2025

State of the Modern Workplace

REPORT BY Skedda

To RTO or Not to RTO

Adapting to the Modern Workplace (Hint: Hybrid Work Is Working)

The workplace continues to evolve

With full-time RTO mandates and doubling down on flexible work headlining this year, 2025 is shaping up to be one where organizations must achieve a delicate balance between ensuring employees are satisfied at work and requiring them to be present in offices more.

Despite recent pushes for RTO from some high-profile companies, nearly 70% of US companies still offer work location flexibility. New research continues to show that companies taking a flexible approach to where and when people work dramatically outperform their competitors:

- **Economic return:** Companies ranked highly for flexible work opportunities had higher short- and long-term share prices than peer firms in their respective industries.
- **Productivity:** More than two-thirds of employers saw increased productivity with remote workers. Companies with remote work policies outperform those without by an average of 16%.
- **Talent recruitment:** About 83% of recruiters say they believe remote work has improved the quality of the applicants they attract.
- **Talent retention:** 45% of HR leaders express difficulty retaining workers at organizations where on-site work is mandated, while only 15% report it's difficult at organizations that allow employees to choose where they work.
- **Workforce satisfaction:** Nearly one-third of workers say they're willing to strike over work-from-home benefits.

Sources

University of Melbourne
Global Workplace Analytics
Flex Index
MyPerfectResume
The Conference Board
WFH Research

In today's dynamic work environment, the shift in where people work has transformed how organizations utilize their spaces and resources —and engage the people within them. It's essential to be set up with the right technology that evolves with your workforce's changing needs. New tech and AI will be more prevalent; and IT and facilities leaders will be at the heart of aligning tech and the office to create productive workplaces (both physical and virtual) that support the employee experience.

The organizations that will win must be able to support **all** of their workforce in accessing the right space with the right resources at the right time. This report aims to help organizations, especially the IT and facilities leaders within them, utilize new technologies and office design to manage spaces better in the modern workplace. From automating processes to optimizing space utilization, the advice and strategies provided here can future-proof your organization, ensuring it stays relevant and resilient in the face of workplace changes.

Flexibility will drive how and where people work

Sources

Pew Research
The Conference Board

The modern workplace is agile and flexible — in both location and schedule. A Pew Research Center poll found most current hybrid workers (72%) want it to stay that way, and that's not just from employees who've tasted the sweetness of flexible working. 62% of workers who never or rarely work from home said they would if they could part of the time.

And hybrid work is working. It improves work-life balance, job satisfaction, talent recruitment and retention. Approximately 87% of HR leaders with a hybrid model say hybrid work has improved work-life balance, 84% say it has improved job satisfaction, and 79% say hybrid work has improved their ability to attract and retain talent.
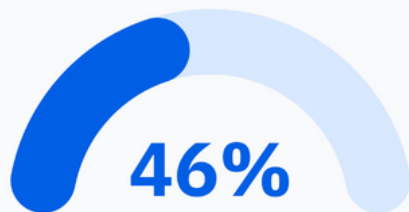
"Remote work will evolve into a more balanced hybrid approach. While some companies may push for a full return to office, the ongoing demand from employees for flexibility will likely ensure that hybrid models remain dominant. Ultimately, **the winner of the RTO debate will be the organizations that find the right balance**, offering flexibility without compromising performance. Hybrid work will be the sustainable solution."

Mike Chappell
Founder of FormsPal

Resistance to Full-Time RTO

As companies signal a shift to returning to the office, nearly half of workers **(46%) say they would quit their job** if their employer required them to be in the office full time.

Pew Research

46%

Companies that have flexible working also have better stock returns. University of Melbourne assistant professor of finance Gabriele Lattanzio found that companies ranked highly for flexible work opportunities had higher short- and long-term share prices compared to peer firms in their respective industries.

University of Pittsburgh associate professor Mark Ma also found that the stocks of companies like Nike and UPS, which introduced four- or five-day-a-week RTO mandates, underperformed peer companies like Adidas and FedEx following the policies' announcements. Among nine companies with RTO mandates, seven underperformed their peers with flexible work options. **Companies with five-day RTO mandates saw, on average, 15% lower stock returns than their flexible work counterparts.**

CASE STUDY

Synchrony accesses larger talent pool thanks to hybrid work

After a company survey revealed more than 85% of its employees wanted some form of work-from-home option, Synchrony launched a hybrid work model. With this flexible approach, it saw a 30% increase in job applications in 2024 and lower employee turnover.

