

Greater Tokyo Company Survey on Work Styles and the Workplace | December 2020

Capturing the ever-changing situation with data

January 27, 2021

Following the global outbreak of the novel coronavirus (COVID-19) in spring 2020, many companies and office workers were forced to reconsider their work styles as the Japanese government recommended companies to introduce off-peak commuting and telework. The restrictions of staying at home as much as possible and working without physical contact with others seem to have almost forcibly promoted working from home and other forms of telework. This has stimulated discussions about the workplace, which had hitherto been carried out in the context of work style reforms.

Since 2016, Xymax Real Estate Institute (hereinafter, "Xymax REI") has conducted the nationwide Metropolitan Areas Office Demand Survey on a semi-annual basis to visualize companies' office demand.*¹ To provide information on a timely basis amid the changing situations due to the COVID-19 pandemic, in August 2020 it also conducted a questionnaire survey of companies in Greater Tokyo about the current state, issues and strategies of work styles under the corona crisis (hereinafter, the "August survey") and published the results.*²

In this report we release the results of the 2nd questionnaire survey of companies in Greater Tokyo carried out between December 9 and December 21, 2020 (hereinafter, the "December survey"). Note that the survey does not include the impact of the declaration of a state of emergency on January 7 since it was conducted before the declaration.

*1 *Metropolitan Areas Office Demand Survey Autumn 2020*, released December 2, 2020

<https://www.xymax.co.jp/english/research/images/pdf/20201202.pdf>

*2 *Greater Tokyo Company Survey on Work Styles and the Workplace | August 2020*, released September 18, 2020

<https://www.xymax.co.jp/english/research/images/pdf/20200918.pdf>

Main Findings

1. Use of the office

- More than 70% of the companies have kept the percentage of employees coming to the office lower than before the pandemic.
- While the target percentage of employees coming to the office to work and the current actual percentage were less than 50% among nearly 40% of the companies, more than 80% of the companies intended to increase the rate of employees coming to the office to more than 50% in the future.
- The most popular rule concerning employees coming to the office was "Recommend off-peak commuting" (56.7%), followed by "Decide according to the work, such as the department or job type" (51.8%) and "Each department decides its own rules" (45.5%).

2. Implementation of telework

- Around 90% of the companies have introduced a work-from-home policy. More than 40% of such companies offer the policy to all employees.
- Approximately 40% of the companies have introduced a satellite office.

3. Work styles and operation of the workplace

- The most popular initiative was “Enforce thorough infection-control measures such as ventilation and disinfection” (68.9%). The initiatives that saw a decrease in percentage compared to the August survey were “Recommend off-peak commuting” (72.2%→67.6%) and “Ensure social distancing in the office (distance between desks, limiting the number of users of meeting rooms, etc.)” (52.4%→45.0%).
- The most common issue in operating the workplace was “Management is difficult in telework (work, attendance, evaluation, etc.)” (39.7%). On the other hand, the issues that saw a substantial decrease in percentage included “Limited paperless processes” (39.1%→32.8%) and “Limited availability of electronic means for authorization, etc. (custom of using seals)” (41.8%→31.4%).

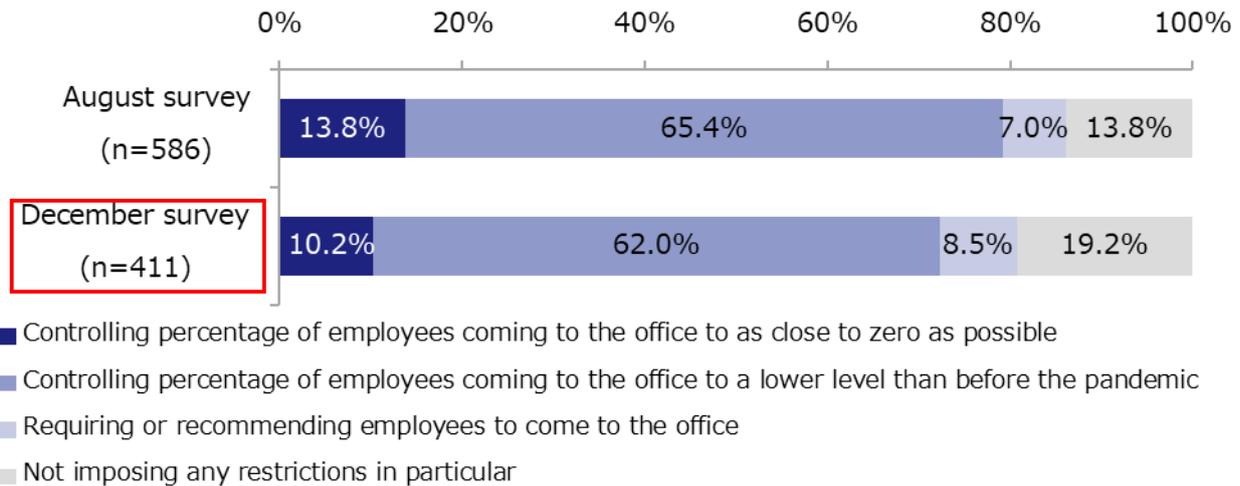
4. Post-corona work styles

- Companies that favored having their employees come to the office after the pandemic (46.9%) significantly outweighed those that favored telework (23.4%).
- In terms of office size, companies that wished to downsize (28.5%) substantially outnumbered those that wished to expand (5.4%).
- As for future intentions toward the workplace, the most popular reply was “Use both the main office and telework” (54.1%→55.0%), as was in the August survey.

1. Use of the Office

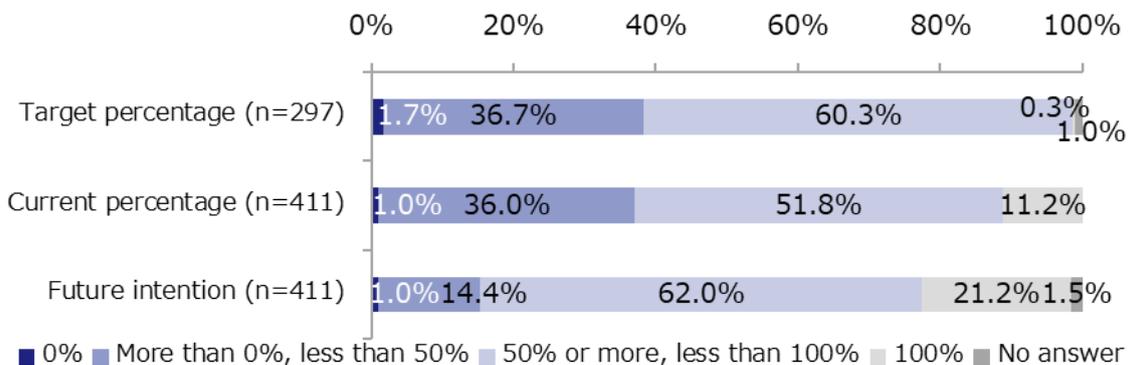
When we asked the percentage of employees currently coming to the office to work, more than 70% of the companies had kept the percentage lower than before the corona pandemic (sum of “Controlling the percentage of employees coming to the office to as close to zero as possible” (10.2%) and “Controlling the percentage of employees coming to the office to a lower level than before the pandemic” (62.0%)) (**Figure 1**). On the other hand, the percentage of “Not imposing any restrictions in particular” (19.2%) grew by 5.4 points, indicating a relaxing of restrictions on the percentage of employees coming to the office.

