

Changes in Office Workers' Workplace

Satellite offices increasingly adopted by the young

March 15, 2023

Introduction

Office workers' work styles have undergone drastic changes as companies rapidly introduced telework in the wake of the COVID-19 pandemic. Since 2017, Xymax Real Estate Institute ("Xymax REI") has continuously conducted the Greater Tokyo Office Worker Survey,^{*1} an annual survey of office workers working in the Greater Tokyo area. Against this backdrop, we have decided to quantitatively examine the changes in workers' work styles by comparing the data chronologically from before the pandemic to 2022, the most recent year.

In this report, we use the survey data of five years from the 2018 survey, which are sufficient in survey content and valid answers. We aim to offer tips for companies' personnel strategies by chronologically comparing figures related to telework, in particular, to explore the reality of workers' work styles, the impact of telework, and changes in values. We hope this report will provide companies with food for thought in considering what kind of environment they should prepare in order to realize a sustainable work style for both workers and companies.

^{*1} Greater Tokyo Office Worker Survey 2022, released on November 30, 2022
<https://www.xymax.co.jp/english/research/images/pdf/20221130.pdf>

Summary

1. Changes in work styles compared to before the pandemic

- Telework implementation rate rose sharply in 2020 and has remained above 60% in the subsequent three years. The time allocated to telework has similarly increased, averaging 32.1% (around 1.5 days per week) in the latest 2022 survey.
- In terms of the place for telework, the share of satellite offices has been increasing each year, while the share of the home (working from home) has peaked out.
- Dissatisfaction with working from home has not been resolved even after three years since the outbreak of the COVID-19 pandemic. The young especially feel productivity-related challenges, such as "Difficult to concentrate, prone to distraction" and "Prone to long work hours."

2. Satellite office utilization rate by attribute

- The utilization rate of satellite offices is showing remarkable growth among young people in their 20s and 30s and among the rank-and-file class. By job category, the growth is notable among technical specialists and corporate planning, while by sector of employer, growth is notable in information & communications and manufacturing.
- While working from home currently accounts for most of the telework time, when we focus on those who have actually used a satellite office between 2020 and 2022, 18.2% (a little less than 1 day per week) of their time on average was spent working in a satellite office.

3. Benefits of using satellite offices

- In terms of values regarding where to work, the percentage of "[B] Prefer to choose where to work

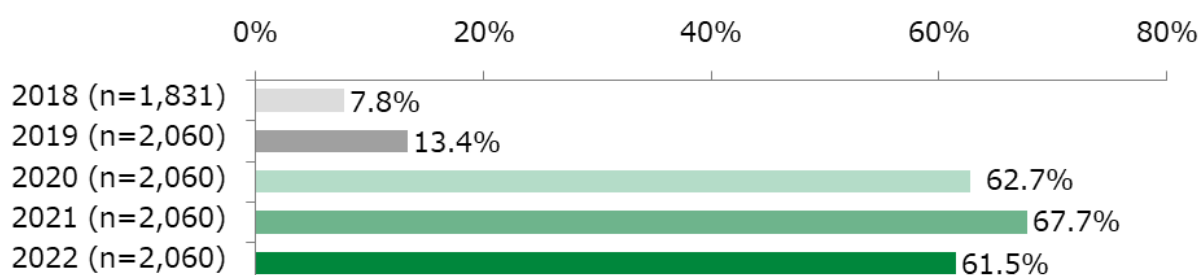
each time" rose among all generations in 2020. Among the 30s and 40s, the percentage exceeded that of "[A] Prefer to commute to a fixed office." Subsequently in 2022, the percentage of [B] exceeded that of [A] among the 20s and 30s. The percentage of [B] has been increasing each year among the 30s, in particular.

- Compared to non-users of satellite offices, satellite office users rate productivity-related benefits of teleworking, such as "Better work results" and "Can come up with good ideas," more highly.
- Satellite office users feel the effect of being able to choose where to work as the reason for their heightened performance due to telework. Meanwhile, many of the reasons for a drop in performance were communication related. There was no gap between satellite office users and non-users in this regard. In other words, the issue of communication in telework remains difficult to solve even when using satellite offices.

1. Changes in work styles compared to before the pandemic

The percentage of those who telework (telework implementation rate) rose sharply in the wake of the COVID-19 pandemic in 2020 and has remained above 60% until the latest survey (**Figure 1**).

Figure 1: Telework Implementation Rate (2018–2022)

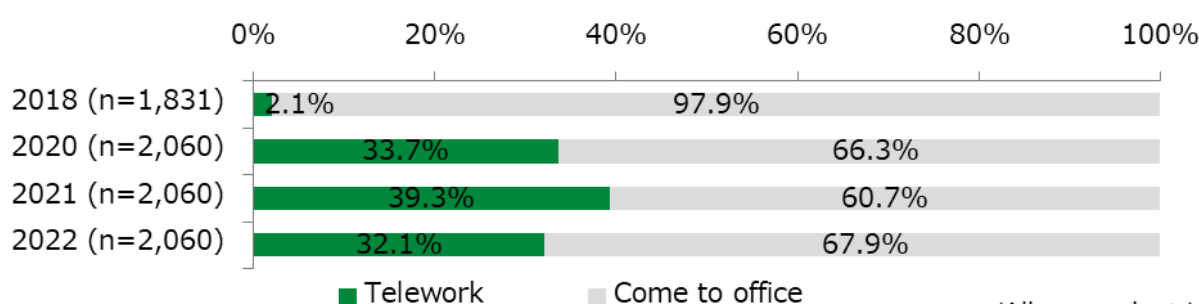


Telework implementation rate: The rate of working from one or more of the following: home, a satellite office, or other places (e.g., cafe). However, the 2019 survey does not include "other places (e.g., cafe)," since the choice did not exist in the survey. There are slight differences in the questions and wording depending on the survey year.

(All respondents)

In terms of time allocation, the share of telework has increased sharply since 2020 to an average of 30%–40% of total working hours (**Figure 2**). This suggests that telework is taking root as a work style option due to the pandemic. Note that in the 2021 survey, the telework implementation rate and its time allocation were likely affected by the third state of emergency (April 25 to September 30), which coincided with the survey period (September 10 to 12).

Figure 2: Time Allocated to Telework (2018–2022)



