



Redefining work models in Latin America

By **wework** + **hsm** THE POWER OF KNOWLEDGE

Support **EgonZehnder**

A new outlook on work and career

The first months of 2022 are bringing forward a still unresolved question for leaders and organizations around the world: What is the ideal work model for the post-pandemic period? Regardless of the company's profile or location, the answer to this question is critical for the future and competitiveness of the business since the ability to attract, engage, and retain talent depends directly on it.

This is a sensitive topic that raises complex dilemmas whose answers seem to change all the time. Leaders who initially resisted to a home office reality began to defend it once they learned how to lead teams remotely and saw significant productivity gains. On the other hand, employees who embraced the model, initially seeing in it a chance to rebalance personal and professional life, began to see huge challenges related to mental health, focus and quality of life.

An emotional distancing exercise, however, shows us that the pandemic only shed light on an issue that was to be addressed since the first decade of the 21st century, with the beginning of the fourth industrial revolution and the exponential digitization of labor relations - a moment that can be considered as the turning point of trends such as digital nomadism, shared work environments and labor relocation, highlighted by numerous research studies and analyses by futurists.

Accelerated by the pandemic, these movements are starting to demand decisions from corporate leaders. But, after all, what is the most appropriate work model for an increasingly complex and volatile world? Devising strategies based on reliable data is the first step toward finding this answer. To support managers and leaders in this journey, the survey *Redefining work models in Latin America* revealed the main factors that should guide organizational culture strategies in the coming months.

A partnership between WeWork and HSM, with the support of Egon Zehnder, this survey gathered responses from more than 10,000 leaders and executives in Latin America, namely Argentina, Brazil, Chile, Colombia, Mexico, and Peru. Using a proprietary methodology, the results uncover the new priorities, demands and values of professionals in the face of one of the most challenging and creative periods of corporate reinvention in the recent decades.

Addressing hybrid, virtual and in-person models, this is an indispensable material to help us understand the impacts of the pandemic on offices, work dynamics, and careers.

Enjoy the reading.



People management: social interaction and convenience

The opportunities and insights that new work models bring to the creation of new organizational culture codes

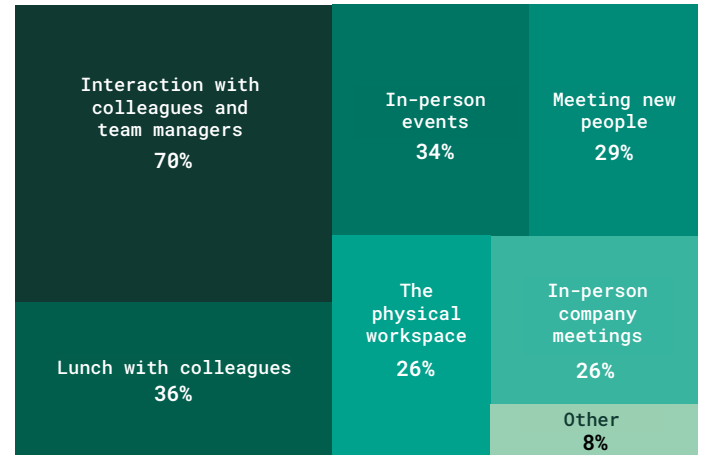
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The appreciation of human contact and the convenience of the new digital models present important learnings for strategies to shift back to the office in Latin America. Among the main benefits of in-person activities, integration between departments and employees of the same organization was emphasized by 70 percent of respondents – an aspect that is particularly important for Argentine professionals, with a 79 percent rate of approval in this regard.

The importance of human contact

The aspects missed the most by professionals during the months of lockdown



The limits of flexibility

The pandemic, which sparked the need for remote work, left a legacy. Now, there is a desire for in-person contact and meaningful relationships, but with new behaviors. According to 42 percent of our respondents, the ideal set up would be to work remotely three days a week, followed by 28 percent who prefer to work in this scheme up to two days a week.

Movements that have dominated discussions about in-person and remote models in recent months are beginning to lose momentum as hybrid models begin to be implemented. This is the case for the feeling of separation between professional and personal life, which was pointed out by 45 percent of respondents as a benefit of on-site activities. The perception of distractions and interruptions during office work remains a crucial point of attention, highlighted by 42 percent of respondents (in some countries, such as Chile, the average falls to 38 percent). The ones most concerned about this issue are Brazilians, with 47 percent.