Figure 1: Controlling the Percentage of Employees Coming to the Office



We then asked the companies that replied in **Figure 1** that they either controlled the percentage of employees coming to the office to as close to zero as possible or to a lower level than before the pandemic about their rules or target percentage of employees coming to the office (“target percentage”). We also asked all companies the current percentage of employees coming to the office (“current percentage”) and the target percentage of employees coming to the office after the pandemic has subsided (“future intention”). With “100%” defined as all employees coming to the office, we grouped the replies into the following four groups: “0%,” “More than 0%, less than 50%,” “50% or more, less than 100%” and “100%” (**Figure 2**). While nearly 40% of the companies replied less than 50% as both the target percentage and the current percentage (sum of “0%” and “More than 0%, less than 50%”), the most popular percentage in future intention was “50% or more, less than 100%” (62.0%), indicating that, together with “100%” (21.2%), more than 80% of the companies intended to raise the percentage to 50% or more after the pandemic.

Figure 2: Percentage of Employees Coming to the Office



In terms of breakdown in increments of 10%, the target percentages that stood out were “30% or more, less than 40%” (15.5%) and “50% or more, less than 60%” (35.0%). However, there were differences between the current percentage in all groups, which indicate that there are discrepancies between the target and the reality (Figure 3). In terms of future intentions, the most popular percentage was “50% or more, less than 60%” (25.8%), which reveals that around a quarter of the companies intend to reduce the percentage of employees coming to the office after the pandemic to a half of the percentage before the pandemic (Figure 4). On the other hand, some companies intended to have their employees return to the office completely (“100%” (21.2%)).

Figure 3: Histogram of Target Percentage and Current Percentage of Employees Coming to the Office

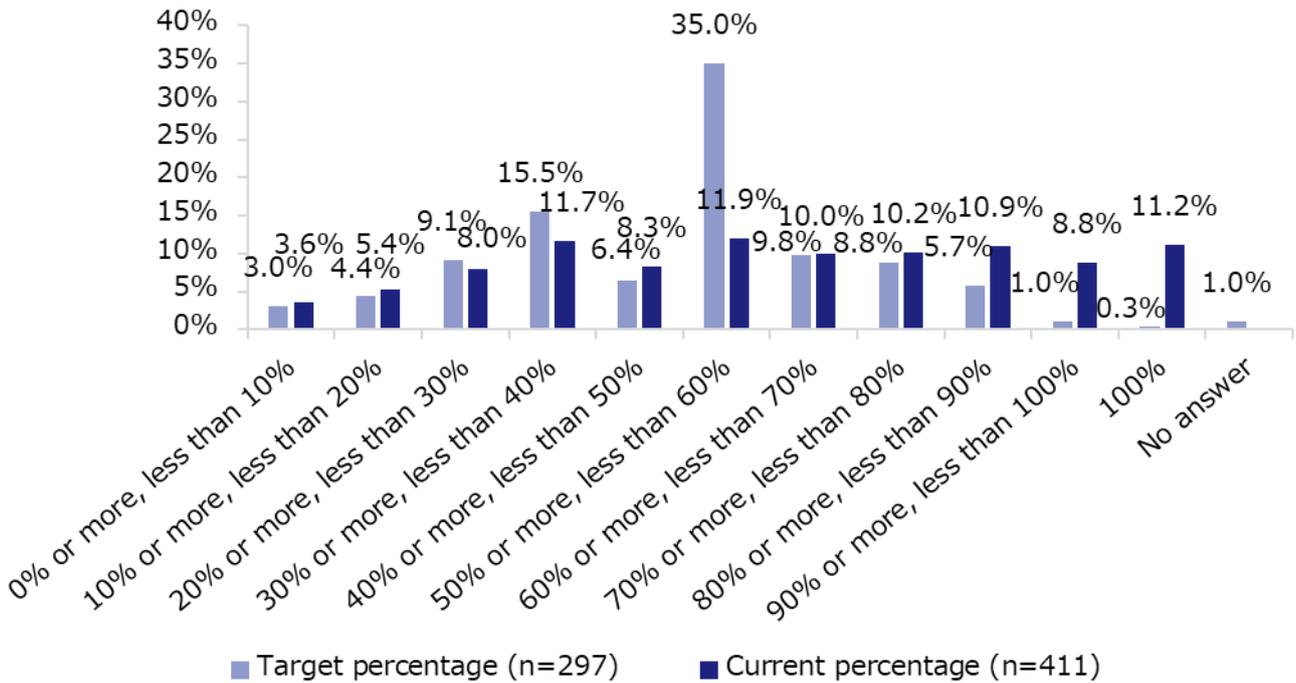
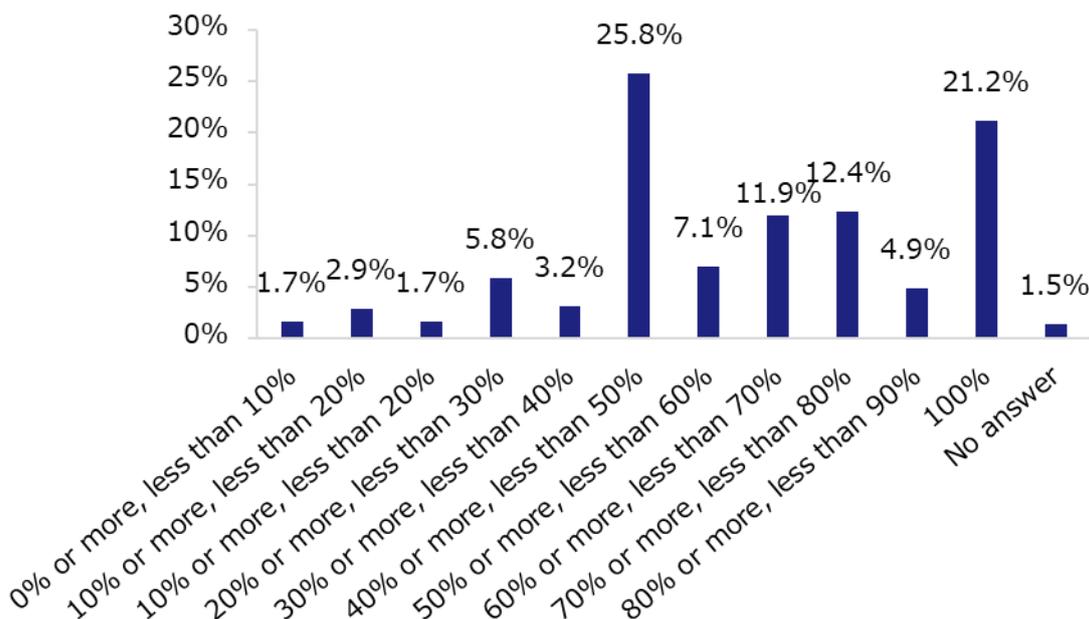
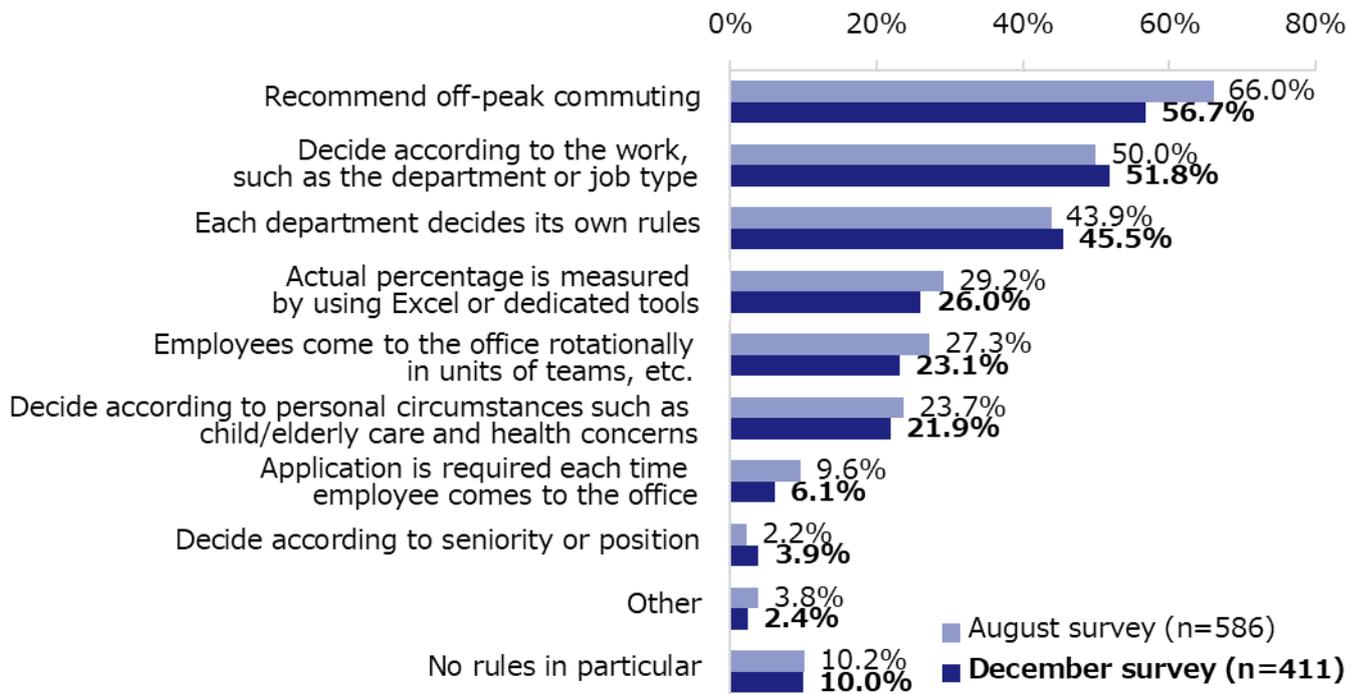