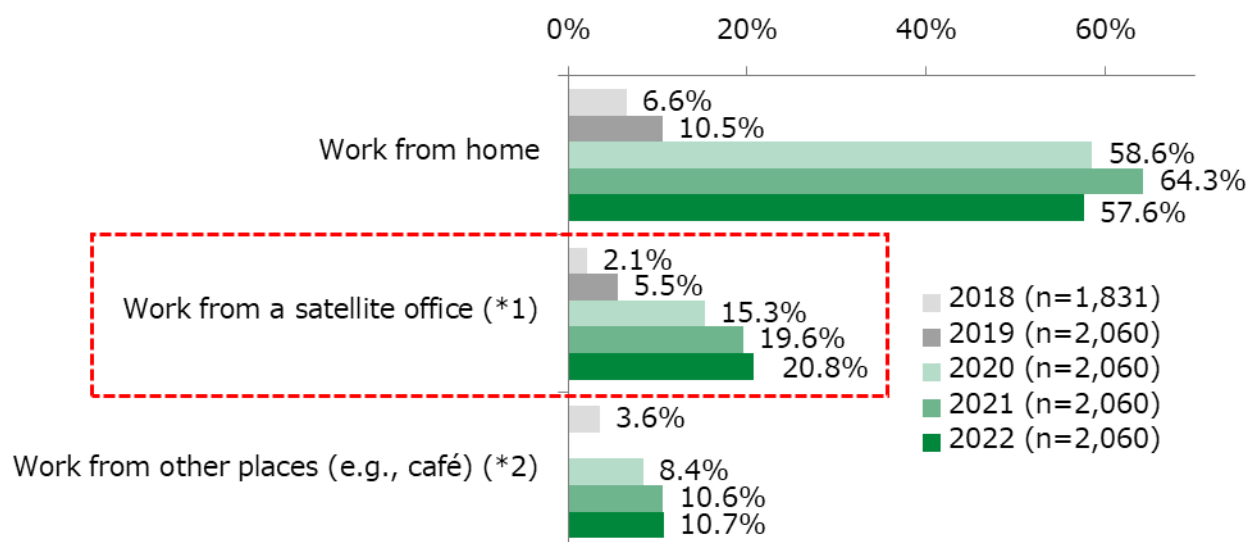
■ Telework ■ Come to office

(All respondents)

There is no chart for the 2019 survey since it did not include this question.

Figure 3 shows the implementation rate of each style of telework. It indicates that, while working from home (WFH) had been leading the telework implementation rate, the growth slowed in the latest 2022 survey and may have peaked out. Meanwhile, the utilization rate of satellite offices has continued to rise and is now almost 10 times the rate in the 2018 survey.

Figure 3: Implementation Rate of Initiatives on the Place for Telework (2018–2022)



*1 Satellite office: A collective term for workplaces provided for telework apart from the main office or the home. The result for 2018 is the sum of "A private facility (serviced office, etc. paid for at own expense)" and "Facility exclusive to the company (e.g., own satellite office or private facility contracted by the company)." The results for 2019, 2021 and 2022 are the sum of "Satellite office, etc. owned or rented by the employer" and "Serviced office or shared office, etc. provided by a specialized operator."

*2 No chart for the year that did not include this answer choice.

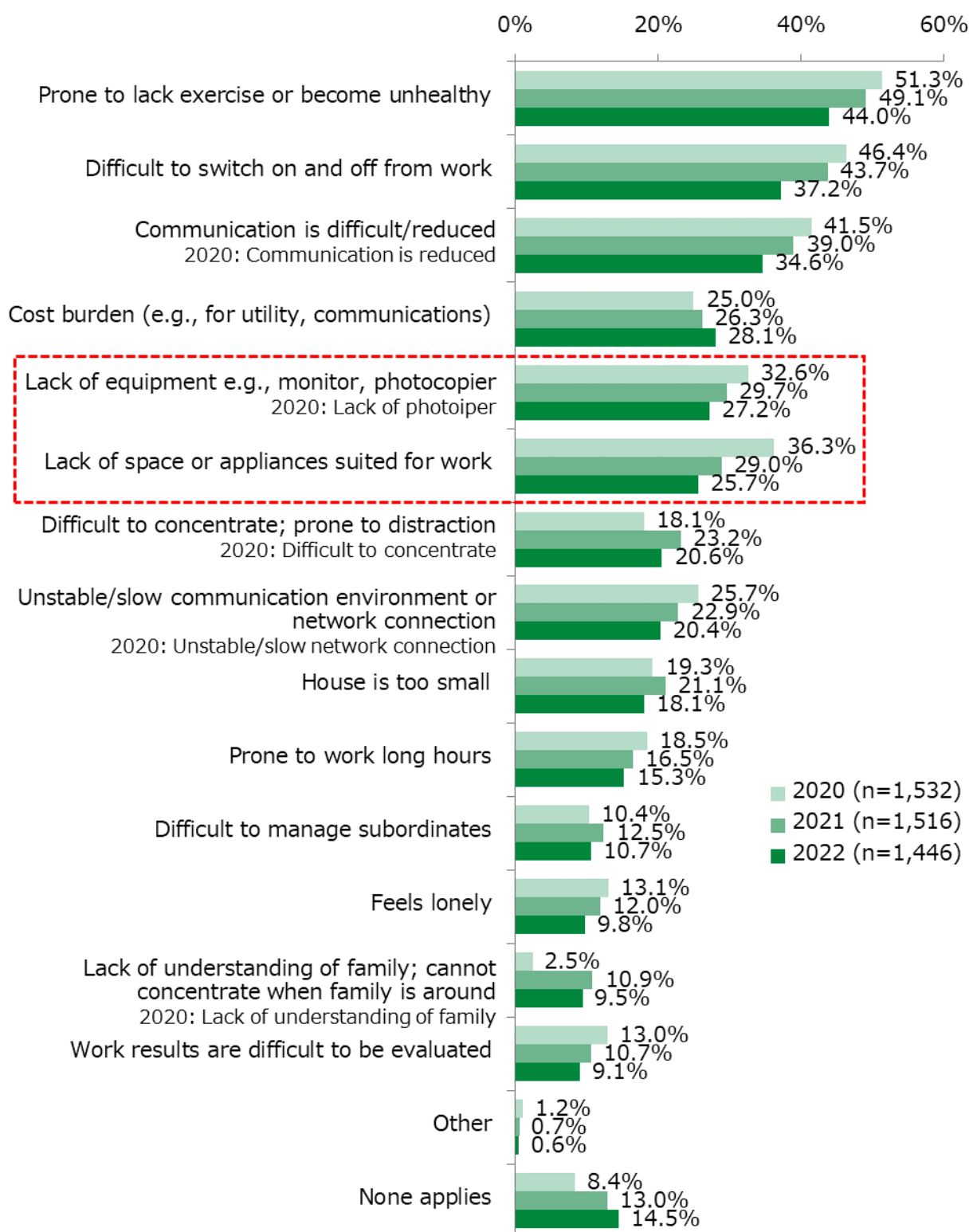
(All respondents; MA)

Possible backgrounds to the sluggish growth of WFH implementation rates include the failure to solve issues in WFH, which has been pointed out since the initial stages of the pandemic.

In three surveys (2020, 2021 and 2022) of this survey series, we asked respondents their dissatisfaction with WFH, the result of which is shown in **Figure 4**. When we examine the trends over time, we find that dissatisfactions in terms of the work environment, including "Lack of equipment such as monitors and photocopiers" and "Lack of space or appliances suited for work," were being resolved over the past three years. On the other hand, dissatisfactions such as "Prone to lack exercise or become unhealthy" and "Difficult to switch on and off from work" still ranked high in the latest 2022 survey, which suggests that these issues are hard to solve even if workers become accustomed to working from home.

According to the 2022 survey, WFH accounts for more than 90% of the current total telework hours,*¹ indicating that WFH has become almost synonymous with telework. If telework continues to take root, it may be necessary to provide workplace options other than the home, which still poses some issues, in order to guarantee workers' productivity and well-being.