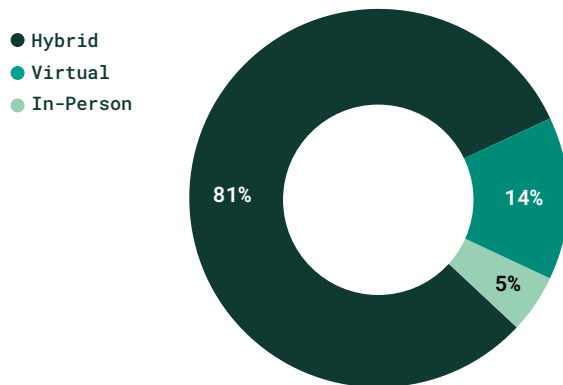
I) More time at home

II) Talent rotation

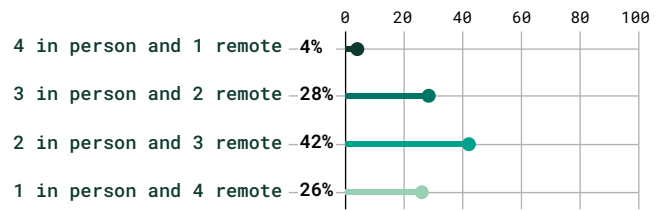
III) New questions

Hybrid rising

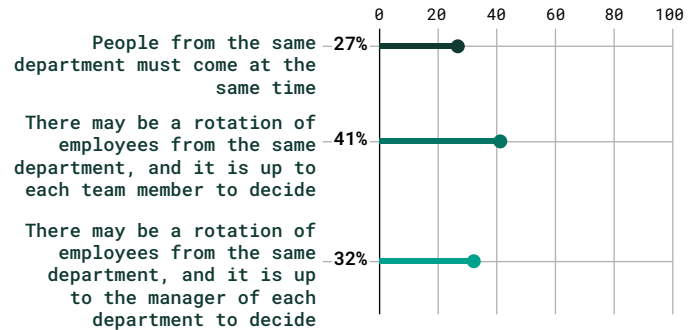
The most suitable model for the labor market after the pandemic (%)



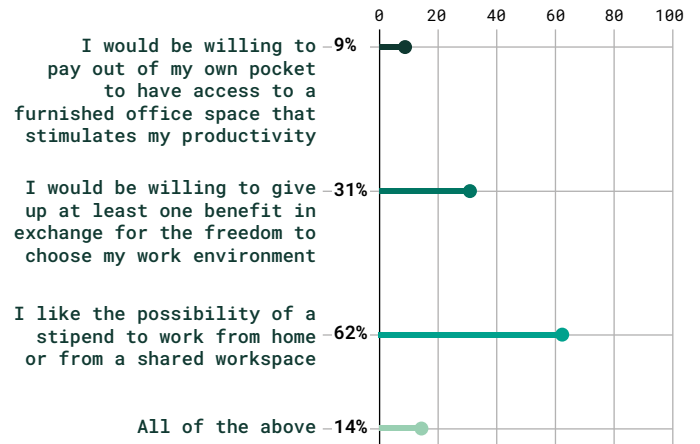
The ideal distribution of remote and in-person days



The work of teams from each department during in-person days



Choices and waivers of benefits in hybrid models





The best of both worlds

Many companies seem to be following the example of giants like Google, which said it would continue to invest in physical offices. The rationale is that corporate physical space promotes team interaction, fosters innovation and creates a greater sense of identity in all departments. At the same time, the benefits of remote work are also clearly perceived, especially in discussions about time management.

Integration and culture: the good side of human contact

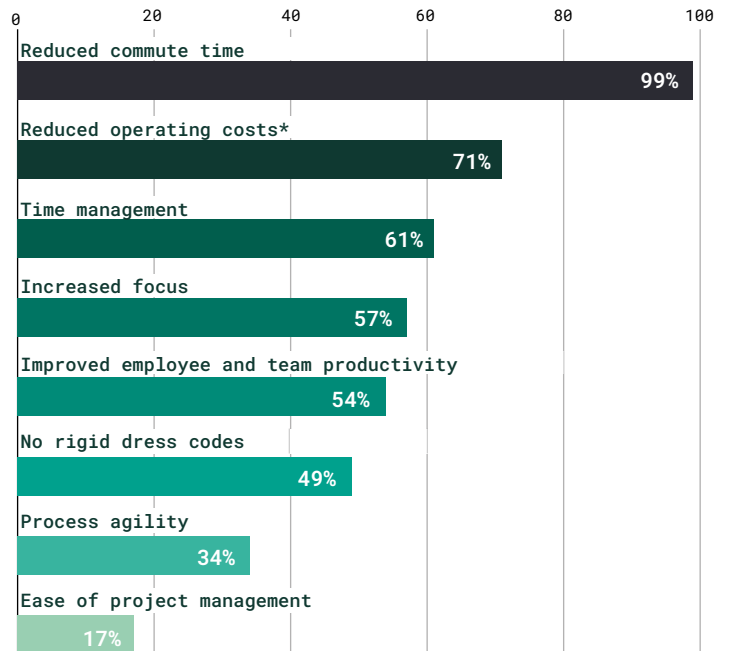
The main benefits of the in-person work model



*INTERNET QUALITY, AIR CONDITIONING, ETC.

Agility and commute: advantages of the home office

The main benefits of the remote working model



*OFFICE RENTAL, MAINTENANCE, CLEANING, ETC.



The human aspect and technology

Since the height of the pandemic in 2020, the workforce has experienced a new type of professional freedom. Overnight, professionals stopped selling their working days and started working hours in the service of companies directly from their homes. Investing in virtual tools that help professionals communicate successfully is crucial, but technology that is more powerful than in-person human interaction is yet to be invented.