Figure 4: Histogram of Future Intention of Percentage of Employees Coming to the Office (n=411)



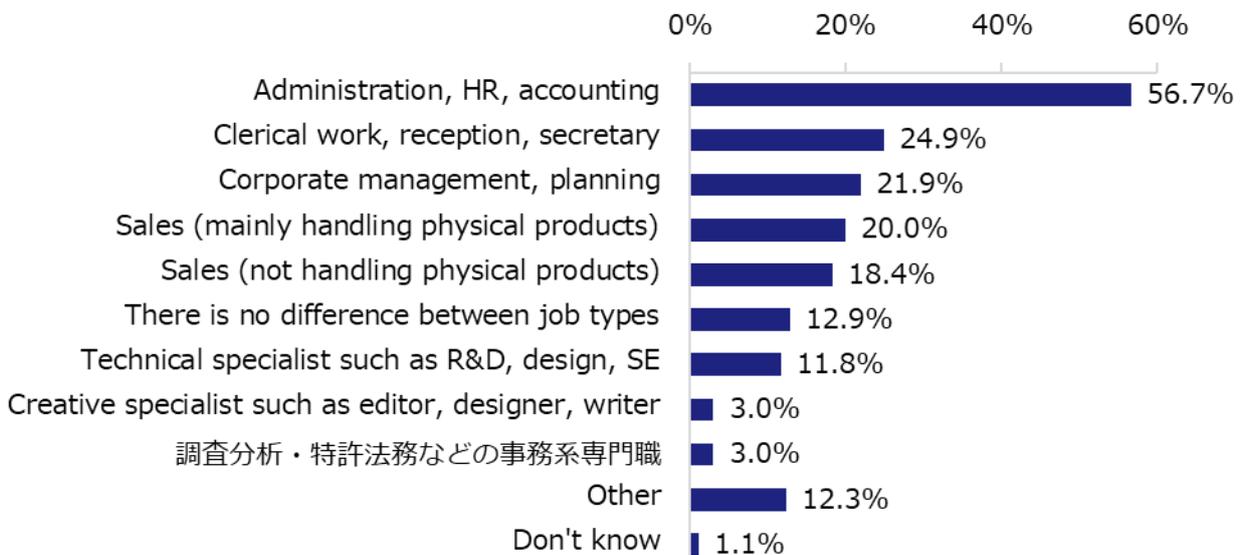
As for rules for coming to the office, although the most popular rule was “Recommend off-peak commuting” (56.7%), the percentage had dropped by nearly 10 points from the August survey (Figure 5). This was followed by “Decide according to the work, such as the department or job type” (51.8%) and “Each department decides its own rules” (45.5%), indicating that many companies are flexible in their rules.

Figure 5: Rules on Employees Coming to the Office (Multiple Answer)



Under such circumstances, we asked companies the job type with a relatively high percentage of employees coming to the office (less telework). “Administration, HR, accounting” was the top job type by a considerable margin (56.7%), followed by “Clerical work, reception, secretary” (24.9%) and “Corporate management, planning” (21.9%) (Figure 6). There are differences in the percentage depending on the job type.

