

WHAT WORKERS WANT – MALAYSIA

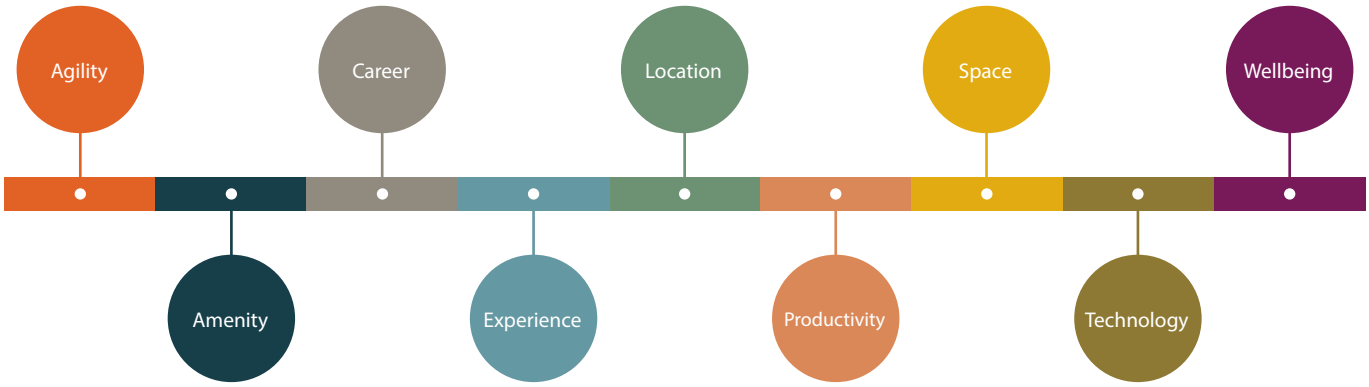
Insight into the needs and preferences of office workers

November 2021



WHAT IS THE IDEAL WORKPLACE OF THE FUTURE?

KEY TAKEAWAYS



Agility Organisations who adopt hybrid working typically utilise an agile workplace environment. However, based on this survey, the majority of Malaysians were not comfortable in sharing an office desk. Interestingly, high importance was given to alternative settings such as large tech-enabled meeting rooms and social spaces, which are key features of an agile workplace.

Amenity The survey responses highlighted the employee's preference for catering and social space. This type of amenity should be considered both in the office workplace and, if applicable, as part of the wider campus where the office is located.

Career The physical office is vital to provide organisations with cultural and social support. Malaysian employees see the office as a key location for their own professional growth and a sense of belonging, in comparison to working at home.

Experience The survey responses clearly show that the future workplace environment will have to provide workplaces that put collaboration and culture at the centre of the environment. Cleanliness and ease of navigation also play an important role in supporting a safe and secure workplace experience.

Location Nearly a third of the Malaysian respondents would prefer a city center office location. The provision of public transport connectivity will continue to have a major influence on office workers' preferred hybrid method of working. There is a growing trend to ensure seamless flow for office commute, hence the workplace proximity to public transport is vital.

Productivity The survey showed that Malaysian workers think that their productivity is the same when working from home and at the office, as opposed to in EMEA where workers think they are more productive at home. Malaysians still see physical office plays an important role especially for professional growth and collaborative work.

Space A key question in this survey is to gauge the importance of the physical office. 81% of the respondents say the office remains important, either 'always' or 'at least for the short term'. Nearly half say that the office is 'always' important, a relatively high percentage compared to other regions surveyed, and this is likely due to the workplace also being a place where Malaysians socialise.

Technology High on the workforce agenda is the need for high-quality IT infrastructure and mobile signal. Since the pandemic, technology is even more important in ensuring cleanliness, wellbeing and overall peace of mind.

Wellbeing There is, overall, a higher degree of positive impact of the office on Malaysians' physical and mental health, the survey shows. On the flip side, the negative impact of working from home is also evident. Nevertheless, the predominant desire is for a hybrid working arrangement.

WHAT WORKERS WANT - MALAYSIA 2021

INTRODUCTION

As key markets around the world begin to open up again and daily commutes become the norm, this report provides insight into the key needs and wants of Malaysian office employees.

Savills have been publishing What Workers Want surveys since 2008 and have, until now, covered the UK and European markets. The unique selling point of this research is that the survey and subsequent analysis presents the views of the office-based employee rather than the singular view of a real estate executive within a corporate organisation, as is otherwise the norm.