Figure 4: Dissatisfaction with Working from Home (2020–2022)



(Workers with work-from-home experience; MA)

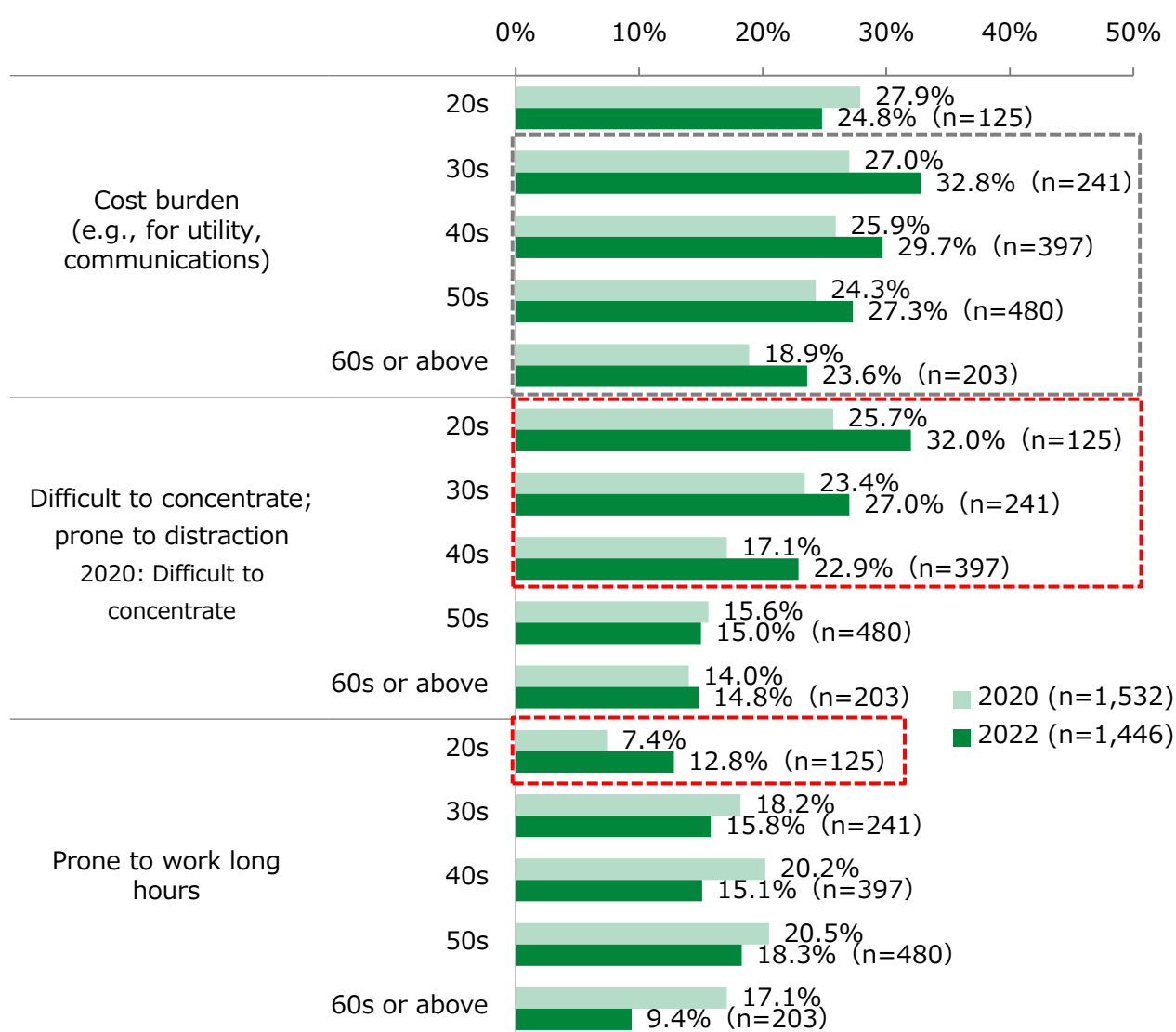
The different wording for answer choices in the 2020 survey is indicated within the chart.

In **Figure 5** we compared the dissatisfactions with WFH in 2020 and 2022 by age group and extracted three dissatisfactions that showed different characteristics by age group.

We found that “Difficult to concentrate; prone to distraction” was gaining popularity as a dissatisfaction among the relatively young age groups (20s, 30s, 40s) and that “Prone to work long hours” was becoming more common among the 20s. Continued work-from-home by the young may have a negative effect in the long run in terms of productivity and well-being.

On the other hand, “Cost burden (e.g., for utility, communications)” rose in popularity among all age groups except for the 20s. Young adults, who have less working experience, may tend to feel challenges in their own work performance, while the older age groups may tend to have frustration in external factors such as their company’s support.

Figure 5: Dissatisfaction with Working from Home – By Age Group (2020, 2022)



(Workers with work-from-home experience; MA; excerpt of choices)
The different wording for answer choices in the 2020 survey is indicated within the chart.

2. Satellite office utilization rate by attribute

As shown in **Figure 3**, the utilization rate of satellite offices has been rising each year. Here we examine the attributes of workers among whom the use of satellite offices has been spreading.

By age group, there was no significant difference in the use of satellite offices until 2020, but the use rose among the 40s and 50s in 2021 before growing sharply among the 20s and 30s in 2022 (**Figure 6**). By job position, the utilization rate among officers and managers grew ahead of others until 2021, but in 2022 the rate rose among full-time and non-full-time employees (**Figure 7**). These results suggest that the officer and manager class and those in their 40s or above used satellite offices ahead of other groups in the initial stages of the pandemic, after which, since around 2022, the use has been spreading to the young and the rank-and-file class.

Figure 6: Satellite Office Utilization Rate – By Age Group (2018–2022)