Synchrony also rose to 5th on the Fortune 100 Best Companies to Work For list, up from 51st place in 2019. 95% of employees say Synchrony is a great place to work and 95% say that the company's way of working gives them the flexibility they need.

"In the end, our story is proof that when you build a culture of trust and accountability, you can expect a lot from your people, and they will come through for you, driving peak performance. That—and not where they happen to be sitting from day to day—underscores **the pivotal role of trust in hybrid work** success."

Brian Doubles
President and CEO of Synchrony

Five-Day RTO Mandates Linked to Lower Stock Returns

15%

Companies with five-day RTO mandates saw on average 15% lower stock returns than their flexible work counterparts.

Mark Ma, University of Pittsburgh

AI enables more flexible work arrangements while increasing revenue

AI enables flexible work arrangements by optimizing scheduling, automating administrative tasks, and enhancing remote collaboration, allowing employees to work efficiently from anywhere. Employees using AI reported a [30% increase in productivity](#). Additionally, smart workplace management systems powered by AI help organizations maximize space utilization, reduce overhead costs, and improve productivity.

By streamlining operations and enabling a more agile workforce, AI not only [supports employee well-being](#) and work-life balance but also drives revenue growth through increased efficiency, better resource allocation, and data-driven decision-making.

Sources

Accenture

HOT TIP

AI Productivity Tip

AI can reduce administrative tasks, accelerate productivity, and allow more time for strategic and innovative work. For example, facilities leaders responsible for [coordinating meeting room bookings](#) can use AI-powered booking assistants to automatically suggest available rooms based on specific preferences and needs.

"Looking ahead, our vision is an AI-powered workspace that keeps distributed teams efficient, engaged, and connected through virtual meeting assistance, seamless workflows, and smarter project management. AI is not about cost takeout. It's about **the ability to do more and amplify the potential of our employees**. By accelerating conversational AI responsibly, we can emerge stronger."

Anant Adya
Executive Vice President at Infosys

The AI Advantage in Modern Organizations

19-33%

of organizations are **using Gen AI to drive efficiencies and cost reduction** benefits to the organization
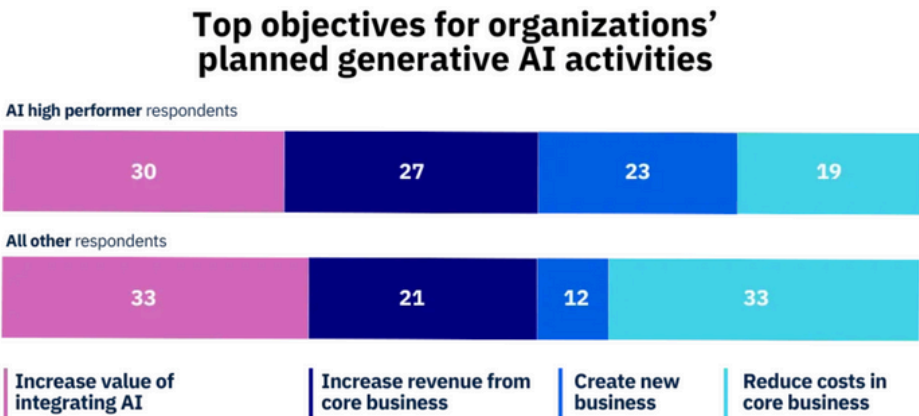
McKinsey & Company

> "The pervasiveness of AI is going to create the need to be much more focused on ideation, collaboration, and innovation. And those conversations are inevitably better in person, so **AI is going to create the gravity of people needing to be at the office**."

Lorri Rowlandson
Senior Vice President of Strategy and Innovation at BGIS

AI is making workers more efficient in many individual tasks, allowing them to be productive no matter where they sit. However, AI tools cannot yet replace the fluidity and spontaneity of brainstorming in person. While AI streamlines more technical and knowledge-based tasks, it will drive a greater need for office presence to foster innovation.

Top objectives for organizations actively implementing AI include creating new business and/or sources of revenue (23%) and increasing revenue from core business (27%). The future of the workplace will be one powered by human-AI synergy, where technology and humanity flourish together.

Top objectives for organizations' planned generative AI activities

AI high performer respondents

30	27	23	19

All other respondents

33	21	12	33

Increase value of integrating AI	Increase revenue from core business	Create new business	Reduce costs in core business

Accenture

Modern workplaces require high-quality office spaces & tech

"Today's workers need two things: an effective workplace and a great work experience." Gensler's Global Director of Workplace Research Janet Pogue McLaurin explains the increasing demand for high-quality office spaces.

