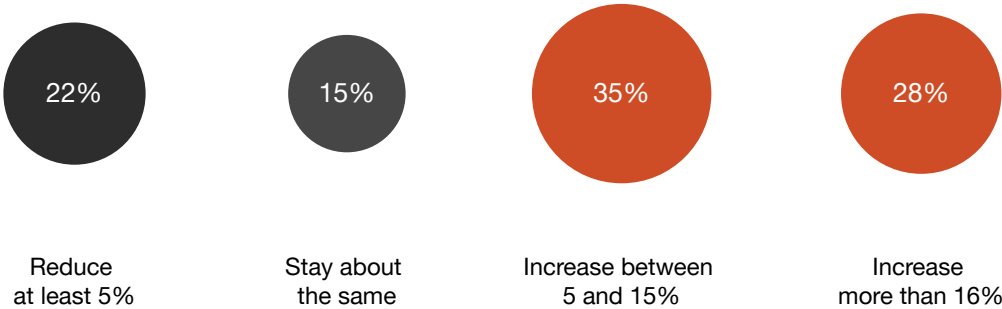# COO insights

PwC US Pulse Survey—November 23, 2020 findings

pwc

Over half of COOs expect need for office space to expand as companies continue to grapple with pandemic's impact

Even though US businesses made the switch to remote work overnight, don't expect the post-pandemic transition to happen all at once. Companies are forging their own paths back to the office and the overall trend is not yet clear. One in five operations leaders expect to see their need for office space decline over the next three years, while the majority (63%) anticipate they're likely to need more space and only a few (15%) expect they won't have to make any change.

Findings from PwC's survey of chief operating officers (COOs) show that few companies are ready to embrace a fully remote model that would affect all functions; these leaders continue to see barriers stand in the way. However, in the near term, they also recognize that there are policy gaps to fill before businesses can regain confidence to be back on-site.

COOs more likely to increase total office space over the next three years

22%

Reduce
at least 5%

15%

Stay about
the same

35%

Increase between
5 and 15%

28%

Increase
more than 16%

Q: How do you anticipate your total office space needs will be different 3 years from now?
Source: PwC US Pulse Survey
November 13, 2020: COO base of 91

Top findings

91 operations leaders from Fortune 1000 and private companies, along with other C-suite executives, weighed in on policy-related issues in our latest PwC US Pulse Survey, fielded November 9 to November 13, 2020. Find these insights in our Election 2020 report. In the ongoing survey, COOs also shared their perspectives on other top-of-mind issues, including mid-term planning for office space.

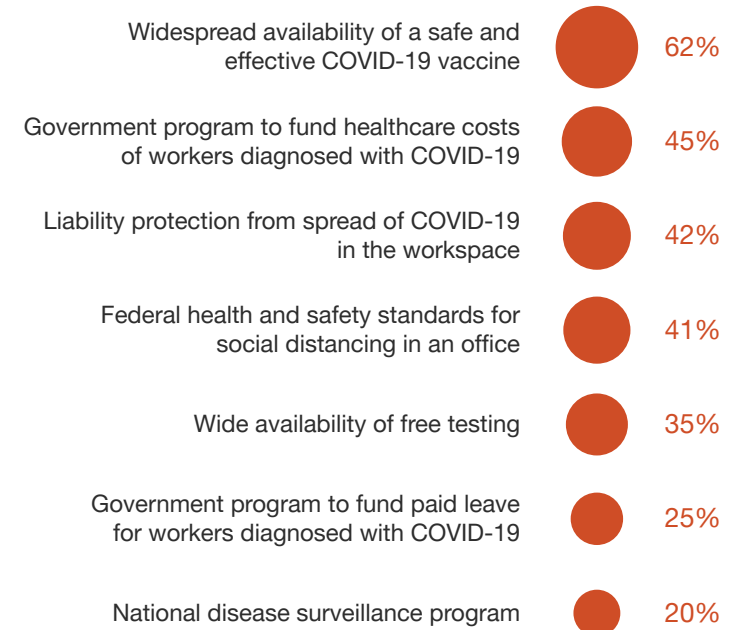## Concerns for employee health and legal risks prolong work from home

The government's response to the pandemic will play a critical role in building confidence to return to the physical office space, according to operations leaders. Most recognize that making safe and effective vaccines widely available is key to public health, and that alone will relieve much of the concern that many business leaders feel with making decisions about the office. There are other areas where COOs see a need for policy change to bridge the confidence gap. Close to half of respondents (45%) want a government program to fund healthcare costs for workers afflicted with COVID-19, while 42% want liability protection from the spread of COVID-19 and 41% say federal health and safety standards on social distancing in the office would build confidence.