To complement the What Workers Want survey, last year we launched Savills Office FiT programme to provide our clients with practical insights and design-led advice from our global experts as owners and occupiers adapt, evolve and improve their workplaces in response to the Covid-19 pandemic. One year on, we explored how views and preferences may have changed over time and we published an Office FiT follow-up report in 2021. We analysed a representative response from a survey of over 100,000 owner and occupier clients and office workers across the United Kingdom (UK) and Europe, Middle East & Africa (EMEA).

It is interesting for Savills to take this expertise and methodology and apply it to the Malaysian market and review the needs of the office employee. Within this report, we have posed and answered a number of important questions around future sentiment and demand for the office; implications the pandemic has had, preferences around how much and which days workers currently plan to be in the office, and the factors that are now considered to be important in future office design.

As Malaysia navigates through the pandemic, this report provides an insight into the importance of office space both today and into the future. What is clear is that the office remains vital, not only for corporate culture and success, but it will also play a huge role in the recovery, offering normality and reconnection. Home and remote working will continue. However, office life post pandemic is likely to broadly resume as before, with enhancements and benefits designed to improve the office experience.

Balancing business needs and employee preferences is now the focus, and whilst there is sometimes a perception that these two aspirations are different, our survey indicates a broadly consistent response between managerial and non-managerial employees. Ultimately, effective communication between employer and employee is essential as organisations return to their offices and manage the change.

The survey-based approach has provided a representative sample of responses that enables a statistically significant analysis. Despite a relatively long survey, taking 11 minutes on average to complete, the completion rate was very high and, therefore, the results provide a high quality dataset. The responses, by seniority, were split appropriately with 50% non-managerial, 40% managerial and the remaining 10% senior management. A quarter of the respondents worked for large (250-999 employee) or very large (1,000+ employee) companies. In terms of business sector, the 'real estate & construction' sector accounted for 20% of responses, followed by the 'financial services' sector accounting for a 15% share. The 'technology' and 'telecommunications' sectors account for 9% and 8%, respectively.

AGILITY

An agile workplace is an occupancy model that empowers staff to work where, when and how they choose, selecting the appropriate setting for each task or activity. Agile workplaces typically have fewer traditional desk settings, and instead deliver a variety of individual or group spaces to support both concentration and collaboration. Broadly, it is anticipated that this model will be widely adopted to support hybrid working.

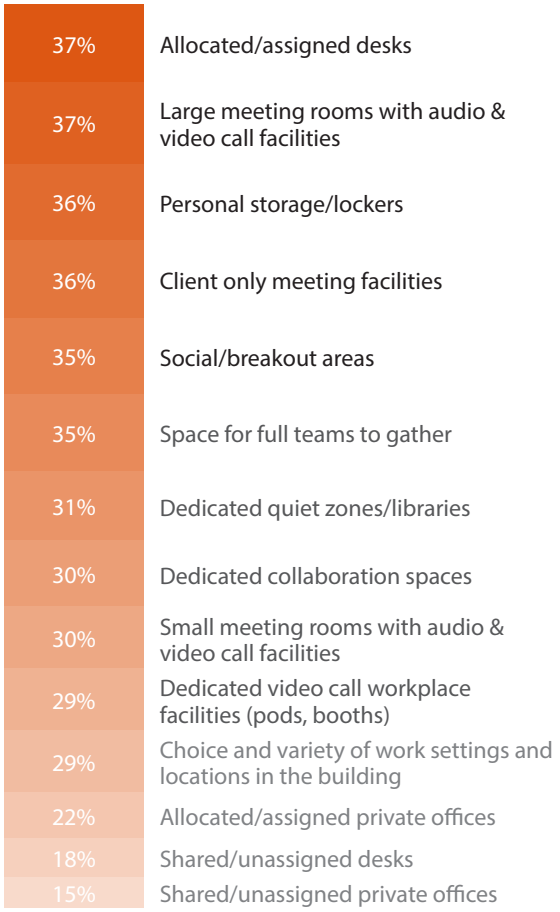
The survey indicated that having an assigned desk was a highly important factor in creating an ideal workplace (37%). Of comparable importance were large tech-enabled meeting rooms, client-only meeting facilities, team spaces and social breakout areas. These workspace options provide the variety of group settings essential in an agile workplace, which should be utilised in tandem with reduced traditional workspace. The third highest was for personal storage/ lockers, which shows that Malaysian workers still prefer their own work space with personal storage. This may indicate that Malaysians are less open to agile work setting compared to workers in the EMEA.