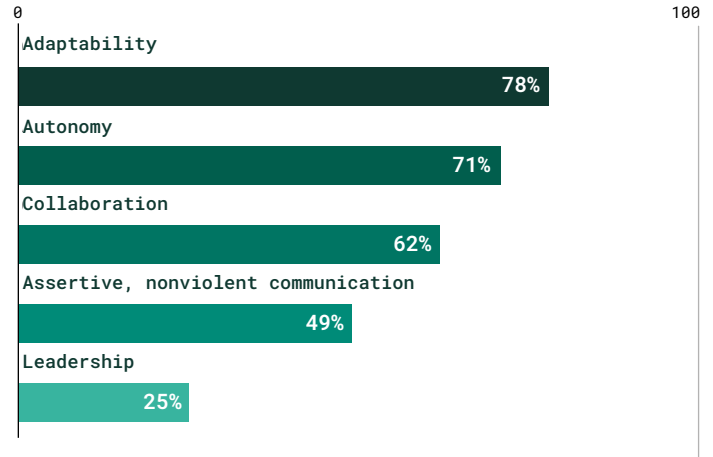


Differences in hierarchy

Since the height of the pandemic, 39 percent of respondents in management positions have said they miss in-person meetings – more than triple the percentage among analysts. In many cases, this difference is explained by the adoption curve of new formats of people management and productivity and engagement monitoring, still in the experimental phase in organizations. This characteristic is evident when evaluating the strengthening of organizational cultures, pointed out as a benefit of in-person models by 50 percent of executive officers of organizations in Latin America – and by only 34 percent of professionals in analyst positions.

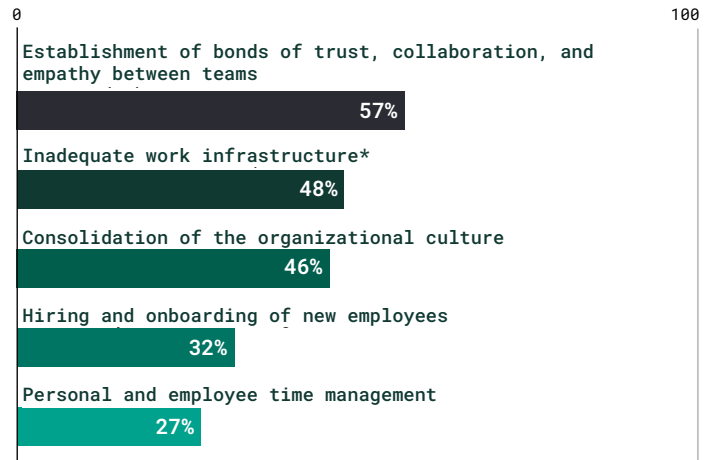
The new essential skills

The most valued skills in new work environments



Culture and infrastructure: the weaknesses of remote work

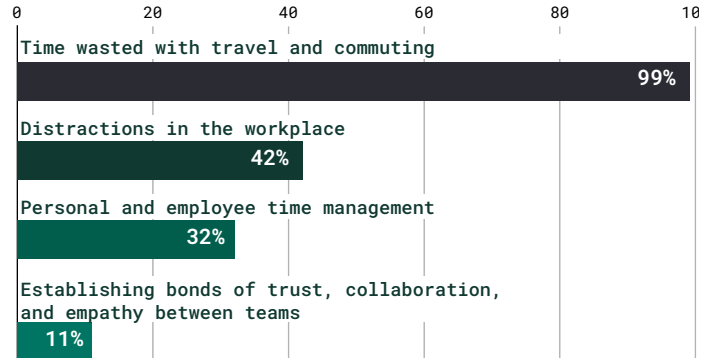
The main challenges of the remote work model (%)



*HIGH-SPEED INTERNET, ENOUGH SPACE, ERGONOMIC CHAIRS

Focus and time management: what is lost in the in-person model

The main challenges of the in-person work model



Productivity away from the office

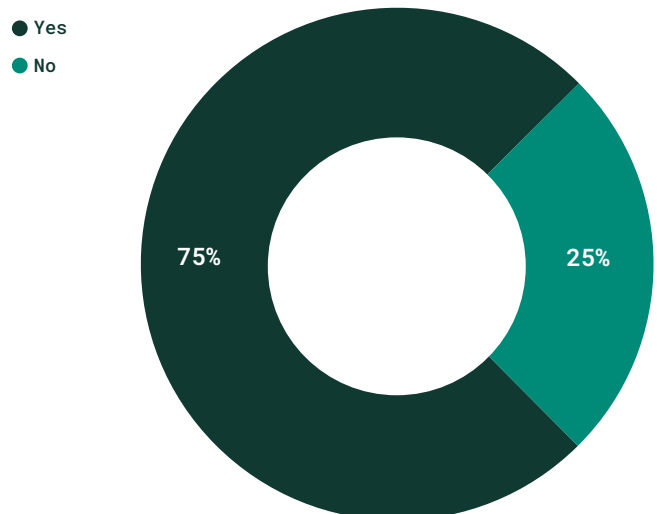
The individual productivity levels of each work model

0 = VERY LOW AND 5 = VERY HIGH



Latin America is ready for safe work environments

Feeling of safety in the return to in-person activities



Prepared to return

After a long period of social isolation and insecurity about health protocols, 75 percent of Latin American professionals feel safe to return to the office. This tends to be related both to the wide vaccination coverage against the coronavirus and the confidence in the safety measures adopted by companies. In this regard, Argentines seem particularly confident, with 87 percent of positive responses. In Mexico, the rate is 70 percent. Brazil is aligned with the general trend of the continent, with the same 75 percent of positive responses seen in the overall average for the region.