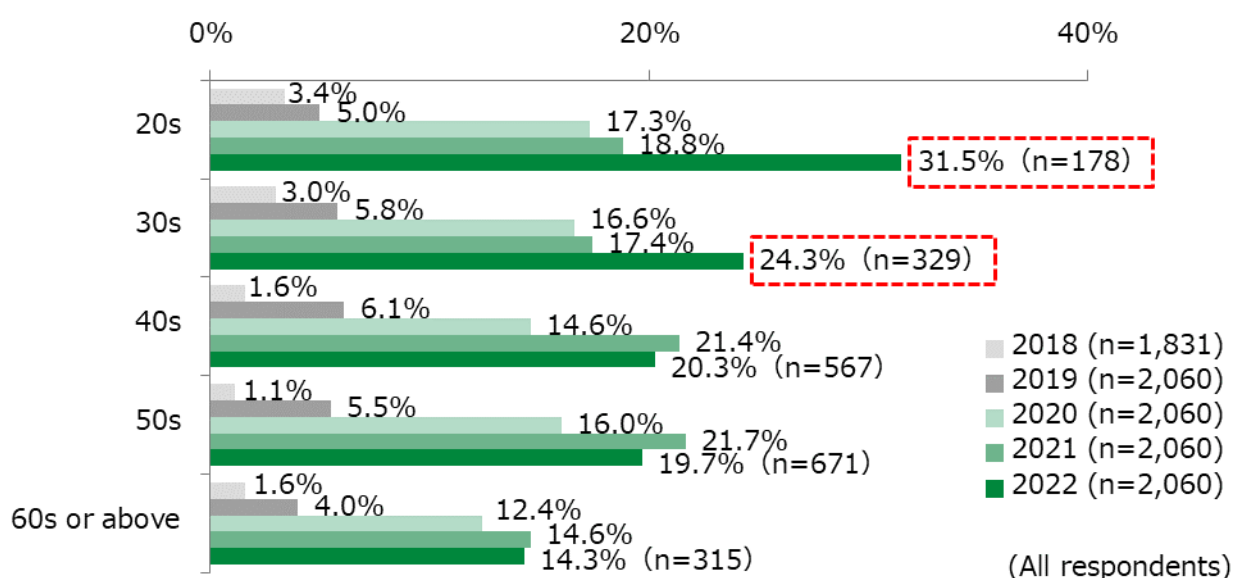
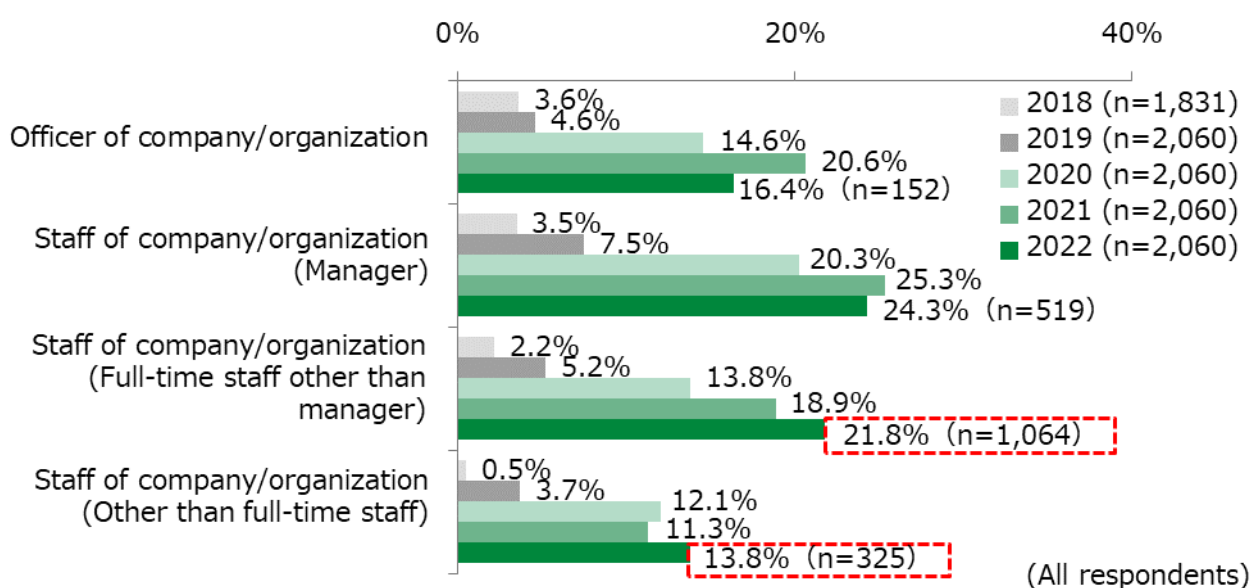
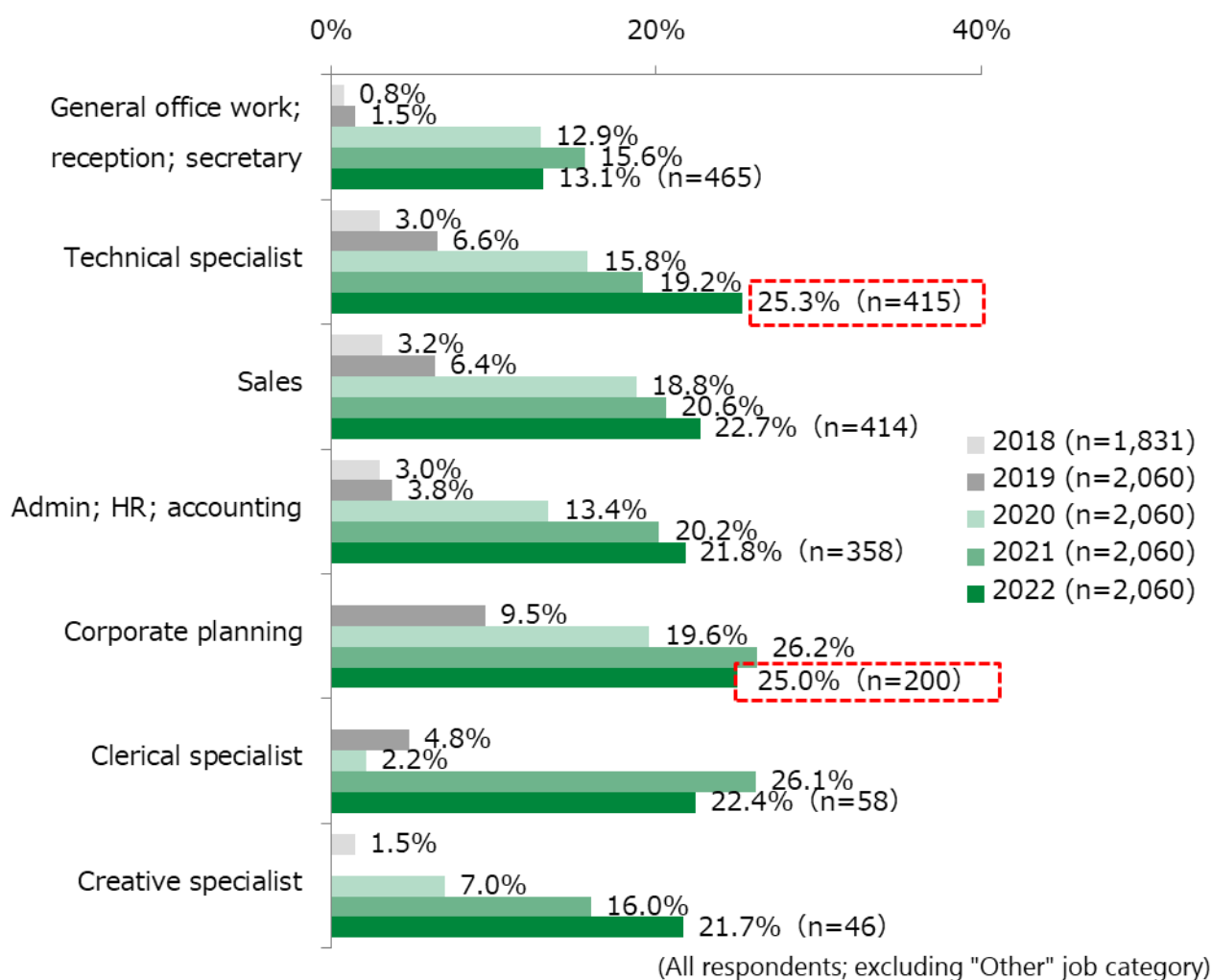


Figure 7: Satellite Office Utilization Rate – By Job Position (2018–2022)



In terms of job category, all categories show a growth in the utilization rate compared to before the pandemic, with the rate reaching the 20% level in all job categories except for "General office work; reception; secretary" (13.1%) (**Figure 8**). The rate is especially high among "Technical specialist" (25.3%) and "Corporate planning" (25.0%). The rise among technical specialists, whose work efficiency is affected by their equipment environment, might be related to the fact that satellite offices' facilities are being put in place.