The survey explored whether people would like to see more flexibility in their working day. Almost half were comfortable with their traditional typical work day, nearly 20% want greater flexibility to adjust their hours over the week to enable longer breaks during the day. The remainder prefer to start and leave earlier or later.

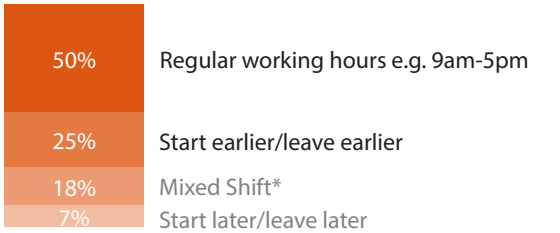
Malaysians are less comfortable in sharing workspaces compared to workers in the EMEA and other regions. Only 42% of Malaysians reported that they would be comfortable with using shared desks when visiting the office in the future. Savills have seen a higher proportion of positive responses to this question in EMEA and other regions at 55%, on average. The reduced inclination to share desks in Malaysia may be influenced by increased awareness of cleanliness and hygiene, and control of personal space.

The work culture in many Asian countries places importance in authority and hierarchy, and has a widespread overtime culture where it is common for workers to not leave before managers. This likely contributes to the desire for a fixed recognisable location in the office and possibly the reason not many Malaysian companies have adopted agile working yet.

Work settings percentage rated 'Very High' importance by respondents

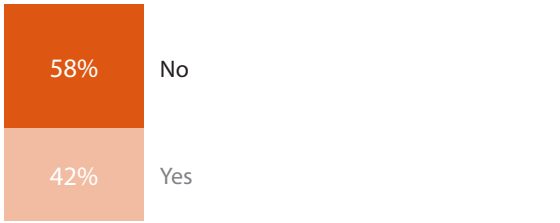


In the future, what would be your ideal working hours in the office?



*Mixed shift: a longer break during the middle of the day as long as the required working hours are accumulated within the day

Are you happy to use shared desks when visiting the office?



AMENITY

We foresee that the future working environment will be driven by an employee's choice to achieve better balance and wellbeing in their working lives. Staff amenities provided by employers are crucial in achieving this balance.

There has been a general rise in demand for office amenities offering facilities to support fitness programmes, high quality food and dining options, and alternative places to connect in a social setting. Previously, amenities were provided on-site but now, after the pandemic, organisations should be looking at creating hybrid spaces for staff and teams to connect and help maintain the cultural offering within the organisation, whether in the office or elsewhere.

Places to recharge and regroup will become important - to move away from the desk or to be in a quiet space to reflect. Employees have become used to 'stepping outside' when working from home, and buildings that offer outdoor spaces will become attractive market options.

The results indicated that the highest ranked amenities include a café and other food facilities. In the future, we predict that workers will give higher importance to the building's surroundings, preferring locations near retail and leisure offerings.

Occupiers will ultimately be judging how important the location is as a selling point in the war for talent, and if the buildings and spaces support culture, community, collaboration, creativity and knowledge-sharing aspects of their business.

SHARED AMENITIES

On a scale of 1 to 5, where 1 is "Not at all important" and 5 is "Very important", how important are each of the following factors in creating an ideal workplace experience?



% of respondents

CAREER

The survey shows that Malaysian employees strongly see offices as critical for their professional growth, collaborative work, and to cultivate a sense of belonging to their companies, with around 90% choosing either office only (60%+), or a combination of office and home, as best to facilitate these areas.

As expected, for personal growth, work/life balance, and mental and physical health, the home component features strongly; however, for the majority of the respondents, these areas must be supported by the combination of both being in the office and at home. This underscores the shift in worldwide working trend since Covid-19 of hybrid working arrangements.

Workers in Malaysia seem to have adapted to the remote work arrangements, especially for things like individual routine tasks, creative thinking and document-reading. For colleague collaborations, group tasks, networking and servicing clients, areas vital in sparking momentum within an organization, employees still feel an office setting is required.