Employees want a functional workplace with offices designed around specific use cases—having hot desks, breakout rooms, and huddle spaces for collaboration. These spaces also need to be retrofitted with the best technology to ensure seamless connection for hybrid meetings, coordination among a flexible workforce, and collaboration for in-office days.

> "Employees need a functional and effective workplace that supports how they work. Providing a variety of work settings to work in-person with others, for hybrid meetings and work requiring high-concentration, is essential and the foundation of a good workplace. But to meet today's workers' expectations, a 'good' workplace is no longer sufficient."

Janet Pogue McLaurin
Global Director Workplace Research at Gensler

HOT TIP
Create office neighborhoods for better productivity

Space management software with interactive floor plans (and Slack and MSFT Teams integrations) makes it easy for teammates to "see who's in" and find each other when they're in the office. Additionally, software with a robust rules and roles engine lets organizations create office neighborhoods based on departments, job functions, project needs, or equipment requirements, to better meet work needs.

However, employees also want a workplace that evokes emotion and connection to feel inspired, valued, and motivated to do their best work. That's why the notion of the "village office" is also becoming increasingly popular. Workers expect offices to become more like welcoming hotels and cafes and operate like small villages.

"Forward looking companies are no longer contemplating if they will need high-quality offices going forward. Instead, they are planning what their office spaces will look like well into the 2030s. Location and amenity are crucial. Our research shows three in four young people regard being near to gyms, bars, and restaurants as important, and one in four office workers would turn down a job if they're not keen on the working space."

Michael Kovacs
Co-founder of Castleforge

Modern workplaces require high-quality office spaces and technology that support employees' new ways of working, with many seeing the office making a comeback. More than 60% of commercial real estate operators expect increased workplace utilization over the next five years. 43% of organizations expect the number of days in office to increase by 2030—though still within a hybrid workplace strategy.

Future Workplace Trends

60%
of commercial real estate operators expect **increased workplace utilization** over the next five years

40%
of organizations expect the **number of days in office** to increase by 2030
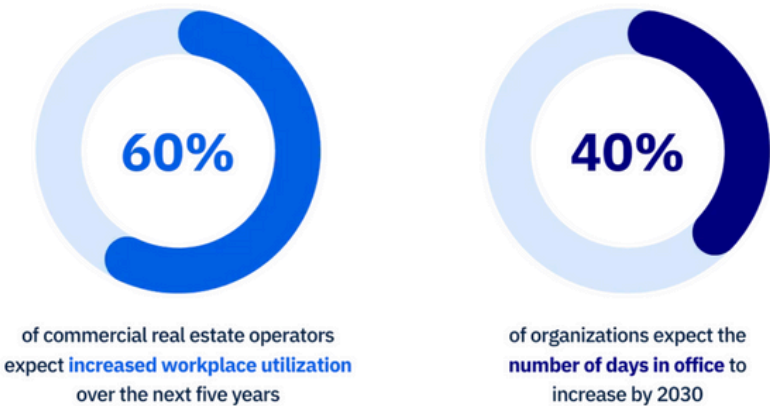
JLL

CASE STUDY

FOMO not RTO: Citi embraces hybrid work and focuses on making the office a magnet

While other banks enforce more return-to-office mandates, Citigroup doubled down on its hybrid work policy and invested in a range of amenities to make the office a magnet and not a mandate.

The company refurbished its 42-story building in London's Canary Wharf, investing in outdoor winter gardens, mini villages, and a client entertaining space at the top to create a state-of-the-art workspace for its workers.

> "In the past, if you weren't at the corporate office, you had a sub-optimal experience. You had bad technology and difficulty accessing materials. You couldn't see, you couldn't hear. With our NMG hub network, anywhere can be a hub. A distribution center, your house, a coffee shop – **everyone has access to the tools and technology they need to work effectively and equally**."

Eric Severson
Chief People, ESG, and Belonging Officer at Neiman Marcus Group

The future of work will be a mix of full-time in-office and hybrid employees, further leading to the need for more high-quality spaces and technology that support modern workplace needs. Almost 80% of U.S. business leaders surveyed say they are looking to move to a new building in the next five years. Of those respondents, 62% say they're most looking for good internet/Wi-Fi connectivity and 54% said excellent mobile/5G reception.