Businesses may see some policy initiatives to support the return to the workplace in a potential additional federal stimulus and relief package. While House and Senate negotiators have yet to reach agreement on timing or actions, proposals include a provision for a workplace safety tax credit for employee protection expenses. Republican proposals to provide liability protection have remained a point of contention between the negotiators. Separately, President-elect Joe Biden has advocated for establishing

mandatory workplace safety rules to protect workers from the virus. To date, businesses have been incorporating guidance from the Occupational Safety and Health Administration (OSHA) and the Center for Disease Control (CDC) for workplace safety, in addition to complying with state and local rules. Biden's economic plan calls for expanding the nation's testing capacity, an emergency paid sick leave program for workers, including contractors and the self-employed, and making testing, treatment and vaccines free for everyone.

As the pandemic resurges, many businesses are likely to continue to delay decisions to return to the office in order to help their workforce feel safe and stay healthy, irrespective of government action that may reduce liability exposure. Those who are able to continue working remotely clearly see less risk in waiting out the public health crisis. A study released this month by the CDC is likely to lend support for this approach for some companies. The agency recommended alternative work site arrangements, if possible, or increasing workplace safety measures, based on findings that adults who received positive test results for the virus were more likely to have gone to an office or a school compared with those who tested negative.

Where COOs see need for policy support to build confidence in returning to the office

Widespread availability of a safe and effective COVID-19 vaccine — 62%

Government program to fund healthcare costs of workers diagnosed with COVID-19 — 45%

Liability protection from spread of COVID-19 in the workspace — 42%

Federal health and safety standards for social distancing in an office — 41%

Wide availability of free testing — 35%

Government program to fund paid leave for workers diagnosed with COVID-19 — 25%

National disease surveillance program — 20%

Q: How important are the following government policies to build confidence in returning to physical office space? *(Select up to three.)*
Source: PwC US Pulse Survey
November 13, 2020: COO base of 91

Ongoing challenges to overcome before remote work becomes a model that works for all

Operations leaders see a mix of regulatory as well as cultural and technology-related barriers to pursuing more flexible work week options for employees. Managing employee productivity in a remote environment continues to be a concern. Over 80% of COOs view apparent shortcomings with remote team collaboration as a barrier to creating more flexible working options, and the same holds for existing employee health and safety regulations.

Many surveys of employee perceptions about working outside of an office environment show strong support for greater flexibility once the pandemic recedes, including findings from PwC's Remote Work survey

in June. Companies that have been slow to invest in technologies that support remote work or reluctant to adopt clear rules and a secure structure around work from home likely found themselves playing catch-up during the crisis. Today, there is growing interest in innovating around satellite locations and office space configurations in order to better serve the needs of a workforce that rotates in and out of the office. Companies seeking to retain hard-won agility during the crisis should consider how they can continue to foster collaboration among employees and help enhance productivity in any working environment.

Where COOs see barriers in making remote work options permanent

Little to none	Somewhat		To a great extent
18%	33%	Concerns about workforce productivity in a remote environment	47%
16%	37%	Need for team collaboration	46%
19%	35%	Existing employee health and safety regulations	46%
22%	33%	Cyber breach that happens via remote environment	45%
19%	38%	Training, reskilling or coaching/ mentoring programs	40%
25%	41%	Diversity and inclusion goals for the workforce	33%
35%	36%	Relocation considerations when compensation is tied to cost of living	25%

Q: How significantly are any of the following areas creating barriers to your company's ability to establish more flexible options for employees to work remotely?
Source: PwC US Pulse Survey
November 13, 2020: COO base of 91

Past surveys

To view data and insights from previous PwC Pulse Surveys, please see below.

October 13, 2020

September 15, 2020

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