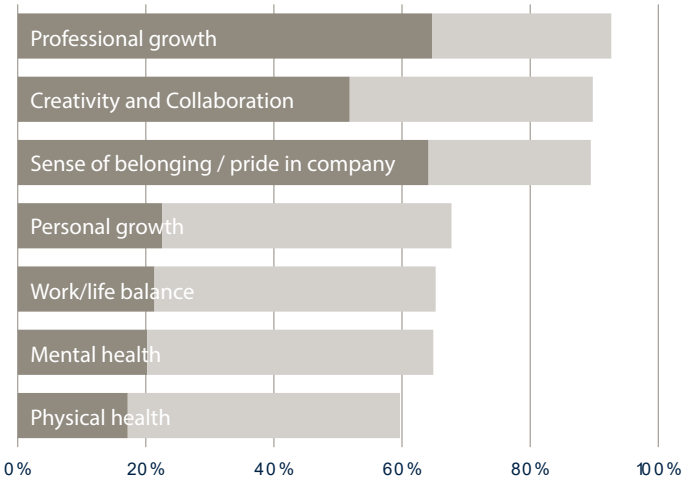
What can be deduced is that coming to the office is no longer considered for completing tasks that could now be done at home; offices of the future must be prepared to be an avenue that foster collaboration and dialogue, for inspiration, innovation and creativity.

The findings from this survey are supported by other earlier studies for workers in Malaysia, in that colleague interactions are important. The Microsoft Work Trend Index survey found that workers leaned on each other in new ways to get through the last year. These increased interactions have led to 44% feeling like they can be their full authentic selves at work, leading the report to predict that 'authenticity will spur productivity and well-being'.



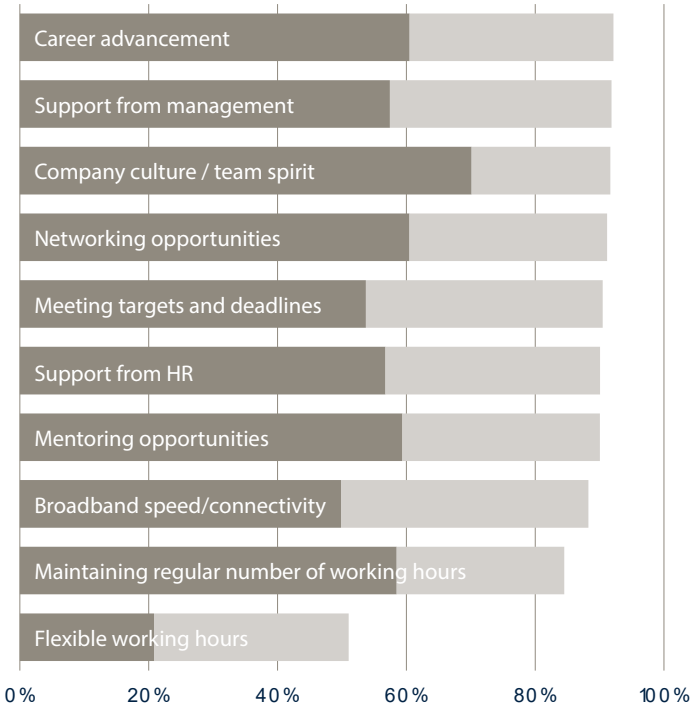
The office | Both home & office

Which location best facilitates these (Human Factors)?



% of respondents

Which location best facilitates these (Productivity)?



% of respondents

EXPERIENCE

Working from home due to the pandemic has resulted in stress, isolation and a feeling of lack of control. At the same time, many employees have acclimatised and become comfortable with the working from home arrangements, and may have to relearn working with others.

The survey responses clearly show that the future workplace environment will have to provide environments that put collaboration and culture at the centre of the office experience. The hybrid way of working will require a seamless transition between the office and elsewhere and also within the office, from setting to setting. Cleanliness and hygiene will naturally be important for employees returning to the workplace.

People are more aware of hygiene factors since the pandemic, as illustrated by 70% placing 'high importance' on cleanliness and 69% on air quality to be comfortable in the workplace.

Equally, the building experience is important in the return-to-work journey. Typically, and as reflected by the survey results, the number of WCs and meeting room availability feature highly in measuring workplace experience. However, exceeding both of these is 'ease of access in and around the building', with over 50% placing high importance on this factor. Returning to an existing building, from both the landlord and tenant perspective will be complex - vertical transportation capacity and arrival/exit strategies for lifts and stairs will be challenging; similarly washrooms, lobbies, entry points and circulation will be high risk touch points that require vigilant management and sanitisation. Lift capacities in high rise buildings will be compromised and will require careful management.