Figure 8: Satellite Office Utilization Rate – By Job Category (2018–2022)



In terms of gender, while the utilization rate among men is higher than women in all of the survey years, the rate grew among women in 2022, bringing it almost equivalent to that of men (**Figure 9**). In terms of whether the respondents have children or not, the utilization rate among those without children rose in 2022 to roughly the same level as those with children (**Figure 10**). This is likely related to the trend described earlier of a rise in use among those in their 40s or above and the officer and manager class ahead of other groups, followed by the spread of use among the young and the rank-and-file class in 2022.

Figure 9: Satellite Office Utilization Rate – By Gender (2018–2022)

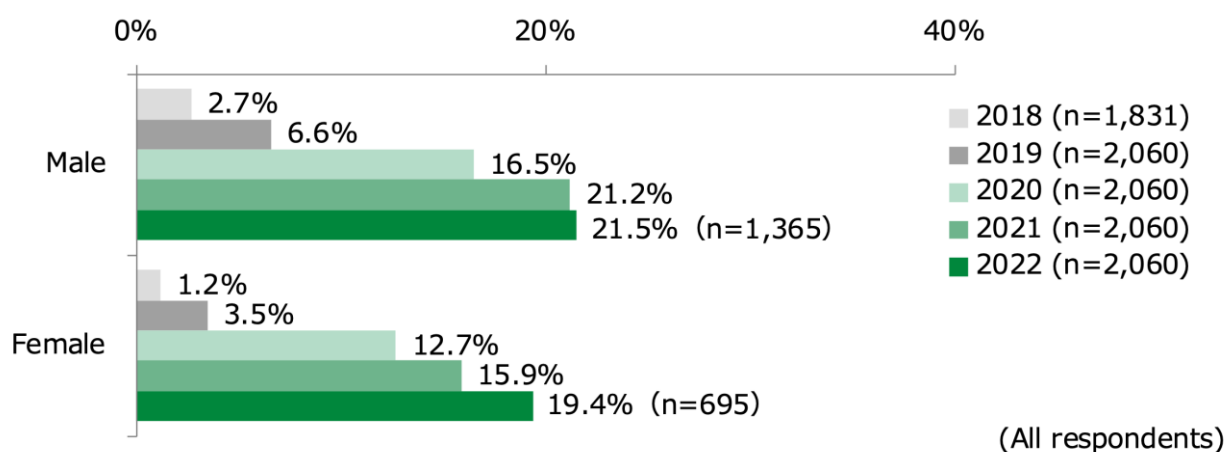
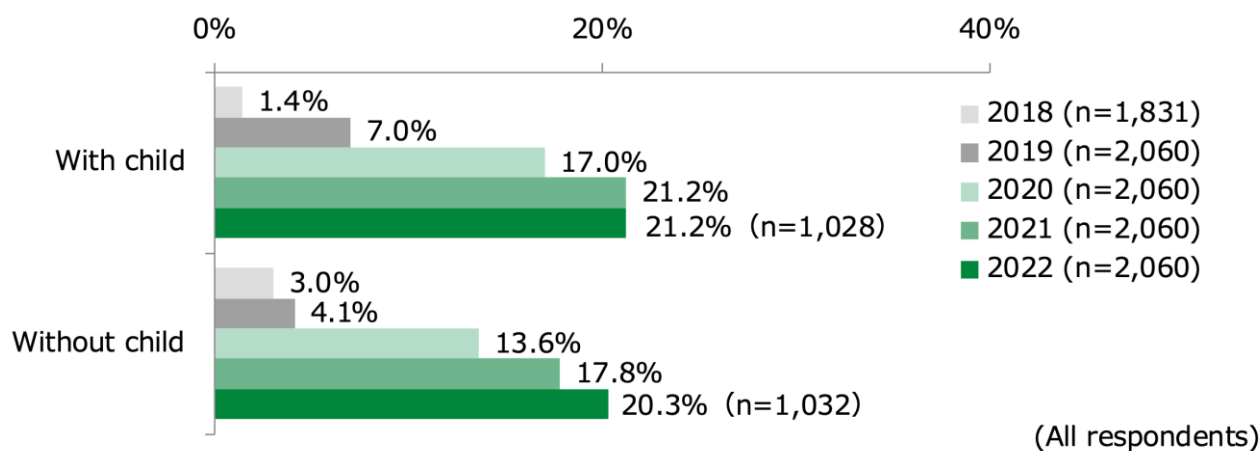


Figure 10: Satellite Office Utilization Rate – By Existence of Children (2018–2022)



In terms of the number of employees of the employer, while the utilization rate is higher among large companies in all of the survey years, the rate has been rising steadily among medium-sized companies with 100–999 employees (**Figure 11**). By sector, the utilization rate and growth rate are high among the manufacturing and information & communications sectors (**Figure 12**).

Figure 11: Satellite Office Utilization Rate – By Number of Employees of Employer (2018–2022)