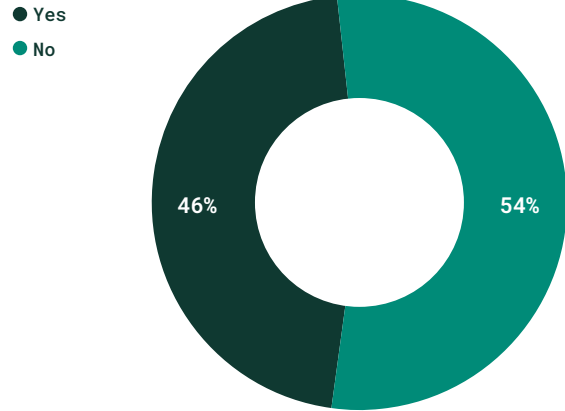


Digital nomadism

In 2022, the third year of the pandemic, the talent scenario fundamentally changed with the possibility of remote work, increasing hiring possibilities beyond the borders of companies. The digital work environment has substantially increased the number of job vacancies, especially for bilingual professionals, who have become global candidates. This made these professionals more demanding when choosing their employers, especially regarding the flexibility of the work model offered. This is a promising scenario for organizations with a global footprint of offices and workspaces.

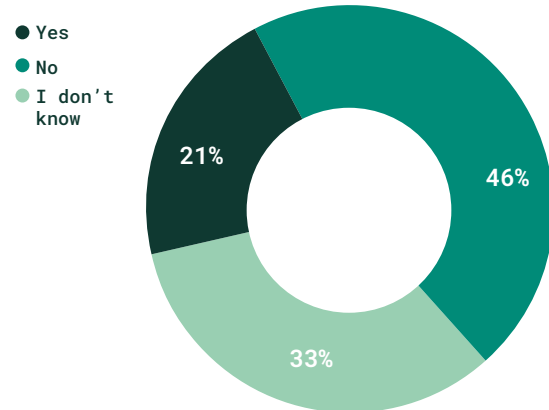
Autonomy of choice

Professionals who would like their managers or company to distribute their workload between the office and the home office



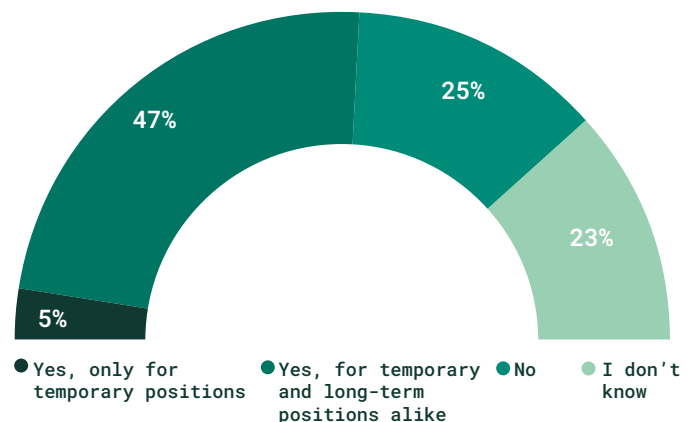
Wages remain unchanged

Most companies that have adopted the home-office or coworking models have not made changes to employee compensation policies



Global talent

Organizations that have opened more possibilities for hiring employees who live away from the company's headquarters





New models, new addresses

Post-pandemic impacts on the corporate
real estate industry

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After a long period of social isolation and insecurity about health protocols, most Latin American professionals feel safe to return to the office. If before the pandemic many organizations saw only their offices as their employees' workplace, now it is up to leaders to determine the function of the physical work environment – a place for team meetings, a safe and adequately furnished work space, a place for socialization to support the community and strengthen the corporate culture.