Survey responses showed a requirement to provide more plants and greenery in the office, with 31% placing a high importance on this. Research shows that connections to nature and outdoor spaces can provide significant health benefits, including reduced stress, increased cognitive function and much more. Based on our experience, we would typically expect a higher emphasis on outdoor building space.

In urban environments or locations with limited access to nature and outdoor spaces, natural daylight, lighting design and planting are viable and effective alternatives that can help enhance wellbeing in a variety of spaces.

When asked about comfort in the office environment, the three highest factors contributing to this were personal safety, managed flow of people and health and well-being, each three quarters respectively. Employers will need to offer flexibility, incentives, and amenities to support a new era of work/life integration that promotes health and wellness for all. Corresponding facilities, and health performance indicators, will be more important going forward, to identify opportunities for improvement and adjust policies accordingly.

Percentage placing a 'high importance' on the following factors:

Comfort:

- 70% Cleanliness
- 69% Air Quality
- 66% Security
- 62% Smell
- 61% Temperature
- 58% Noise level
- 57% Lighting
- 26% Colour

Building experience:

- 52% Ease of access into and around the building (e.g. stairs, lift, electronic door entry)
- 41% Having access to a number of toilets
- 40% Availability of meeting rooms
- 32% Working "break-out" areas (i.e. collaboration space with colleagues)
- 31% Plants/greenery inside office
- 29% Social meeting space (e.g. games room, breakout space)
- 28% Ability to work from a variety of locations within the building
- 27% Area surrounding the office outside (i.e. public realm)
- 24% Access to showers/changing facilities
- 22% View from the workplace
- 21% Outside building space (e.g. Roof terrace, garden)
- 21% The external building design

EXPERIENCE

What factors are most relevant to give you comfort when visiting the office more frequently

51%



A building with better sustainability credentials

53%



A building management mobile app

63%



Detail on air quality

64%



Information on cleanliness

67%



Building security

74%



Personal safety

75%



Managed flow of people

75%



Health & wellbeing initiatives

LOCATION

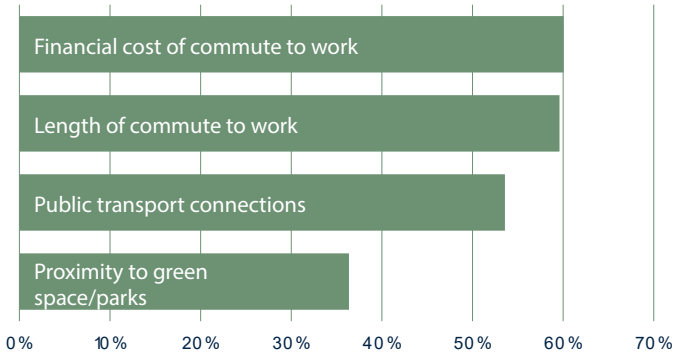
The responses regarding location have been analysed from two perspectives. These are the preferred destination of the office and also the alternative working location, when not in the office. The commute, as Savills have found with all previous studies, is a key aspect of nearly every office employee's life. As shown in the chart, nearly 60% of Malaysian responses show that the financial cost and length of commute is a highly important factor to their working lives.

Firstly, the analysis shows a higher reliance on commuting by car compared to what has been seen in Europe. 72% of respondents said car is their preferred mode of transport for commuting; 16% prefer the train e.g. MRT, LRT, monorail, Komuter. This is the reason why a relatively low proportion of Malaysian office workers work whilst in transit. However, the provision of public transport connectivity will continue to have a major influence on office workers' preferred hybrid method of working.

For Kuala Lumpur, a third of the respondents still prefer a city center office location. About a quarter of them prefer working from home. However, going forward, work location will depend on the organisation's requirements, and as seen throughout the UK & EMEA region, the requirement is for an increased presence in the office.