Figure 6: Job Types with a High Percentage of Employees Coming to the Office (Multiple Answer; n=365) *Excludes companies with 100% of employees coming to the office

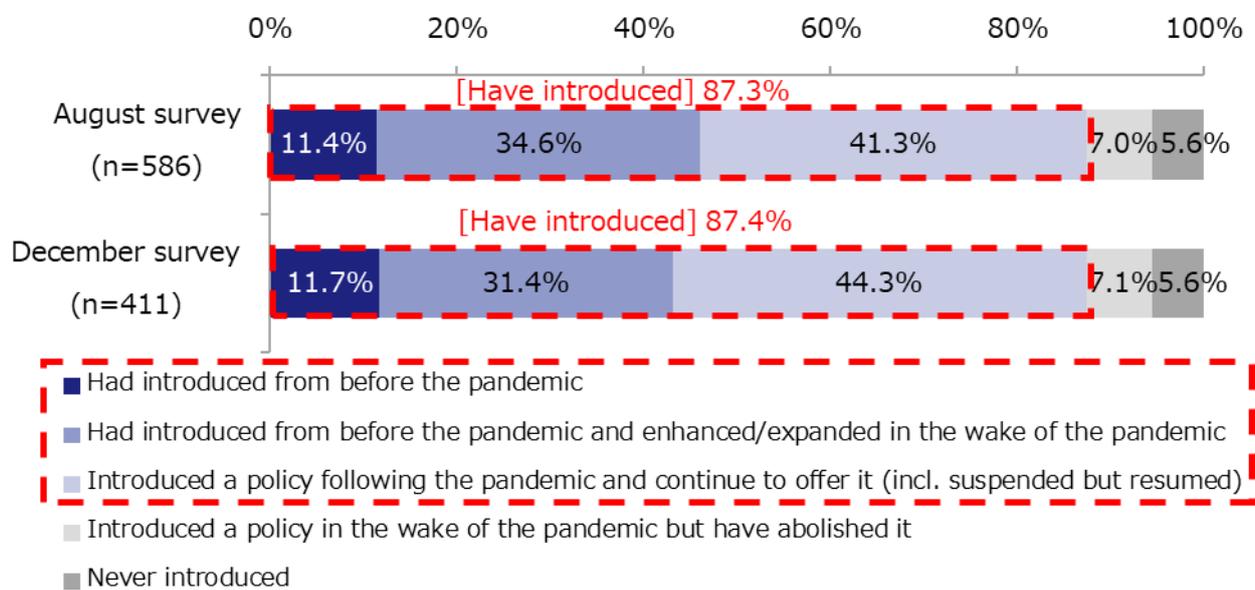


2. Implementation of Telework

1. Working from home

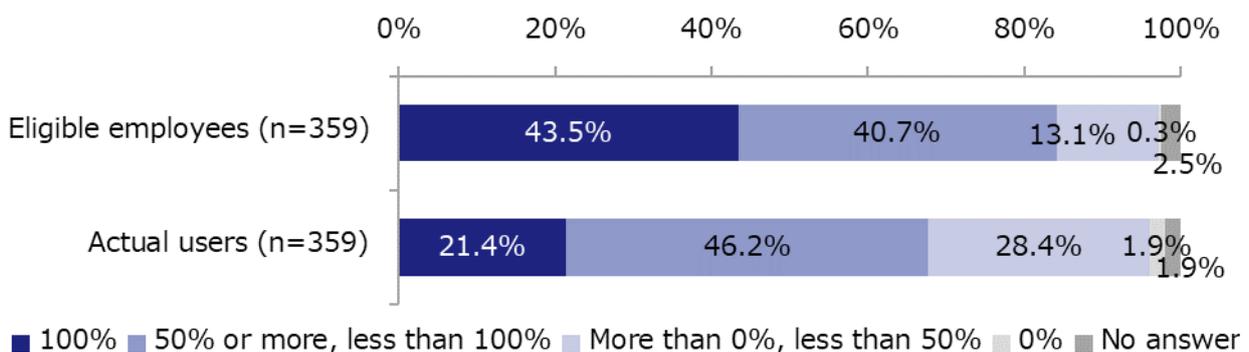
As for companies' work-from-home situation, nearly 90% of the companies continued a work-from-home policy to this day (sum of "Had introduced from before the pandemic" (11.7%), "Had introduced from before the pandemic and enhanced/expanded in the wake of the pandemic" (31.4%) and "Introduced a policy following the pandemic and continue to offer it (including suspended but resumed)" (44.3%)) (**Figure 7**). There was no large difference from the August survey, which suggests that working from home continues to be implemented. When we asked companies that had introduced a work-from-home policy in the wake of the pandemic but have abolished it (7.1%) why they did so, the reasons included "a drop in work efficiency," "a decline in productivity" and "difficulty in work management."

Figure 7: Situation of Work-From-Home Policy



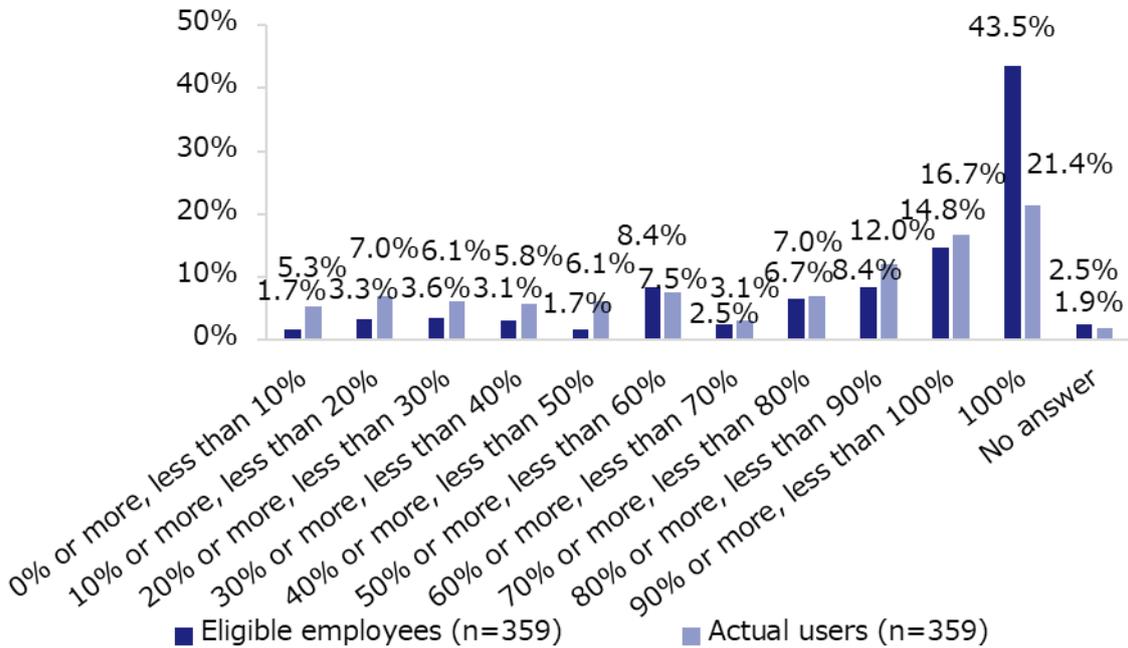
We asked companies that introduced a work-from-home policy the percentages of employees eligible for the policy and those actually using the policy, and grouped the replies into "100%," "50% or more, less than 100%," "More than 0%, less than 50%" and "0%" (**Figure 8**). As for the percentage of eligible employees, more than 40% of the companies replied "100%" (43.5%). Together with "50% or more, less than 100%" (40.7%), as much as 80% of all companies allowed 50% of their employees or more to work from home. As for users of the policy, nearly 70% of the companies replied that 50% of their employees or more used the policy (sum of "100%" (21.4%) and "50% or more, less than 100%" (46.2%)), indicating that not only is a policy in place but is actually used.