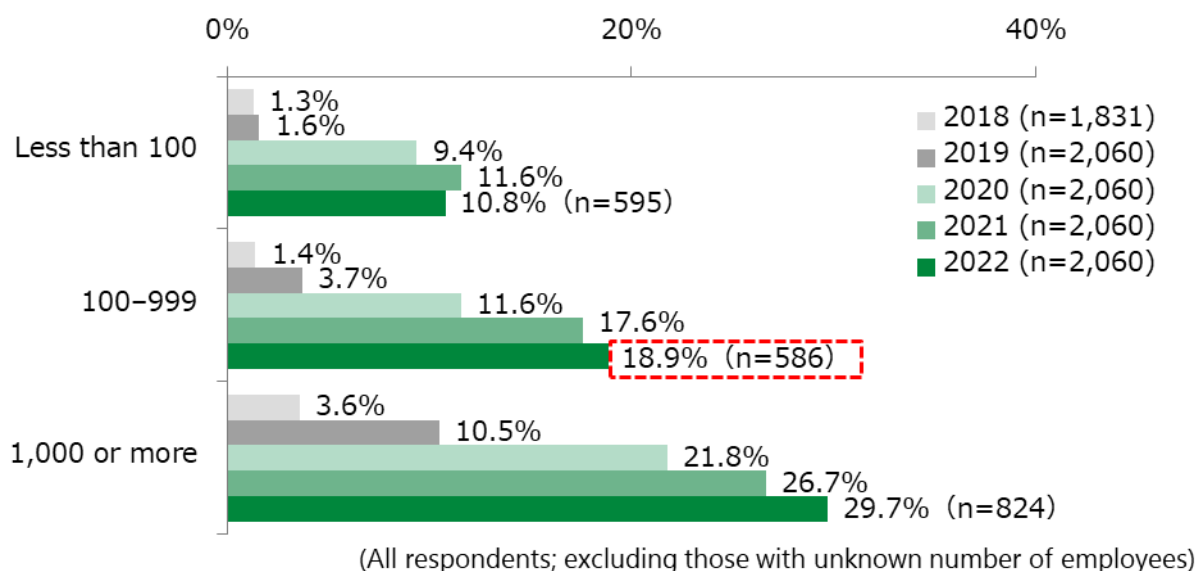
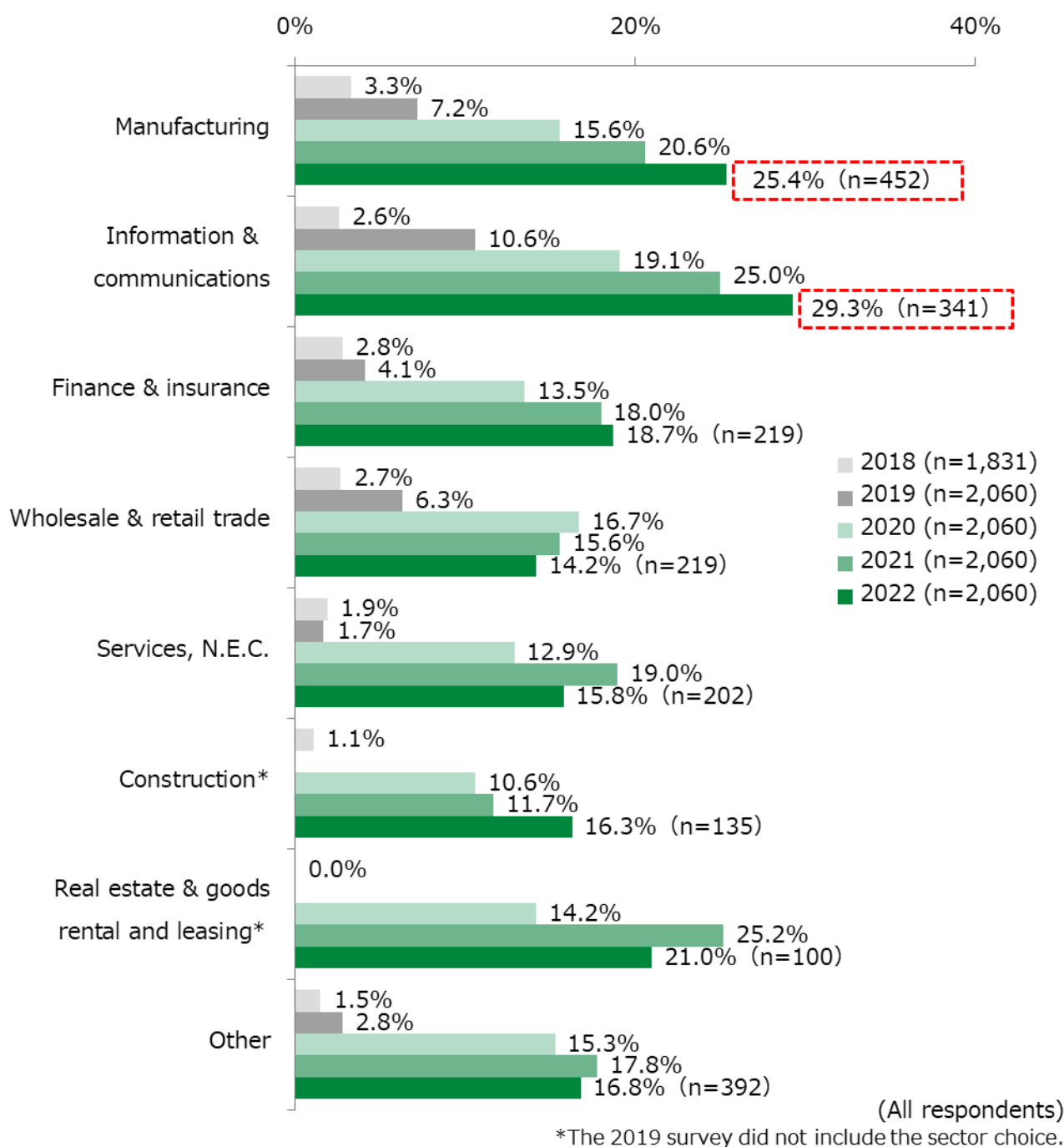


Figure 12: Satellite Office Utilization Rate – By Sector of Employer (2018–2022)



<PICK UP> Utilization (time-based) by satellite office users

Thus far we have examined the characteristics of satellite office users. However, the aggregation targets of the satellite office utilization rate in this report include those who only use satellite offices occasionally. These users include people who use satellite offices as an emergency measure for when they are on a business trip or when they cannot work from home due to family circumstances.

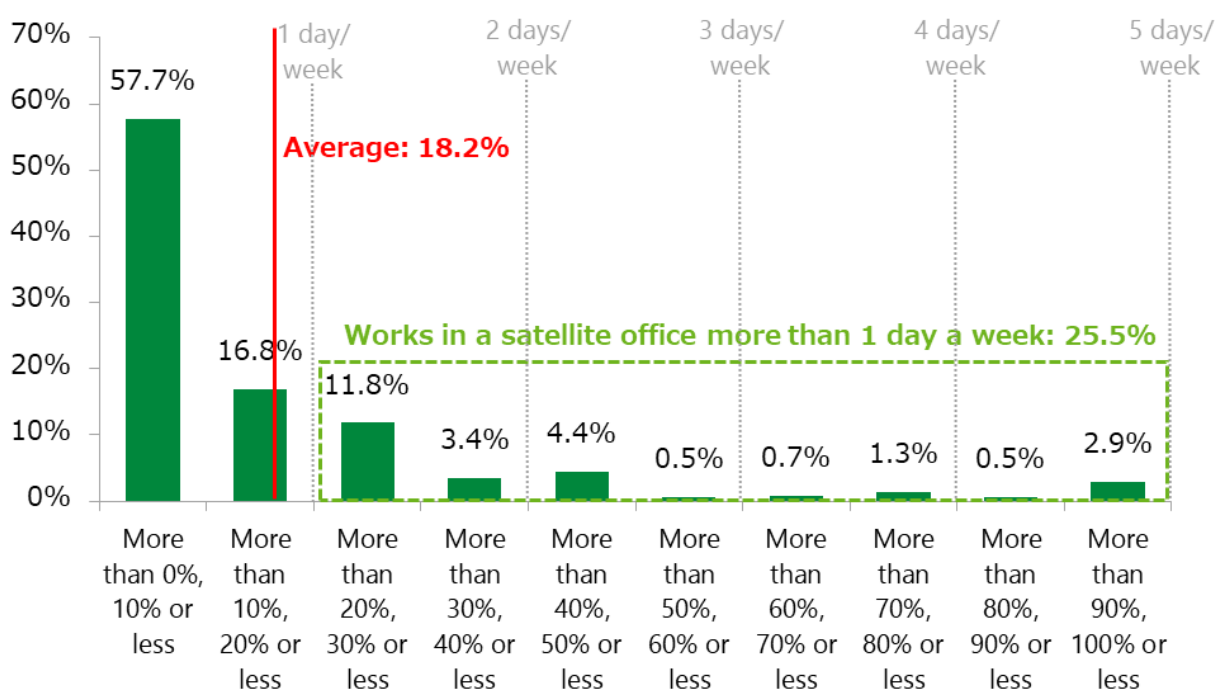
Therefore, here we focused on “users who actually work in a satellite office for more than 0% of their total weekly working hours”^{*2} and examined the time allocated to satellite offices. Since it is difficult to obtain a sufficient number of samples for the analysis on a single-year basis, we aggregated the data for the three years since the outbreak of the pandemic (2020, 2021 and 2022) and distributed the time spent using satellite offices as a percentage of weekly working hours. The result is shown in **Figure 13**.