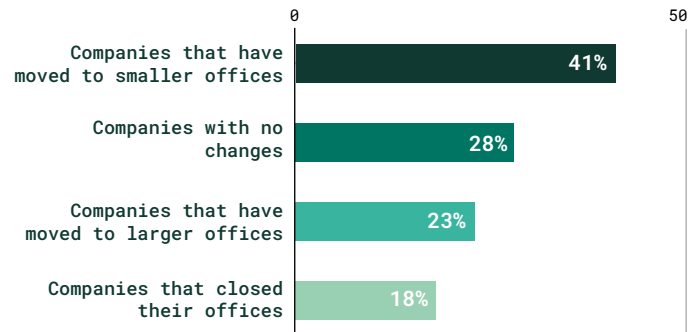


Work and cities

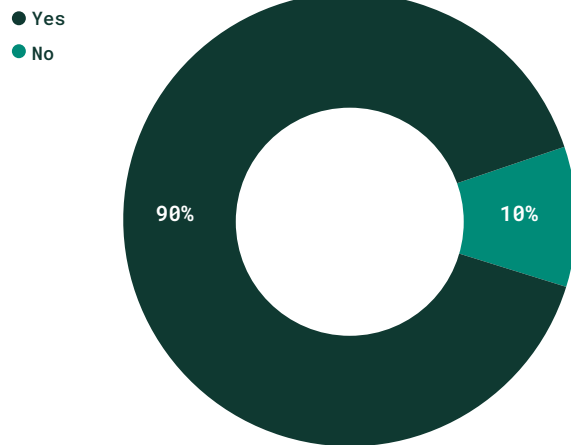
The plurality of work models is already causing significant impacts on the structures and lease prices of Latin American offices, decentralizing commuting flows and distributing work environments among neighborhoods and cities. This movement shows a trend of consolidation and is beneficial to companies and to the urban configuration itself.

A new house

Some companies moved to a different address due to the pandemic. Others had to reassess their space needs in the face of new demands for flexibility



Is the new office in the same area as the previous one?





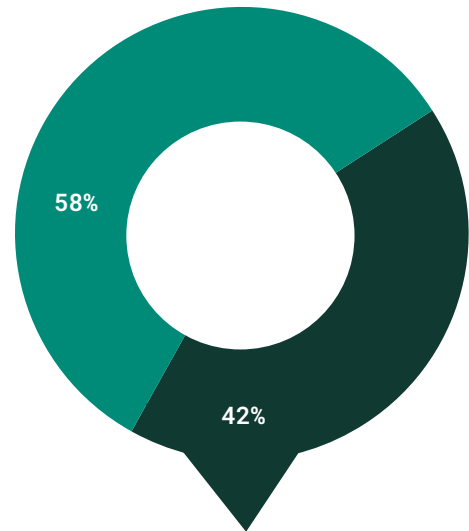
Regional characteristics

In Argentina, where there is a greater perception of safety about returning to the in-person model, approximately 62 percent of companies maintained their original addresses. In Brazil, the number of companies that moved to a smaller place was only 22 percent. Proximity of the workplace to public transit emerges as a common need for all countries and positions – 82 percent of respondents, leaders and non-leaders, demand it.

Concentration at HQ

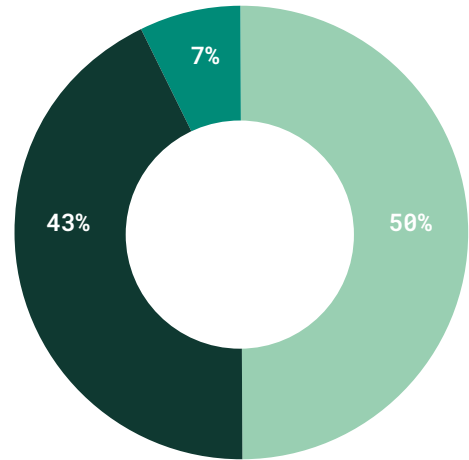
Companies that adopted alternative workplaces during the pandemic

- Yes
- No



Changes that resulted in simpler and more flexible lease agreements

- Yes
- No
- I don't know



Hybrid, in-person or digital, the new work models had significant impacts on the structure, configurations, and lease agreements of Latin American offices. The highlight is Peruvian organizations, which had about 45 percent of their operations moved to smaller properties – 54 percent of these changes resulted in more flexible lease agreements. In Brazil, only 22 percent moved to a smaller place. In Argentina, where there is a greater perception of safety about returning to the in-person model, about 62 percent of companies maintained their original addresses. Proximity to public transport services emerges as a common need for all countries and positions, with an overall demand of 82 percent.