Figure 8: Percentages of Employees Eligible for and Using Work-From-Home Policy



In increments of 10%, "100%" was the top reply for both eligible and user employees (Figure 9).

Figure 9: Percentages of Employees Eligible for and Using Work-From-Home Policy (Histogram)



2. Satellite office

As for satellite offices,^{*3} around 40% of all companies had introduced such offices (sum of "Had introduced from before the pandemic" (22.9%), "Had introduced from before the pandemic and enhanced/expanded them in the wake of the pandemic" (6.6%) and "Introduced following the pandemic and continue to offer them (incl. suspended but resumed)" (12.2%)) (Figure 10).

*3 Satellite office: A collective term for workplaces established for telework, apart from the main office or the home.

There are those that are provided by specialized service operators and those that are provided by the company.

Figure 10: Introduction of a Satellite Office

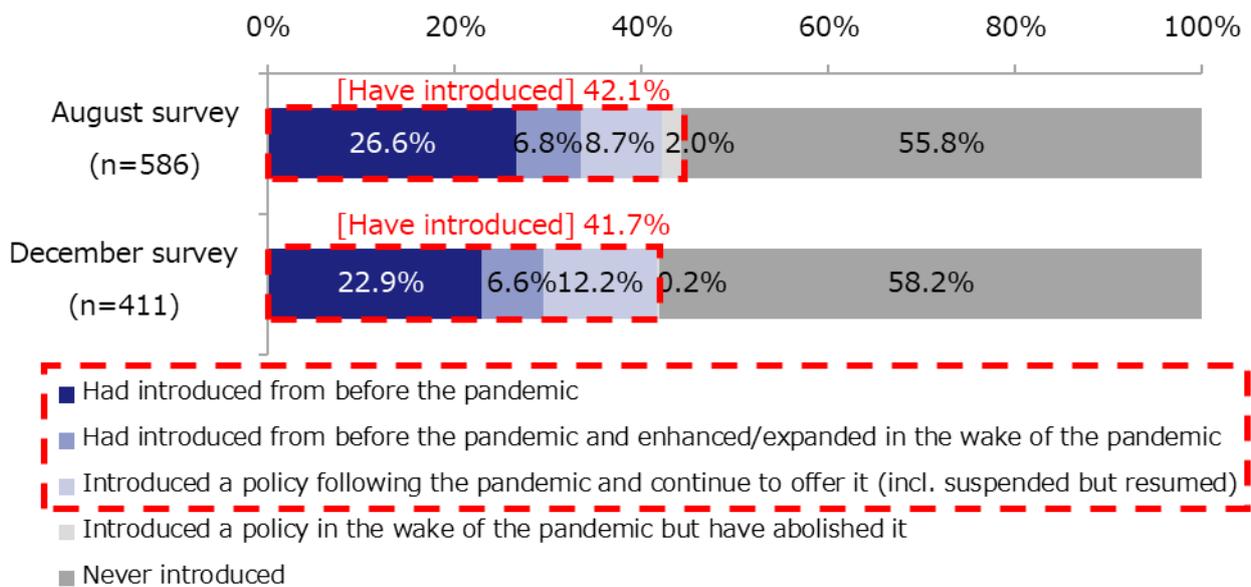
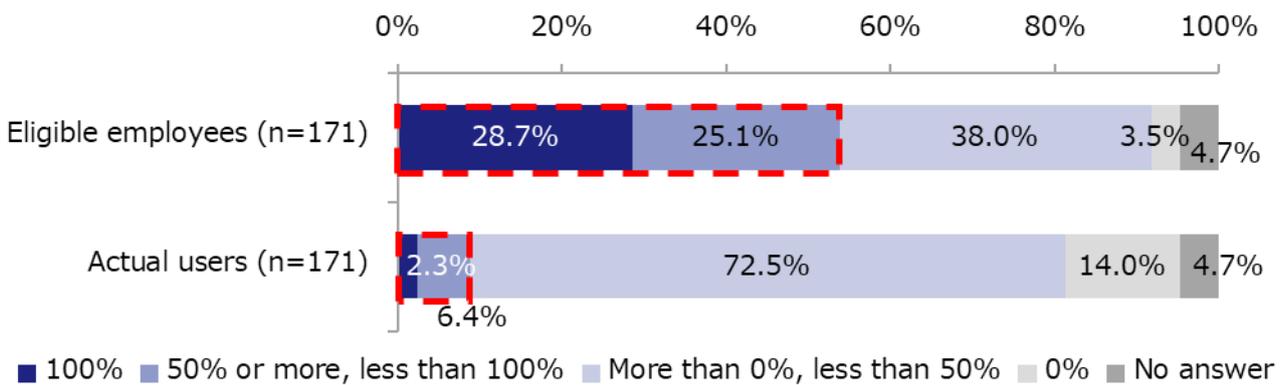


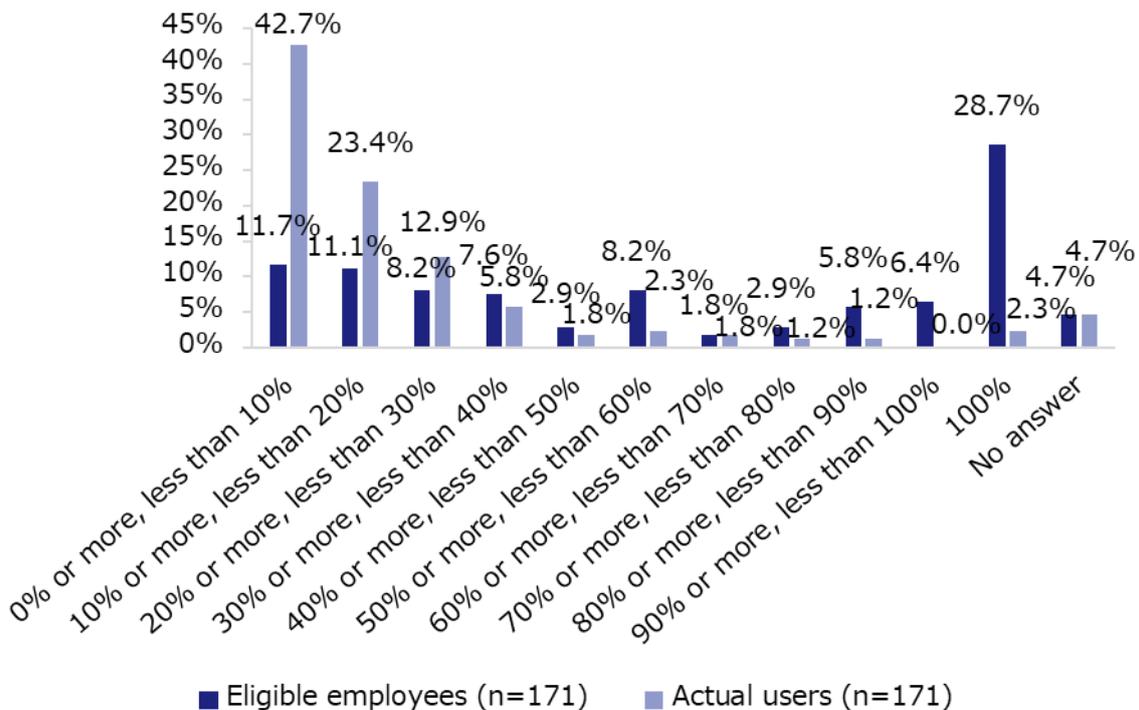
Figure 11 shows the percentages of employees at companies that have introduced a satellite office who are eligible for using the satellite office and those who are actually using it. Around half of the companies replied that 50% of their employees or more were eligible for using the satellite office (sum of “100%” (28.7%) and “More than 50%, less than 100%” (25.1%)). Meanwhile, only 8.7% of the companies replied that 50% of their employees or more used a satellite office (sum of “100%” (23%) and “More than 50%, less than 100%” (6.4%)), which indicate a gap between the percentage of eligible employees. The reasons for this might be that, since satellite offices are often provided as one of several workplace options, the number of desks is fewer than the number of eligible employees or that more employees choose to work from home during the COVID-19 pandemic instead of from a satellite office where they would come into contact with many people.