62% need **good WiFi**

54% need **excellent 5G reception**

HOT TIP

Organizations that win will be able to support their workforce's needs

Whether full-time in office or hybrid, organizations that win will be able to support their employees in finding the right space and resources at the right time to do their best work. Leveraging a desk booking solution that can manage both flexible and assigned spaces, and the amenities and equipment in those spaces, will be key to supporting various preferences and needs.

> "The workplace is now a choice, and companies need to compete for attendance just like theaters and hotels do. **The best buildings, locations, and experiences will win.** The future of the work ecosystem isn't just about getting people back—it's about making it worth their while."

Phil Kirschner
Former Workplace Strategy Leader at McKinsey & Company

Evolution of Facilities

From Connecting Buildings to Connecting People

Facilities leaders' roles are evolving to prioritize the workplace experience

The role of facilities leaders is [evolving from a traditionally reactive position](#)—focused on maintenance and problem-solving as they arise—to a proactive one that prioritizes the overall workplace experience (WEX). In the modern workplace, employees work in many different locations—not just the office—and expect that the facilities and technology are up to par for them to work seamlessly.

Facility leaders' roles are [becoming more human-centric](#) as buildings become more automated. They can no longer simply focus on the physical aspects of the office buildings. Instead, they must go **from managing the facility to managing the community**. Facilities managers need to be tuned into how people interact with the space, and will need to create spaces that cater to diverse work styles and needs.

"Facilities leaders' roles have evolved from thinking just about the **parts that connect to the building** to thinking about the feelings of **safety, health, and mental wellness**."

Christa Dodoo
Chief of Facilities at United Nations World Food Programme

Global agency Actum Digital uses space management software to enhance the WEX

When Actum Digital employees returned to the office in 2022, they found themselves with "too many people, and not enough desks." They needed a simple solution that was quick to deploy, easy for employees to adopt, and would inform their facilities and reception team of arriving guests for a seamless and welcoming experience.

With a workplace management system like Skedda, the agency was able to foster an environment that enhances the workplace experience.

HOT TIP

Frictionless guest visits for a great workplace experience

With flexible working, the flow of people who visit the office may change day to day. Using a Visitor Management System provides an easier way to welcome guests, ensure compliance, and keep track of visits.

What's more, with **AI-driven analytics, smart building systems, and predictive maintenance** tools, facilities leaders can now anticipate needs, optimize space usage, and enhance employee well-being. Instead of simply responding to issues, they now play a strategic role in shaping dynamic, efficient, and engaging work environments that support productivity and collaboration in the modern workplace.

"Too often, we take a risk-averse approach. But there's a quote I always look at that says, **'Let them tell you no.'** Let others tell you no. Too often, we psych ourselves out and we'd say no automatically. **Take a step, take a risk, take a chance.** You may be surprised how something you say may land with somebody."

André Jones
Corporate Real Estate Portfolio and Facilities Leader at Capital One

Companies are also prioritizing connection and collaboration to improve company culture and business outcomes, and turning to facilities leaders to incorporate tech tools that will enhance both the physical and digital workspaces. According to a Harvard Business Review report, respondents said their companies are making facility changes such as adding enhanced digital conference areas (76%), adding more unassigned desks (62%), and adding more meeting spaces (59%).

Top Facilities Changes

Adding enhanced digital conference areas

76%

Adding more unassigned desks

62%

Adding more meeting spaces or collaborative workspaces

59%

CIC and Harvard Business Review

"Our primary focus used to be the operation of the building: keeping the lights on, water running, and spaces properly conditioned. Then we were pulled into space utilization, event coordination, and security. Now we're asked to **take on more of the workplace experience** and how people interact with the space."

Mayra Portalatin
Vice President of Facilities Services, NVE, Inc.

Facilities managers need to collaborate more cross-functionally

Facilities management is defined as "the integration of people, place, and process." In the modern workplace, the 'people' component is a much bigger priority. Companies are looking to create people-centric and efficient workplaces, with nearly 60% of CBRE respondents stating 'enhancing the employee experience' as their main objective and 45% stating 'boosting employee productivity' as another primary goal.

Facilities leaders are now in a position where they must collaborate with other departments to ensure workplaces are meeting employee well-being goals. They're collaborating more with HR teams about workplace transitions, which used to be a conversation solely for HR. McKinsey & Company reports that businesses adopting a holistic talent management strategy across departments have higher retention rates and a competitive advantage.