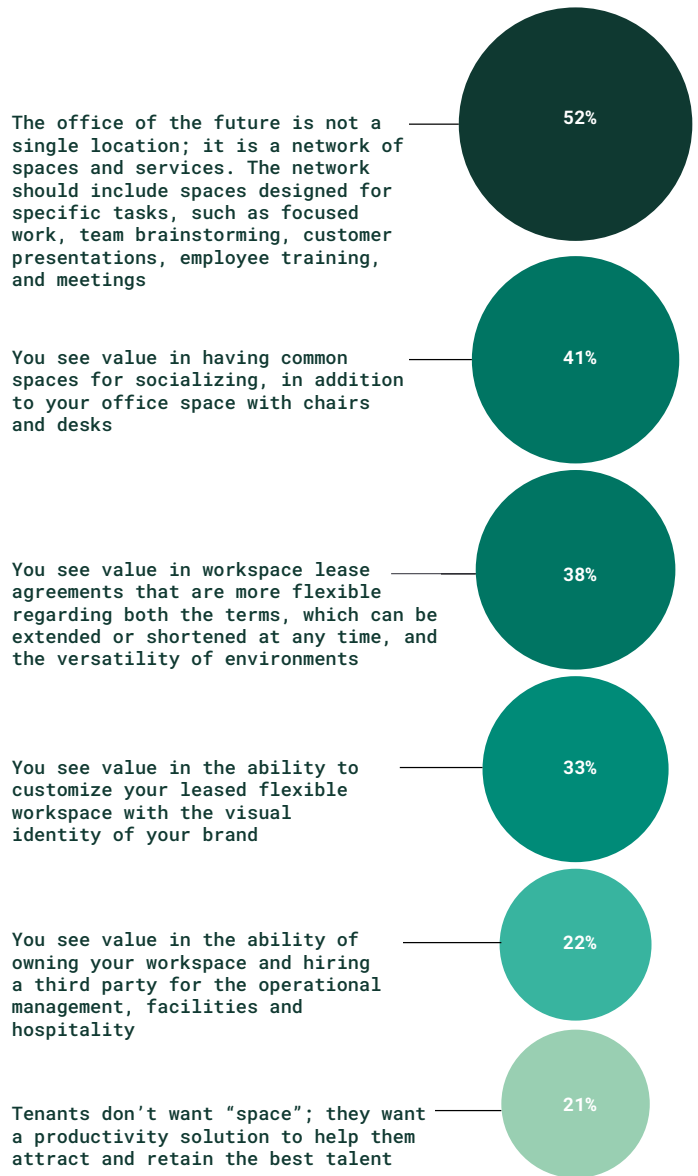


Disruption in sight

An example of the willingness of leaders to disrupt or be open to disruptions is the impressive 75 percent of respondents who see similarities between the on-demand cars of mobility applications and on-demand workspaces

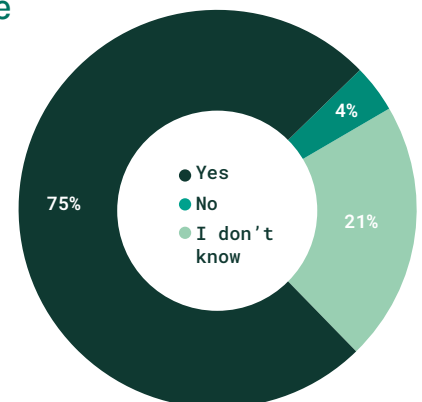
A hybrid and flexible future

How the region’s executives assess the cost-benefit of different models of operation and lease of work environments in the post-pandemic period



The next wave

Perception of the possibility of a digital disruption in the corporate real estate market by a new technology or service application





Comfort, stability, and interactivity

The ideal portfolio of services and infrastructure to
engage professionals in the future of work

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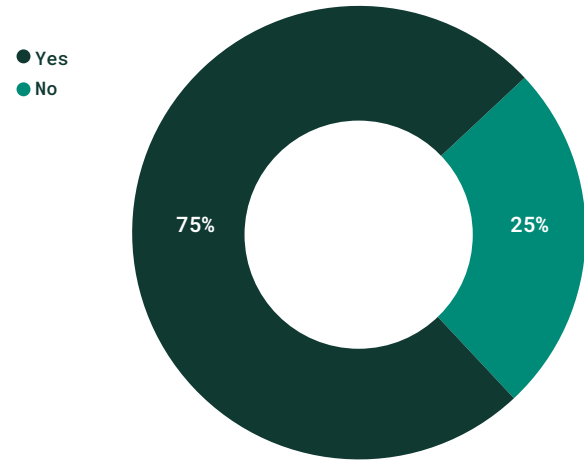
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Regardless of their address, the offices that will welcome professionals in the post-pandemic period should undergo some adaptations to meet the new demands of the workforce. Ergonomic furniture is part of the new order of structure, benefits, and facilities, as well as the space infrastructure itself. Meeting rooms with a structure for hybrid meetings, in turn, are a necessity for 88 percent of Argentine and 86 percent of Colombian professionals.

Studios to produce institutional content are on a downward trend. After the peak of lives and webinars, only 49 percent of respondents see these spaces as essential to the operation of physical offices. The perception of value is even lower in countries such as Chile, where demand for this type of space was mentioned by 46 percent of respondents.

Safety

Regarding health issues, do you feel safe to return to the office, considering spaces with rigid safety protocols, use of masks and distancing?



When it comes to job benefits and perks, health insurance and quality food services continue to be pointed out as key factors for attracting and retaining talent for 80 percent and 75 percent of survey respondents.