^{*2} We will refer to these users as “satellite office users (time-based)” as opposed to “satellite office users (authority-based),” who are the basis of calculation of satellite office utilization rates in this report.

First of all, the average figure of 18.2% indicates that a little less than one day a week is spent in satellite offices among all target respondents (20% is equivalent to one day a week in a five-day work week). Secondly, 25.5% of the target respondents work in a satellite office for more than one day a week (more than 20%).

As confirmed in **Figure 3**, the satellite office utilization rate has been rising steadily each year. If the use of satellite offices continues to spread, the time spent using a satellite office as a percentage of working hours is also likely to continue to grow.

Figure 13: Time Spent Using Satellite Office as a Percentage of Weekly Working Hours



(Satellite office users (time-based) (n=591))
Sum of 2020 (n=236), 2021 (n=213) and 2022 (n=142)

3. Benefits of using a satellite office

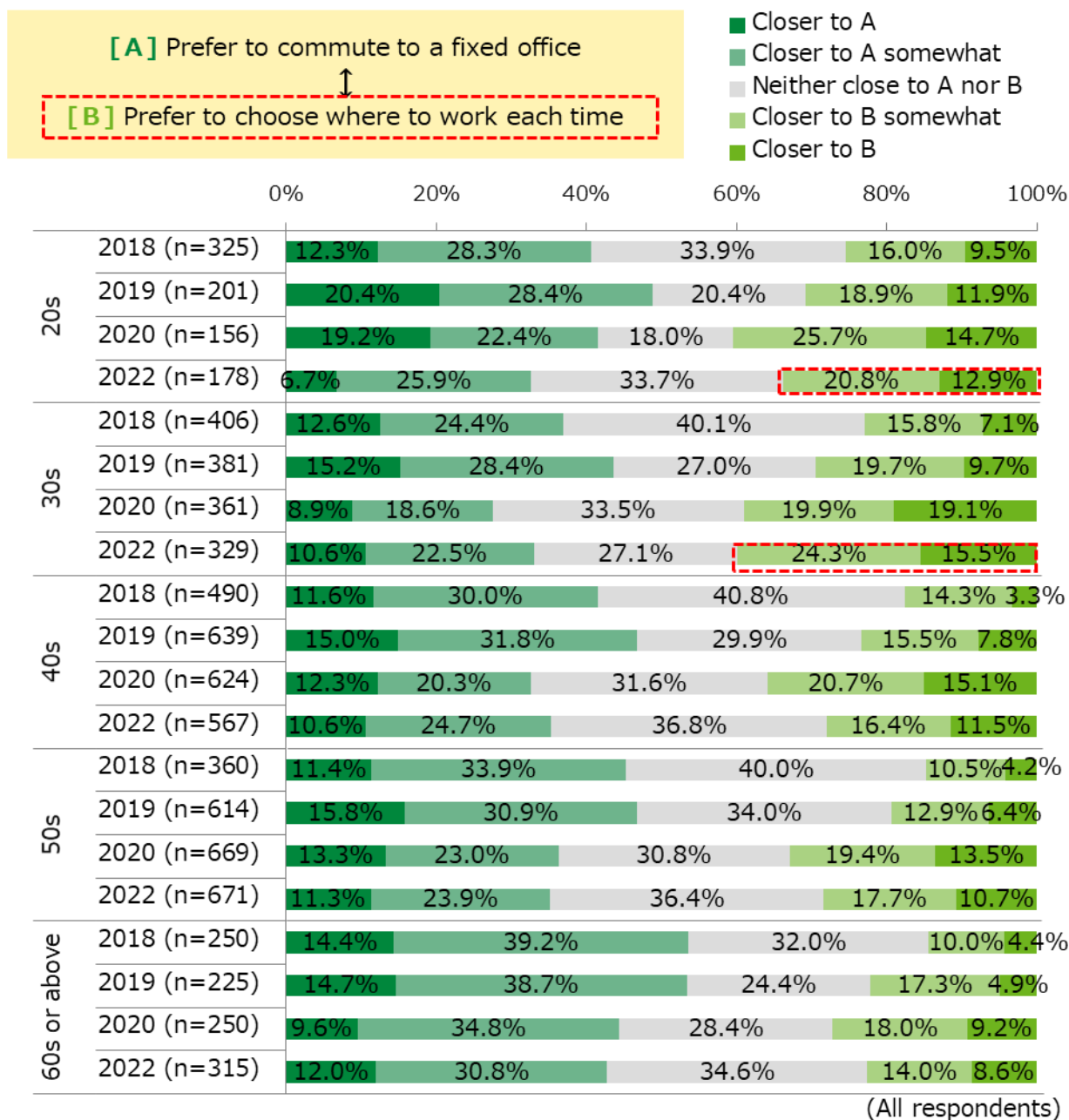
Lastly, we explore the ideal place of work for workers and companies going forward. When focusing on the values of the young, we see the need for workplace options.

Between 2018 and 2022 of this series of surveys, we asked respondents their values regarding work on a five-point scale. **Figure 14** compares by age group the result of which of the following two workplace values was closer to the respondent's values: "[A] Prefer to commute to a fixed office" and "[B] Prefer to choose where to work each time."

In 2018 and 2019, "[A] Prefer to commute to a fixed office" was more popular among all age groups, but in 2020, the year of the outbreak of the COVID-19 pandemic, "[B] Prefer to choose where to work each time" rose in popularity, becoming more popular than [A] among the 30s and 40s.

Subsequently in 2022, the popularity of [B] exceeded that of [A] among the 20s and 30s, with the 30s, in particular, increasingly shifting toward [B] year after year. On the other hand, [A] became more popular than [B] once again among the 40s, which indicates that the orientation toward being able to choose where to work has becoming especially strong among young people in their 20s and 30s. Forcing the young to come to the office or only offering them a WFH option may be a factor that leads to a drop in engagement with the organization or a decline in productivity.