Where Companies Focus on Employee Well-Being

Enhancing employee **experience**

60%

Boosting employee **productivity.**

45%

CBRE 2024 APAC Office Occupier Survey

> "The **facilities role is going to be much more human-centric** going forward, rather than just making sure the building is running. The facility manager's role is moving from managing the facility to managing the community."

Kay Sargent
Director of Thought Leadership, Interiors, at HOK

There's also a higher need for facilities leaders to collaborate across departments when managing the physical workplace. **Security—both physical and digital—is more challenging in flexible environments.** The day-to-day fluctuations in physical presence can complicate communication efforts, and the decentralized structure of hybrid work makes implementing uniform security measures difficult. As more people work in locations outside the office, cloud-based apps in hybrid environments can pose additional security risks.

This underscores the importance of facilities leaders collaborating with other departments—especially IT—to set up and maintain comprehensive security solutions that address the risks associated with remote work settings. Implementing access control with real-time data for remote security and compliance monitoring is one way to ensure a more safe and secure modern workplace.

"Physical security doesn't have one assigned responsibility in a company. Sometimes it's with IT, sometimes workplace, sometimes facilities. But ultimately, our vision is to 'connect people in spaces,' and that's typically those two different teams."

Bernie Mehl
CEO & Co-founder of Kisi

HOT TIP

Ensure safety and security with modern technology in the workplace

Facilities leaders are called on to ensure the safety and security of their workplaces. Leveraging technology like access control and occupancy tracking can support this endeavor. Both help control who can enter the physical space and keep track of attendance for future reference and insight.

Additionally, facilities leaders are increasingly tasked with designing effective and attractive workplaces. When planning spaces, they need to ensure that business leaders, including IT, HR, and security, are involved so spaces are designed to genuinely reflect and meet different departments' and individuals' needs. Reconfiguring space requires upfront planning with all parties and detailed drawings to ensure smooth implementation.

Smart organizations will adopt a more collaborative, cross-functional approach, with different departments working together to foster a positive workplace culture.

"Throughout my career, **I've been fortunate enough to report up to different functions, whether it's been operations, HR, or finance**. Having those different perspectives helped me know how to target the audience to make an influence and change. I think too often in our careers as facility leaders, we've just been akin to one style. Just having that diversity from different lenses helps you."

André Jones
Corporate Real Estate Portfolio and Facilities Leader at Capital One

Facilities leaders need to upskill in new tech and AI

As the modern workplace rapidly evolves, facilities leaders must upskill in new technology and AI to stay ahead. Modern workplace management now relies on smart systems for space optimization, predictive maintenance, and real-time data analysis. This means that the leaders who know how to use these smart systems will be able to make informed decisions based on data to create more effective and efficient processes in their workplaces.

> "People will come to a space because it provides a fantastic user experience that enables them to be as happy, healthy, and productive as possible. It's gonna be a real skill to create these types of environments.
>
> Now, the interesting thing is: **who is going to do this? Where's the opportunity?**"

Antony Slumbers
Keynote speaker, advisor, and writer on GenAI

According to the World Economic Forum, some of the top skills on the rise include creative thinking, analytical thinking, technological literacy, and talent management. Facilities leaders are being called on to adapt to the workforce's changing needs and the office's changing purpose, all while implementing new tech tools to improve the workplace's effectiveness.

> "Take the basics and apply them to newer technologies like AI. If you don't manage the basics and processes and you're not managing the people in a way that's going to be effective, then those shiny new objects aren't really going to help you."

George Alvarado
Director of Service Delivery Training for Maintenance and Janitorial at C&W Services

Top 10 Skills On the Rise

Creative Thinking	**Analytical Thinking**	**Technological Literacy**	**Curiosity & Lifelong Learning**	**Talent Management**
Resilience, Flexibility, & Agility	**Leadership & Social Influence**	**Empathy & Active Listening**	**Motivation & Self Awareness**	**Service Orientation & Customer Service**

By embracing AI-driven tools, facilities leaders can transform from manual processes to strategic decision-making, ensuring workplaces are more efficient, flexible, and employee-centric. Investing in these skills isn't just an option—it's essential for adapting to the demands of the modern workplace.

Together, AI and space management technology will significantly impact facilities as organizations seek to optimize occupancy levels, resources, and energy use.