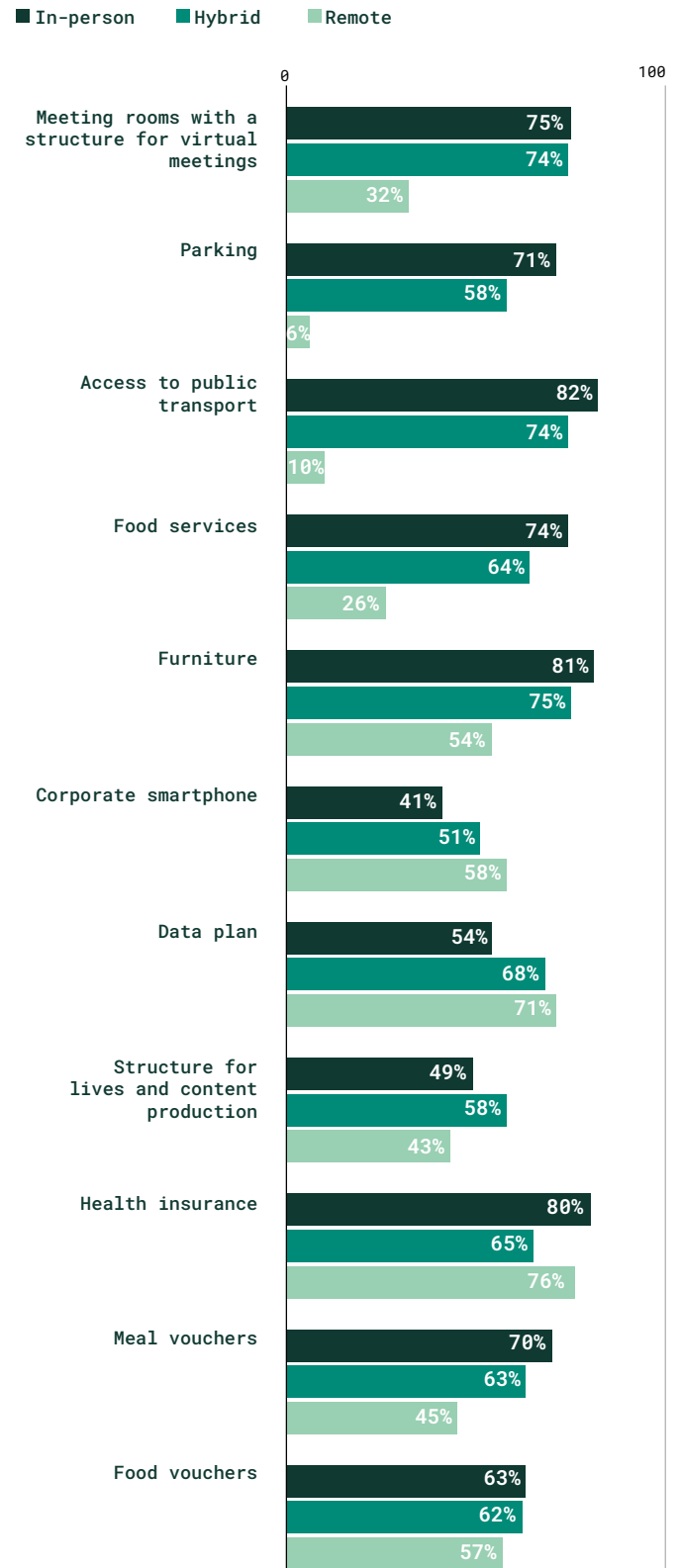


Comfort first

Regardless of their physical address, the offices that will welcome professionals in the post-pandemic period should undergo adaptations to meet the new demands of the workforce. Functional and ergonomic furniture is among the main demands of 81 percent of respondents, a proportion that reaches 96 percent among Mexican professionals.

Focus on well-being

The essential structure and service items for each work model





Respondent profile

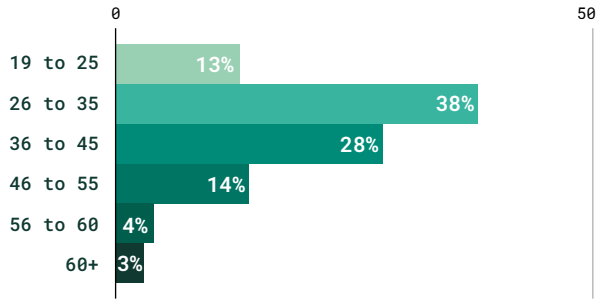
About the participants of the survey Redefining work
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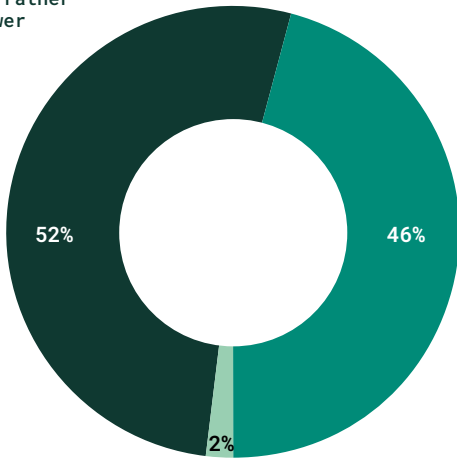
Respondent profile

Age

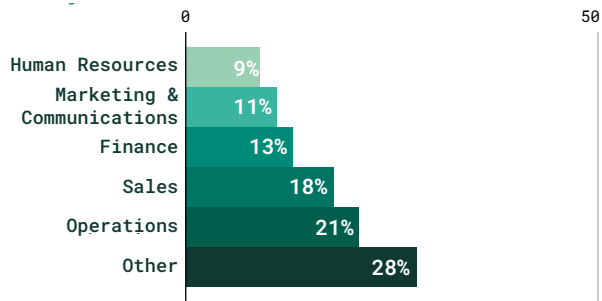


Gender

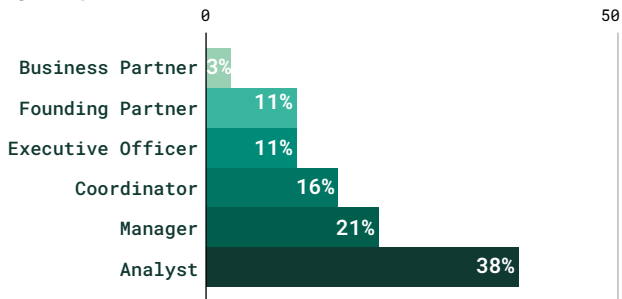
- Male
- Female
- I would rather not answer