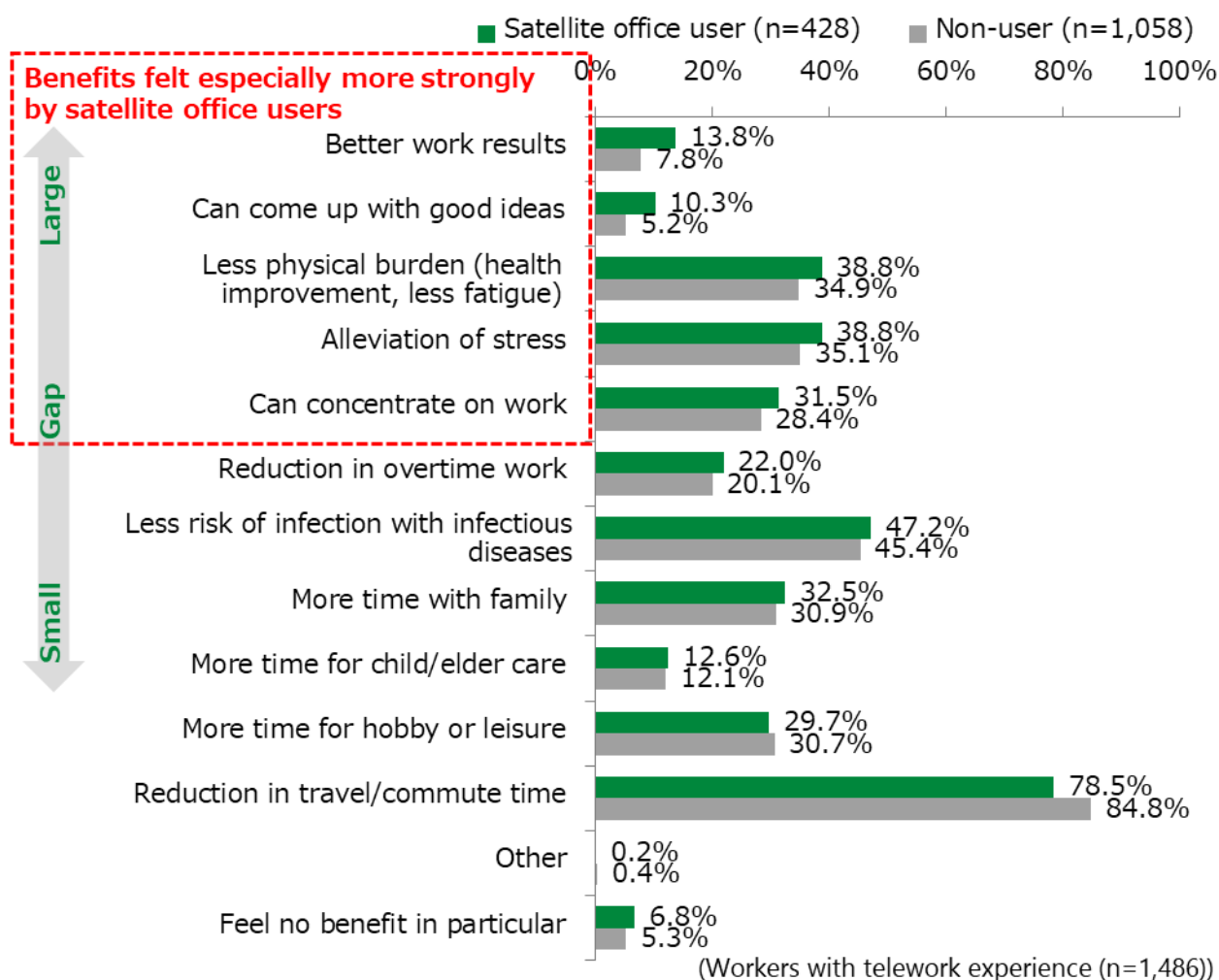
Figure 14: Values Regarding Where to Work – By Age Group (2018–2022) *Not surveyed in 2021



Then, what are the specific advantages of having options other than WFH, i.e., using a satellite office? **Figure 15** shows the results of the 2022 survey on the benefits of teleworking, compared between users and non-users of satellite offices and listed in order of the largest point difference between users and non-users.

The benefit with the largest point difference was "Better work results," followed by "Can come up with good ideas," "Less physical burden (health improvement, less fatigue)," "Alleviation of stress" and "Can concentrate on work," indicating that satellite office users tend to rate benefits that are considered to relate to productivity more highly.

Figure 15: Benefits of Teleworking – By Use or Non-use of Satellite Office (2022)



Furthermore, we compared the results of respondents' current work performance between users and non-users of satellite offices compared to when coming to the office full time. Although there were no statistically significant differences, there were clear characteristics of satellite office users in their free description of the reason for improved performance. The following are some excerpts.

Satellite office users' reasons for change in performance (Free description, excerpt)

Reasons for performance **improvement**

- It has become easier to manage schedules and tasks. (20s female, full-time employee, sales)
- The ability to choose the workplace according to the work improves efficiency. (40s male, manager, corporate planning)
- I think my work performance has improved, since the ability to choose where to work creates a good balance, enabling me to take a reasonable amount of rest despite the heavy workload. (40s female, manager, admin/HR/accounting)
- Because I can work with a fresh mind in a different environment. (50s male, manager, other job category)
- Because I feel I can balance work and private life better in physical and mental terms by having multiple workplaces. (50s male, manager, technical specialist)

Reasons for performance **decline**

- I don't feel my work results have changed significantly, since a lot of my work involves working with foreign countries and I have few opportunities for "direct" communication, but the inability to check the status of or instruct subordinates is a negative. (50s male, manager, sales)
- Work performance drops since the materials are in paper and not digitized. It takes time to teach subordinates what they don't know. (50s male, manager, technical specialist)
- Although communication within the team is good, it is very difficult to communicate with groups outside the team. (50s male, full-time employee, technical specialist)
- I don't see the point of coming to the office when my work can be teleworked. (50s male, manager, sales)

As described above, satellite office users cite the effects of being able to choose where to work as the reason for their improved performance. This characteristic is not found among teleworkers who only work from home.

As for the reason for a drop in performance, on the other hand, many were related to communication, which was the same between users and non-users of satellite offices. In other words, the issue of communication when teleworking is still a difficult issue to solve even when using a satellite office. Therefore, hybrid work, which combines coming to the office and teleworking, can be considered more desirable than full-time telework. The last comment indicates the negative impact of forcing employees to come to the office when the work can be teleworked. In promoting hybrid work, it will be important to give workers discretion to choose where to work.

4. Conclusion

By comparing the data from before the pandemic to the present, we were able to reconfirm how office workers' work styles have been transformed due to the pandemic. In particular, it has highlighted how the satellite office utilization rate has risen each year, especially among the young, who support future business.

At the same time, we have also found that many young people still feel productivity-related challenges in working from home, which accounts for a majority of the time spent teleworking, and that they are increasingly preferring to choose where to work each time since the outbreak of the pandemic. Our analysis has also revealed that satellite office users rate productivity-related benefits of teleworking, such as "Better work results" and "Can come up with good ideas," more highly than non-users regardless of age group.

When taking these results into account comprehensively, providing options for the place of telework other than the home should be effective in promoting hybrid work going forward especially in terms of securing young human resources and maintaining productivity. The use of satellite offices is one solution, which is exactly why the utilization rate and supply of satellite offices are increasing every year.^{*3} Indeed, satellite office users whose work performance has improved due to teleworking feel the effect of being able to choose where to work.

^{*3} Flexible Office Market Survey 2023, released on February 7, 2023
<https://www.xymax.co.jp/english/research/images/pdf/20230207.pdf>

With the business environment changing at a dizzying pace recently, it has become more important than ever for companies to improve productivity and secure human resources. Having workers work continuously and productively has become an extremely important management issue. Xymax REI will continue to provide food for thought for examining the issue.

Survey Overview

Survey year	Survey period	No. of valid answers	Target respondents	Geographical coverage	Survey method
2018	Feb. 2018	1,831	(1) Screening: 5,000 men and women aged 20 or above (2) Main survey: Those who replied in the screening that their profession was either an officer or staff of a company or organization, whose job category was managerial, specialized/technical, clerical, or sales, whose regular office was located in Greater Tokyo (Tokyo, Kanagawa, Saitama and Chiba Prefectures), and whose current and pre-pandemic principal workplace was the office or home	Greater Tokyo (Tokyo, Kanagawa, Saitama and Chiba Prefectures)	Online
2019	Oct. 2019	2,060			
2020	Sep. 2020	2,060			
2021	Sep. 2021	2,060			
2022	Oct. 2022	2,060			

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

For further inquiries please contact below

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