> "As we go forward in our career, especially over the next 10 years, we're about to have 40 years of change in the next 10 years. **Continuous learning is going to be a mandatory skill** for the future to stay relevant."
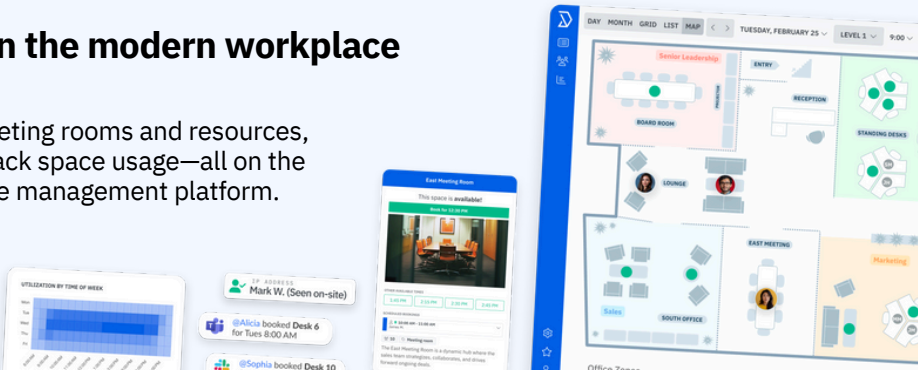
Lorri Rowlandson
Senior Vice President of Strategy and Innovation at BGIS

Tech, AI, and Data

What You Need To Drive Automation and Efficiency Today

Have the right people in the right place with the right tools and technology

Flexible work is only successful when organizations **have the right people in the right place, equipped with the right tools and technology**. Modern technology and AI enable that.

A well-structured hybrid model requires a combination of strategic space management and modern workplace technology—such as AI-driven scheduling, desk booking systems, and real-time collaboration tools. Without these essential elements, flexibility can lead to inefficiencies rather than productivity.

When everything aligns, however, organizations can create a seamless, high-performing work environment that supports both employee autonomy and business success.

CASE STUDY

Neiman Marcus Group creates equitable hybrid meeting experiences

To ensure that remote attendees had an equal opportunity to participate in hybrid meetings, the company focused less on the experience for in-room participants and more on creating a positive and equitable experience for remote workers.

Instead of designing meeting spaces to center the process on who is in the building, **the company put the remote experience *first*,** which makes participating in hybrid meetings completely seamless.

For example, technology can help solve the "hybrid coordination tax," which is the time spent working around the logistics of meeting with people you need to when some are working in-person and others are working virtually. The average worker spends about 37% of their time at work in meetings or coordinating them, and that time spent in meetings and managing them costs employers an annual average of over $29,000.

By using a combination of AI-driven smart scheduling, space management software that shows you who will be in the office, and real-time communication tools, employees in flexible work environments can easily see, predict, and coordinate time together.

"**The idea of space-as-a-service is twofold.** You could procure the space as a service, buying space for an hour, a day, a week, a month, a year, ten years. The more important point is creating space that provides the software and services that enable the person to do whatever they need to do as effectively as possible."

Antony Slumbers
Keynote speaker, advisor, and writer on GenAI

HOT TIP
Find the perfect space every time

Skedda's Space Attributes simplify space selection to help employees find the ideal spot in fewer clicks. Teams can filter spaces based on specific needs (e.g., "double monitor," "dog spots," etc.) at a glance for quick space booking.

37%

The average worker spends about 37% of their time at work **coordinating meetings.**

Managing meetings costs employers an annual average of **over $29,000**

Allianz commits to making the office an attractive place to work

After committing to hybrid work, the next step for Allianz was to make their office an attractive place for workers to want to come in to work.

Office space design: They have open work areas with desk sharing at most locations, equipped with small telephone booths, different meeting rooms, and agile zones for team collaboration. They also have quiet areas where employees can work in complete silence, and small lounge islands with sofas/armchairs and coffee bars/kitchens where people can chat informally.

Modern workplace technology: They use the right technology to create a collaborative and productive working atmosphere between those who work in the office and those who work remotely. This includes video conferencing and modern collaboration tools that combine meetings, chats, and calls. Additionally, they constantly invest in training so their employees can make the best possible use of these workplace technologies.

Amenities and services: They offer additional services to make employees' lives as easy as possible: fitness programs, dry-cleaning services, and restaurants that provide fresh, healthy meals every day.