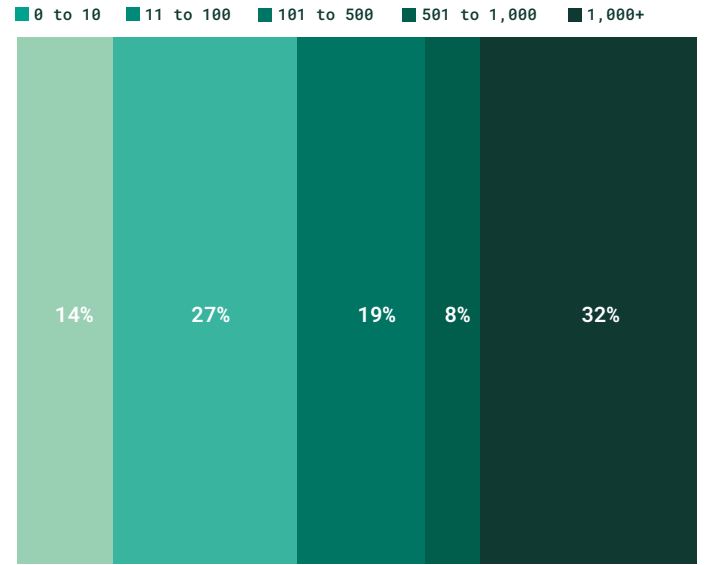
Field of work



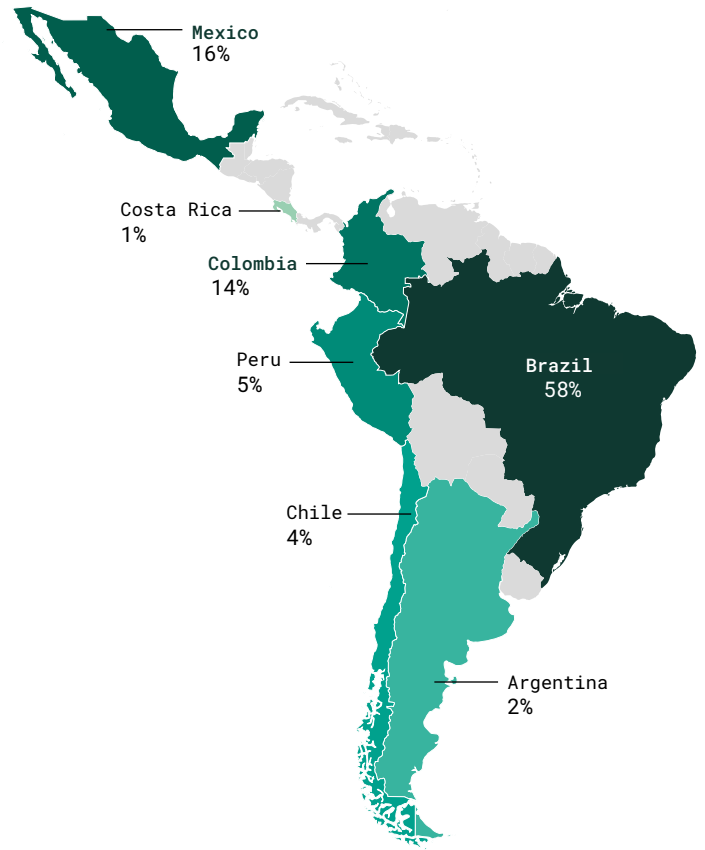
What's your position?



Number of employees in your company



What is your country?



The next challenge

The ideal model for the future of work is still far from being a consensus in the academic and corporate worlds. This is a scenario marked by volatility, with strong advocates on each of the numerous sides of this debate. Experts such as Peter Cappelli, head of the human resources center at Wharton School, claim that home office workers tend to be harmed in terms of learning and visibility. At the other end of this spectrum are scholars like the legendary Stanford professor Jeffrey Pfeffer, who has been constantly warning about the loss of quality of life and mental health caused by fully in-person models.

Between these two distinct views on life and work, hybrid models seem to emerge as a promising way to meet the desires of leaders and employees after the pandemic. This is confirmed by the responses of the 10,000+ participants of our survey, which point to a clear preference for a balance between in-person and remote, as well as a potential alternation between activities that require focus and those that require interaction.

Whatever scenario unfolds, the coming months will bring a challenge to be shared by all organizations: to create flexible and adaptable environments that are capable of meeting employees' new demands of quality of life, mental health, learning, and professional development.

It is a long-term project for the next generations of leaders, whose success will be determined by their ability to redesign offices, explore the potential of new technology tools, and reframe organizational cultures around the world.

There is no one-size-fits-all solution for all companies and professionals. From now on, it will be up to each organization to make a deep reflection to find a path that meets its needs and priorities – and, in this way, find its own future of work.



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