Figure 11: Percentages of Employees Eligible for and Using a Satellite Office



In increments of 10%, “100%” was the top reply for eligible users (28.7%), while “More than 0%, less than 10%” was the most popular percentage for the actual users (42.7%) (**Figure 12**).

Figure 12: Percentages of Employees Eligible for and Using a Satellite Office (Histogram)



3. Work Styles and Operation of the Workplace

As for companies' initiatives concerning their employees' current work styles and the workplace, the most popular initiative was "Enforce thorough infection-control measures such as ventilation and disinfection" (68.9%), followed by "Recommend off-peak commuting" (67.6%) and "Enhance internet network and provision of IT devices assuming telework" (55.7%) (Figure 13).

While the percentage of "Recommend off-peak commuting" (67.6%) and "Ensure social distancing in the office (distance between desks, limiting number of users of meeting rooms, etc.)" (45.0%) decreased from the August survey, the percentage of initiatives related to company systems such as "Abolish or change rules of commuting allowance" (42.3%) and "Subsidize work-from-home costs (utility costs, purchase of supplies, etc.) or provide allowance" (33.3%) had increased.

Figure 13: Initiatives in Work Styles and the Workplace (Multiple Answer)



Furthermore, we asked companies that replied in **Figure 13** that they were either considering expanding the office space (increase in floor space, relocation, opening sub-office, etc.) (4.1%) or considering downsizing the office space (decrease in floor space, relocation, cancelling sub-office, etc.) (21.4%) about their reason and purpose (**Figure 14, 15**). The top reason or purpose for considering expanding was "To ensure social distancing" (70.6%), followed by "Lack of meeting rooms" (47.1%) and "In response to headcount increase" (29.4%). The top reason or purpose for considering downsizing was "Less space required due to telework" (89.8%), which was chosen by around 90% of all companies. This was followed by "To reduce office costs" (71.6%) and "To review office layout (improve office space efficiency)" (50.0%).

Figure 14: Reason or Purpose for Expanding Office Space (Multiple Answer)

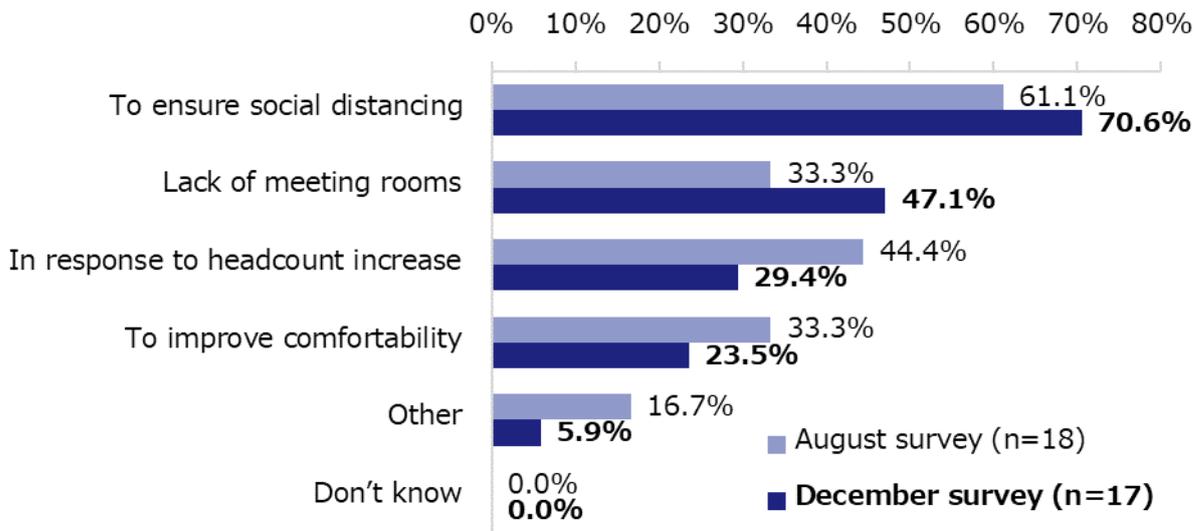


Figure 15: Reason or Purpose for Downsizing Office Space (Multiple Answer)