"The guiding principle for our flexible working arrangement is to **do the right thing in the right place** and empower our employees and teams to make this decision themselves. When deciding where to work, we trust them to find the right balance between their own needs and those of our customers, our business, and our teams."

Bettina Dietsche
Chief People and Culture Officer at Allianz Group

Technology to foster in-person collaboration and innovation

Modern technology and AI can help organizations foster in-person collaboration and create more attractive offices that workers actually want to go to.

For instance, knowing which team members will be in the office on any given day is essential for fostering collaboration in the office. No one wants to commute to an empty office and sit on virtual calls all day. Leveraging space management software with capabilities to see who's in the office beforehand supports productive collaboration in the modern workplace.

In an interview with **Ameca—the 'World's Most Advanced' Humanoid Robot**, crafted by Engineered Arts and currently living at [The National Robotarium](#) in Edinburgh—Ameca shares what the future of work could look like when asked to describe it in poetry form:

> *In a world where work and home unite,*
>
> *Hybrid paths bring balance to light.*
>
> *Flexibility reigns. Stress takes flight.*
>
> *Productivity soars in this new sight.*
>
> *Commutes shrink. Creativity grows.*
>
> *In diverse spaces, innovation flows.*
>
> *Harmony found in work-life blend.*
>
> *A future bright where both worlds mend.*

Ameca
The World's Most Advanced Humanoid Robot

HOT TIP

See "who's in" the office for better collaboration

Use technology your team already uses daily to ensure that coworkers are in the office together at the same time. Skedda's [integration with Slack and Microsoft Teams](#) allows just that—letting you see which colleagues will be in the office within the apps they already use and love.

> **"Magnets work better than mandates.** Once-a-month gathering weeks are a big success at Airbnb, building meaningful in-person time for teams centered on their product launch rhythms. Instead of creating a backlash, the program has drawn others back to the office. FOMO not RTO."

Brian Elliott
CEO of Work Forward

An ideal workplace of the future would seamlessly integrate technology with comfort, offering flexible workstations, [virtual collaboration tools](#), and [spaces for creativity and relaxation](#). It would be a blend of virtual and physical spaces with AI and robotics seamlessly integrated, fostering both productivity and well-being.

Use digital twins and utilization insights for better decision-making

Technology can provide the data that gives organizations insights into various facets of work. Use these insights to make better business decisions, such as cutting costs, downsizing, and designing better office spaces. Organizations can overcome guesswork with real-time and accurate data, allowing them to **make data-based decisions about their space to control costs without compromising on the workplace experience**.

For example, facilities leaders can utilize digital twins—technology for creating a digital replica of a building and its assets—for efficient troubleshooting, remote visualization, and remote decision-making. Digital twins provide better visibility, efficient management of assets, and a reduced need for immediate on-site technicians.

> "With digital twins, you can visualize what's happening with that asset, and you can **make determinations before you physically go out there** and either troubleshoot that asset or call in a vendor to troubleshoot it."

Irene Thomas-Johnson,
Former Global Account Executive at JLL

Space management software provides information to help you make data-based decisions about your space, whether it's to redesign workspaces based on actual usage patterns, identify opportunities for downsizing or reconfiguring spaces, or control costs without compromising on the workplace experience. With half of the respondents to a CBRE 2024 survey stating cost as a critical factor for influencing both lease renewals and relocations, getting a clearer picture of your space utilization becomes ever more crucial.

Sources
CBRE

HOT TIP

Make data-based decisions to control costs

Space management software provides data and insights that can help you understand when and where your teams work best, supporting space optimization efforts to control costs without compromising the workplace experience. Skedda's Workplace Intelligence gives you accurate attendance data and helps you make the best use of your available spaces.

> "**Having that data helps tell the story.** You look at it from a space utilization standpoint. Having those sensors and that information help tell a narrative that will help you engage your leaders. So multiple data sources are fantastic."

André Jones
Corporate Real Estate Portfolio and Facilities Leader at Capital One

Additionally, implementing AI-powered tools can provide you deeper trend analysis that can make the whole system more efficient, such as automating energy management to lower costs. From predictive maintenance to energy management, AI will help facilities leaders streamline operations and manage processes more efficiently.

> "**Augmented reality powered by AI** is going to be another powerful combination that's coming out. In the immediate 1 to 3 year horizon, enhanced automation and efficiency. Predictive maintenance and energy management is a huge opportunity for another frontier. There are still some opportunities in space utilization and optimization. And even at an individual level, you have an opportunity to use AI in some application that only you or your department know about."