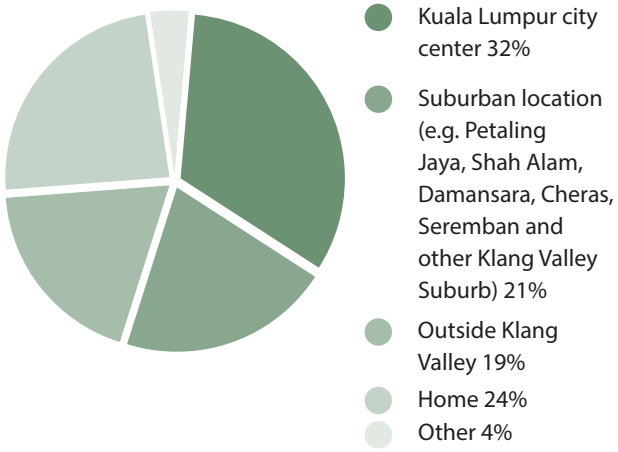
The pandemic has changed priorities, with some people anxious about returning to congested areas or choosing a new lifestyle or home location. We have proven that communications can be virtual, and productivity is not necessarily impacted by remote working, but the social component of working remains important. 44% of the respondents say that they experienced social isolation as a result of working from home, this is the highest of the six factors recorded. This gives rise to third space options; an alternative between home and office that offers psychological boundaries and social opportunities. 18% responded that other flex space or serviced offices would be their location of choice if not working in the office or home, with some interest in coffee shops. This is higher than the UK & EMEA response. Flexible or co-working space is valuable for occupiers uncertain about future requirements, and for some organisations has become a key component of their portfolio strategies in recent years.

Percentage placing a 'high importance' on the factor in creating an ideal workplace

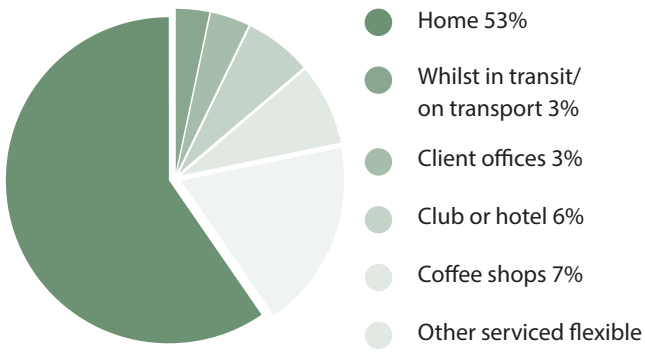


% of respondents

What is your preferred future primary working location?



Where will your main work location be when not in the office?



% of respondents

PRODUCTIVITY

The survey asked people, based on their experience of the last 12 months, if working from home will affect their productivity in the future. The results showed that broadly for Malaysians, the perception is that productivity was the same for both home working and office. This is compared to the UK & EMEA results, which clearly show that the European sentiment is that working from home enables greater productivity. The Malaysian result is positive in its balanced perspective and indicates that employers will have fewer barriers in asking staff to return to the office. It also indicates that working from home, under stressful conditions, did not necessarily negatively impact productivity.

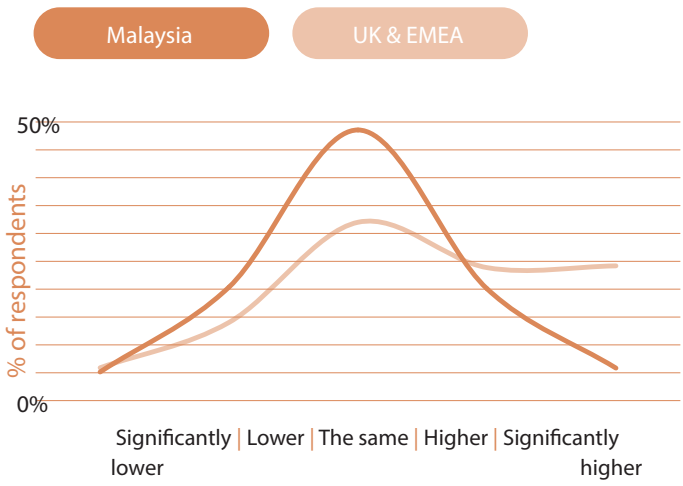
As Savills have found with other studies, the vital role of the office is apparent when seeing how employees value it in terms of meeting the ability to collaborate, for professional growth, and career advancement. The benefits of this are more difficult to measure, but it is proven that the physical interaction of employees drives business performance.