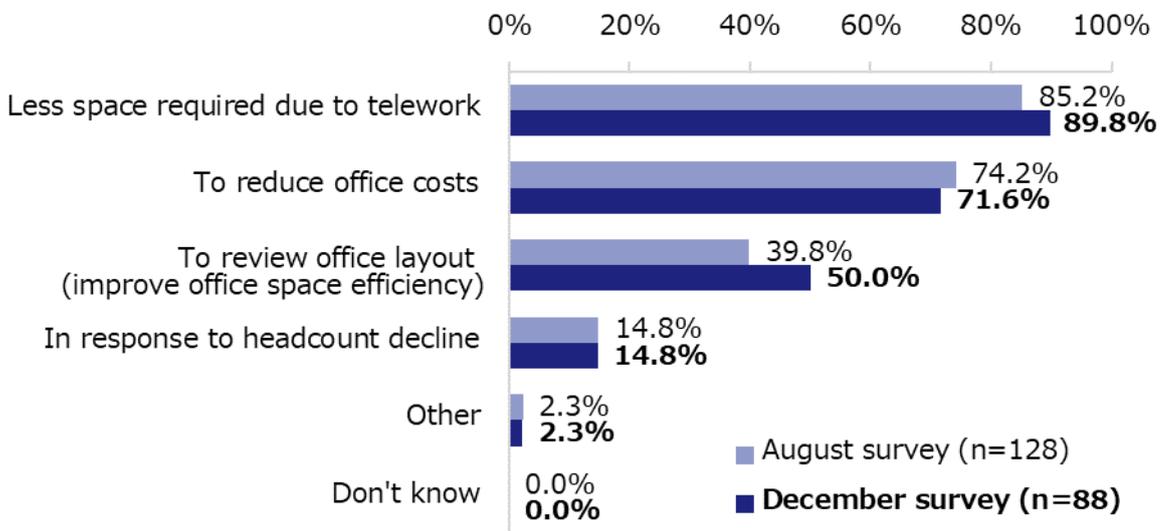
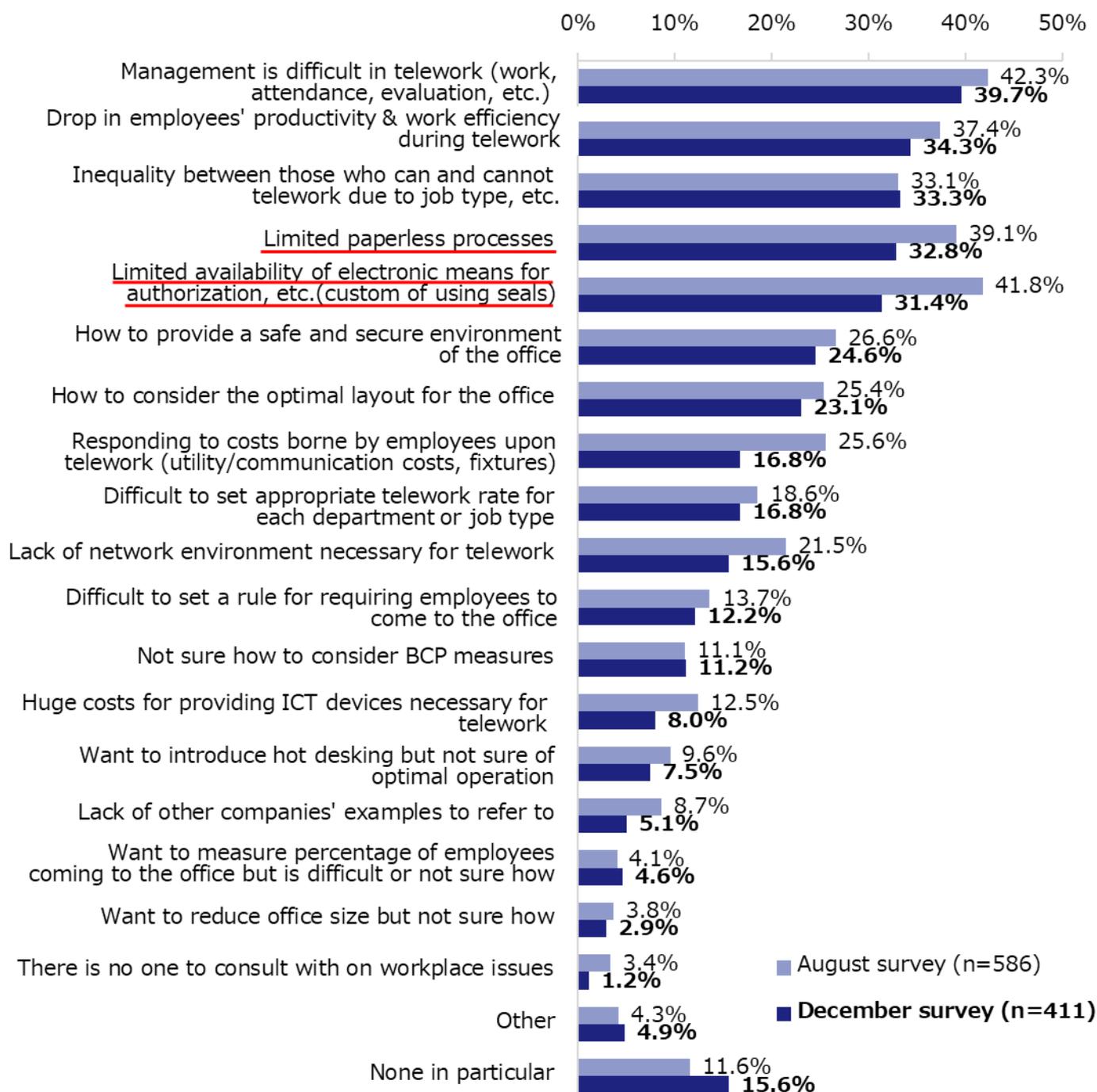


Figure 16 shows companies' issues and problems in workplace operation. The top issue was "Management is difficult in telework (work, attendance, evaluation, etc.)" (39.7%), followed by "Drop in employees' productivity & work efficiency during telework" (34.3%) and "Inequality between those who can and cannot telework due to job type, etc." (33.3%). "Limited paperless processes" (32.8%) and "Limited availability of electronic means for authorization, etc. (custom of using seals)" (31.4%), which ranked higher in the previous survey, both saw a significant drop in the percentage.

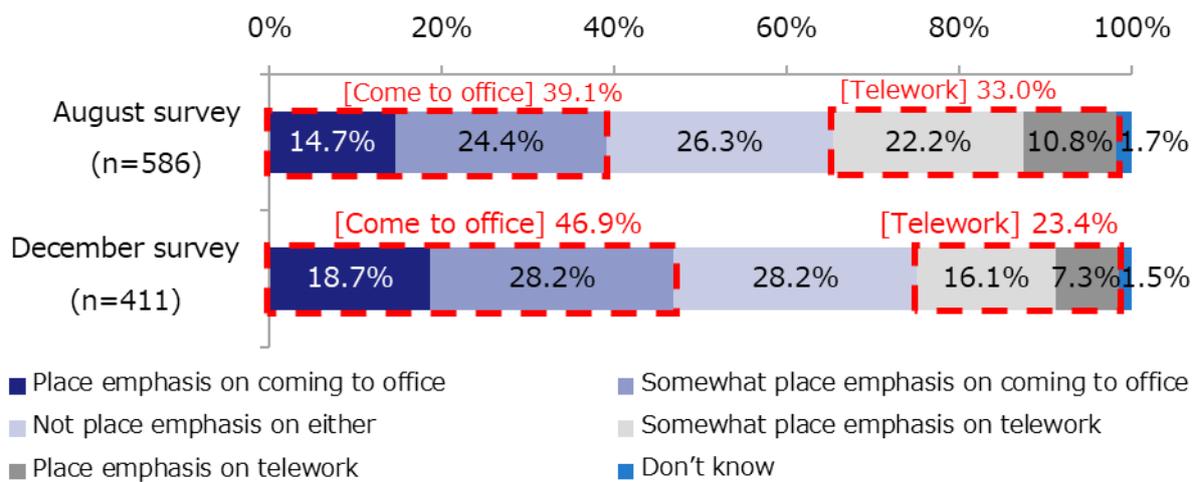
Figure 16: Issues and Problems in Operating the Workplace (Multiple Answer)