Lorri Rowlandson
Senior Vice President of Strategy and Innovation at BGIS

Optimize real estate to scale your business

AI will drive a greater need for office presence to foster innovation, as employees will increasingly become more productive on an individual basis, leaving more emphasis and importance on in-person collaboration and ideation.

As such, organizations need to upgrade their tech stack to ensure flexible working is efficient and can scale accordingly as the business grows. They need to ensure that both the physical and virtual experiences are conducive to productivity, and in addition, ensure there's 'workspace blend' when employees transition from their home office to the shared office. The less friction that employees experience in the workspace transition, the easier it is emotionally and physically for them to make the transition and do their best work.

"If the office space is not so different from your home environment, it's easier to transition. The fusion of the fair spaces, the home environment, and the office, helps people to not feel that difference when they move from one space to the other."

Christa Dodoo
Chief of Facilities at United Nations World Food Programme

HOT TIP
Easily coordinate meetings with calendar sync

Teams want to be able to hold productive meetings and brainstorming sessions together no matter the location. Skedda's two-way sync with Google Workspace and Microsoft 365 improves collaboration through centralized scheduling, a streamlined workflow with automatic updates, and consistent and up-to-date information.

Sources

CIC
Harvard Business Review

Organizations are also making real estate changes to optimize their workplaces as they scale their business. In a survey of more than 560 members of the HBR audience who are involved in their organization's workspace decisions, respondents noted changes their company is making or has made in the past three years, such as:

- adding satellite locations (22%)
- leasing flexible/co-working space (18%)
- shifting from long-term to short-term rentals (16%)
- renting office space to other businesses (16%)

Real Estate Changes: Past 3 Years

22	18	16	16
Adding satellite locations	**Leasing flexible/co-working space**	**Shifting from long-term to short-term**	**Renting office space to other businesses**

Additionally, knowing how office spaces are used can help organizations design the right spaces that support and adapt to workers' needs. Smart sensors or [Wifi occupancy tracking](#) can provide more accurate data on space utilization and occupancy. From there, organizations can use the data for AI-driven reconfigurations like predictive maintenance and recommendation systems to improve functionality.

The combination of tech, data, and AI will help organizations design flexible spaces that can quickly adapt to changes. Adaptable spaces are key to meeting challenges ahead, like changing work patterns, aging infrastructure, climate change, neurodivergent needs, and the continued rise of AI.

> "We wanted to use technology to make our values come to life. **We over-invested in the things that could fulfill the design criteria related to our culture**: high-quality WiFi, sound, cameras. Our vision was a workplace in which everyone, in every room and every location, could equally see, hear, and engage with each other."

Eric Severson
Chief People, ESG, and Belonging Officer at Neiman Marcus Group (NMG)

CASE STUDY

Pinterest leverages flexible working and data to control costs

Pinterest's hybrid model proved to be financially sustainable, efficient, and scalable. Since they introduced PinFlex, **they've more than halved their real estate costs**, thereby allowing them to invest in world-class offices that inspire creativity, collaboration, and community for employees and that enable them to host regular off-sites, client engagements, and other events.

> "My advice to my fellow chief people officers, CHROs, and C-suite executives across industries? **Follow the data—it doesn't lie**. It's time for business leaders to stop relying on badge swipes as the primary measure of employee productivity and start focusing on outcomes. And listen to your people. They are one of your most important stakeholders, so if you want them to help you achieve business success, try to meet them where they are."

Doniel Sutton
Chief People Officer at Pinterest

About the research

The data and insights in this report come from top voices, researchers, industry pioneers, and business leaders experienced in the world of facilities management, flexible workplaces, and AI. Some of them have guest-starred on the Heroes of Hybrid Work podcast, hosted by Skedda SVP Jenny Moebius. Some of them are customers who have undergone their own workplace transformations. All data and research we cite here are taken from public sources.
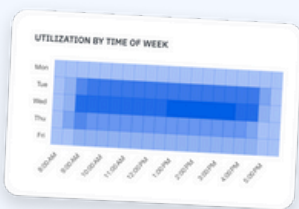
In this study, we shed light on the state of the modern workplace in 2025 and how organizations can adapt to this ever-changing world of work by leveraging tech tools and upskilling their facilities leaders, who are at the forefront of these workplace shifts. From optimizing workplaces with space management software to improving efficiencies with AI, we break down the essentials so you feel confident effectively managing your office space in the modern workplace.

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