: 2.44%

Does your company offer an educational campaign, support or other counseling services to employees who are considering a COVID-19 vaccination?

- Yes: 51.22%
- No: 39.02%
- I don’t know: 9.76%
- Other: 9.76%

Has your company instituted any penalties for those employees who choose to not get vaccinated for COVID-19 such as increased employee cost for health coverage?

- Yes: 73.17%
- No: 20.77%
- I don’t know: 10.15%
- Other: 14.63%
Adapting Workplaces

As part of your post-pandemic return-to-work strategy, do you anticipate any of the following real estate changes for your company in the next 12 months?

<table>
<thead>
<tr>
<th>Change Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidating office space into fewer locations</td>
<td>7.32%</td>
</tr>
<tr>
<td>Relocating into new / different spaces</td>
<td>7.32%</td>
</tr>
<tr>
<td>Expanding into additional space</td>
<td>7.32%</td>
</tr>
<tr>
<td>Opening more locations, such as satellite offices in suburbs</td>
<td>2.44%</td>
</tr>
<tr>
<td>We are not making changes to our real estate strategy over the next 12 months</td>
<td>68.59%</td>
</tr>
<tr>
<td>Other</td>
<td>7.32%</td>
</tr>
</tbody>
</table>

Which of the following best characterizes your current plan to modify your real estate footprint?

<table>
<thead>
<tr>
<th>Change Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce by more than 25%</td>
<td>23.08%</td>
</tr>
<tr>
<td>Reduce between 16 and 25%</td>
<td>7.69%</td>
</tr>
<tr>
<td>Reduce between 5 and 15%</td>
<td>7.69%</td>
</tr>
<tr>
<td>Stay about the same</td>
<td>15.38%</td>
</tr>
<tr>
<td>Increase between 5 and 15%</td>
<td>15.38%</td>
</tr>
<tr>
<td>Increase between 16 and 25%</td>
<td>15.38%</td>
</tr>
<tr>
<td>Increase more than 25%</td>
<td>15.38%</td>
</tr>
<tr>
<td>I don't know</td>
<td>23.08%</td>
</tr>
<tr>
<td>Other</td>
<td>7.69%</td>
</tr>
</tbody>
</table>
Adapting Workplaces

Since returning to office, has your company relaxed or lifted any COVID-19 related workplace safety protocols?

<table>
<thead>
<tr>
<th>Survey Option</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>68.29%</td>
</tr>
<tr>
<td>No</td>
<td>26.83%</td>
</tr>
<tr>
<td>I don't know</td>
<td>4.88%</td>
</tr>
<tr>
<td>Our company has not returned to the office</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

Which of the following COVID-19 related workplace safety protocols has your company relaxed or lifted? (check-all-that-apply)

- **78.57%** Social distancing requirements in conference and meeting areas
- **75%** Usage of common areas
- **53.57%** Travel protocols
- **50%** Signage on floors directing traffic in common areas
- **75%** Capacity of meetings, rooms, common areas
- **60.71%** Outside visitors to worksite
- **85.71%** Mask usage
- **32.14%** Cleaning protocols
- **35.71%** Staggering work hours or workdays
- **7.14%** Training provided to employees
- **46.43%** Health screening
Adapting Workplaces

Have your employees expressed concerns about returning to work other than those rationale that are COVID-19 related?

- Yes
- No
- I don’t know

What non-Covid concerns have your employees expressed about returning to the office?(check-all-that-apply)

- 85% Losing the work-life balance they gained working from home
- 90% Loss of lifestyle conveniences available while working from home
- 10% Loss of access to their neighborhood amenities & assets
- 55% Anxiety about social and in-person interactions
- 0% Added costs of purchasing & maintaining a professional wardrobe
- 75% Reduced time with family
- 85% Spending time commuting to / from work
- 10% Having to move back to Houston metro area from a remote location
- 5% Other

To the best of your knowledge, what percentage of your employees have expressed some non-COVID related concerns about returning to the office?

- Less than 25%
- 25%-50%
- 51%-75%
- Greater than 75%
- I don’t know
- Other
Adapting Workplaces

Is your company making any changes to its office environment to help support improved workplace experiences?

What, if any, changes are you planning to make to your office environment to support improved workplace experiences? (check-all-that-apply)

- **48.15%** Allocating more space for collaboration / team building
- **22.22%** Allocating more space for workplace amenities
- **29.63%** Developing programs for employees that support healthier work-life balance
- **14.81%** Expanding office amenities to include more in-office conveniences (such as an in-office concierge or gym)
- **3.70%** Attracting better ground floor restaurant / retail tenants to improve the building’s lifestyle offerings
- **14.81%** None of these
- **3.70%** I don’t know
- **25.93%** Other
Please contact Central Houston with any questions you may have:

Robert Pieroni  
Director of Economic Development  
rpieroni@centralhouston.org

Angie Bertinot  
Director of Marketing  
angie@downtowndistrict.org

Kim Scates  
Member Relations Manager  
kscates@centralhouston.org

centralhouston.org