4. Post-Corona Work Styles

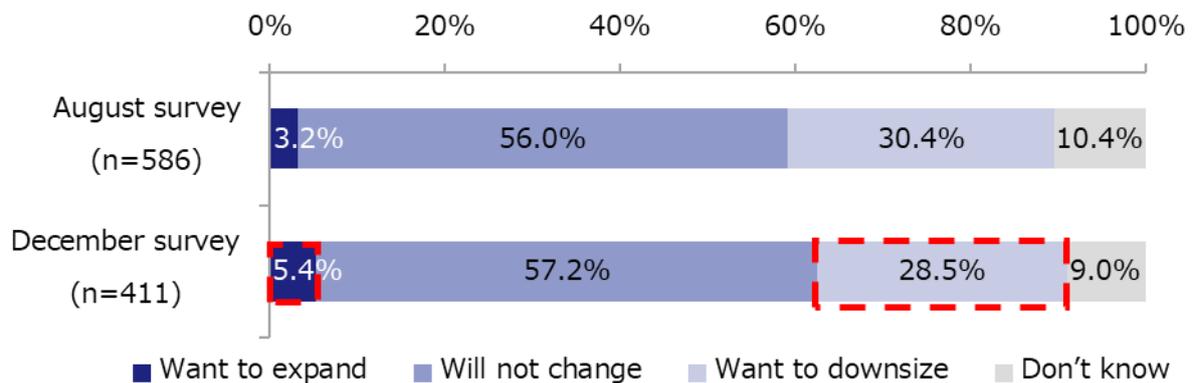
We asked the companies which work style—coming to the office or telework—they will place emphasis on after the pandemic has subsided. Companies that will place emphasis on coming to the office (46.9%: sum of “Place emphasis on coming to the office” and “Somewhat place emphasis on coming to the office”) significantly outnumbered companies that will place emphasis on telework 23.4%: sum of “Place emphasis on telework” and “Somewhat place emphasis on telework”) (**Figure 17**). Compared to the August survey, companies that will place emphasis on coming to the office increased by 7.8 percentage points, while those that will place emphasis on telework decreased by 9.6 points.

Figure 17: Degree of Emphasis on Coming to the Office or Telework after the Pandemic



As for companies’ intentions on post-corona office sizes, companies that wished to downsize (28.5%) significantly outweighed those that wished to expand (5.4%) (**Figure 18**).

Figure 18: Intentions on Post-Corona Office Size



Lastly, we asked the companies about their intentions toward work styles and the workplace for after the pandemic (**Figure 19**). The top reply was “Use both the main office and telework” (55.0%), followed by “Promote working from home and reduce the number of employees coming to the office” (27.7%) and “Redesign the office to a flexible layout (hot desking, etc.)” (25.5%). While “Promote working from home and reduce the number of employees coming to the office” (27.7%) and “Change the system to increase those eligible for and the frequency of telework” (8.0%) decreased from the August survey, “Come to the office as a rule and limit telework to emergency use” (21.4%) has increased, which indicate that more companies intend to return to a work style where employees come to the office to work after the pandemic.

Figure 19: Intentions toward Post-Corona Work Styles and the Workplace (Multiple Answer)



5. Conclusion

Since spring 2020, companies have been taking various measures to prevent the spread of the COVID-19, such as restricting employees from coming to the office and introducing telework or off-peak commuting. This has resulted in an acceleration of work style reforms, which had been a gradual process.

Following on from the August survey, this survey revealed companies' work styles and issues under the corona crisis and their intentions for after the pandemic, as of December 2020. Compared to the August survey, the December survey showed signs of companies intending to return to their previous work styles, as the percentage of employees coming to the office increased as did the percentage of companies that replied they would place more emphasis on coming to the office after the pandemic. We estimate that not a few companies will reassess the value of a place for congregating as they experience telework and consider their employees' work styles and the operation of their workplace going forward, in view of the advantages and disadvantages of telework based on their experience. On the other hand, the rate of introduction of a work-from-home policy or a satellite office did not see a significant difference from the August survey, which indicates that a majority of the companies still intend to "use both the main office and telework" in the future.

Furthermore, the second declaration of a state of emergency for Tokyo and its three surrounding prefectures on January 7, 2021 and the government's request for companies to reduce the percentage of employees coming to the office by 70% may lead to a further acceleration of the introduction of telework. However, as the situation is rapidly changing, we must continue to keep a close eye on how work styles and the workplace will change going forward.

Xymax REI intends to continue publishing survey results that are beneficial to the market.

Survey Overview

Survey period	December 9 – 21, 2020
Target respondents	41,758 companies in total that include: <ul style="list-style-type: none"> • Client companies of XYMAX INFONISTA Corporation • ZXY member companies
No. of valid responses	411 companies; response rate: 1.0%
Geographical coverage	Greater Tokyo (Tokyo, Kanagawa, Saitama and Chiba Prefectures)
Survey method	By email
Topics covered in the survey	<p>Status of office use</p> <ul style="list-style-type: none"> • Existence of restrictions on employees from coming to the office • Percentage of employees coming to the office (current target, reality, future intention) • Rules for coming to the office, job types that require employees to come to the office <p>Status of use of telework</p> <ul style="list-style-type: none"> • Status of work-from-home • Employees eligible for the work-from-home policy and actual users of the policy • Status of satellite offices • Employees eligible for and actual users of satellite offices • Specific operation rules <p>Work styles and the operation of the workplace</p> <ul style="list-style-type: none"> • Current initiatives • Reason and purpose of expanding or downsizing the office • Issues and problems in workplace operation <p>Post-corona work styles</p> <ul style="list-style-type: none"> • Degree of emphasis on coming to the office and telework • Intentions toward office size • Intentions toward work styles and the workplace <p>The current office</p> <ul style="list-style-type: none"> • Location, office area under lease contract, number of users <p>Company attribute</p> <ul style="list-style-type: none"> • Sector, number of employees

Attribute of Respondent Companies (Upper row: percentage of total; Lower row: number of companies)

[Sector]

Construction	Manufactur-ing	Electricity, gas, heat, water supply	Telecommu-nications	Transporta-tion & postal service	Wholesale & retail	Finance & insurance	Real estate & lease of goods
8.5%	20.4%	0.7%	14.1%	2.2%	10.2%	4.6%	6.8%
35	84	3	58	9	42	19	28

Academic research, professional or technical service	Daily life services & entertainment	Education & learning support	Medical & welfare	Multi-service business	Service (those not classified as other sectors)	Civil service (excl. those classified as other sectors)	Unclassifiable industries
4.9%	0.5%	0.5%	0.7%	1.9%	19.2%	1.0%	3.6%
20	2	2	3	8	79	4	15

[Number of employees]

Less than 100	100-999	1,000 or more	Unknown
38.0%	31.1%	26.3%	4.6%
156	128	108	19

[Location of office]

Tokyo	Kanagawa Prefecture	Chiba Prefecture	Saitama Prefecture
89.5%	6.6%	2.9%	1.0%
368	27	12	4

[Office area under lease contract in tsubo (1 tsubo = 3.3 sqm)]

Less than 30 tsubo	30 or more and less than 50	50 or more and less than 100	100 or more and less than 200	200 tsubo or more	No answer
7.8%	6.8%	13.6%	12.2%	35.8%	23.8%
32	28	56	50	147	98

The percentage mix in the charts contained in this report is rounded to the first decimal place and therefore may not add up to 100%.

For further inquiries please contact

Xymax Real Estate Institute
<https://soken.xymax.co.jp> | E-MAIL: info-rei@xymax.co.jp