As shown on the chart, there is also a role for the home to play in this hybrid style of work. Responses show that 93% (61% office only and 32% both office and home) believe colleague collaboration and group work are best met in the office.

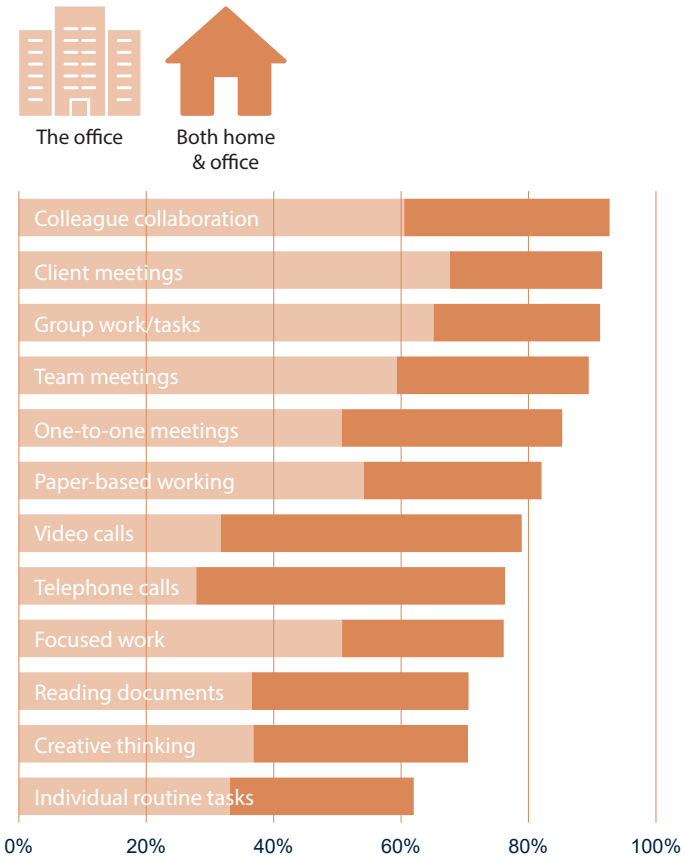
Self-assessed productivity has remained the same or higher for many employees over the past year. However, high productivity can mask an exhausted workforce. The Microsoft Index survey for instance indicated 58% of workers in Malaysia are feeling overworked with what has been expected of employees.

This is echoed in this survey, where 30% of the respondents cite mental and physical exhaustion due to the working from home arrangements, while more than one-third said they experienced increased working hours due to blurring of work and home boundaries.

How does Malaysia working remotely productivity compare to UK & EMEA?



Where do you think you will perform the following activities most productively?



% of respondents

SPACE

A key question that Savills have asked is office employees' opinion regarding the importance of the physical office. The survey has shown that 81% of Malaysian office workers see the office as remaining important either 'always' or 'at least for the short term'. The 47% for the 'always' response is high and probably a reflection of socialising being an important aspect of office life for Malaysians. This clearly has a positive effect on their perception of offices and the preference for it.

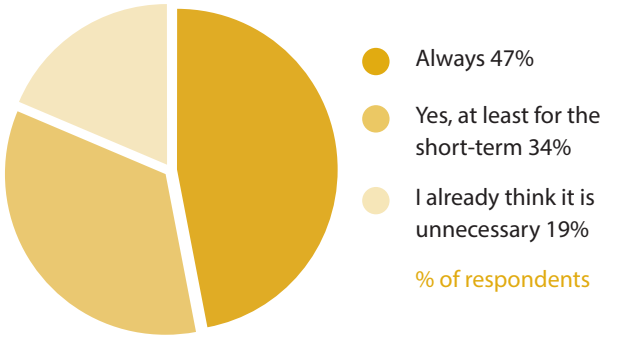
The questions around the future size requirement of office space, required by corporates, has been a dominant global theme for the past 18 months. The chart shows the preferences of Malaysian office workers in terms of their aspiration to work remotely in the future. The rise in remote working, in a hybrid manner, was linked directly to the likelihood of a reduction in office space required by corporates. This was an inevitable reaction to the various surveys compiled during the past 18 months, but the reality is that a direct negative relationship between preference and actual reduction in space is not a certainty.

For Malaysians, most respondents prefer working remotely between 2 to 3 days (45%). About 15% of respondents prefer to work from the office only, which is almost the same as the people who prefer remote work only.

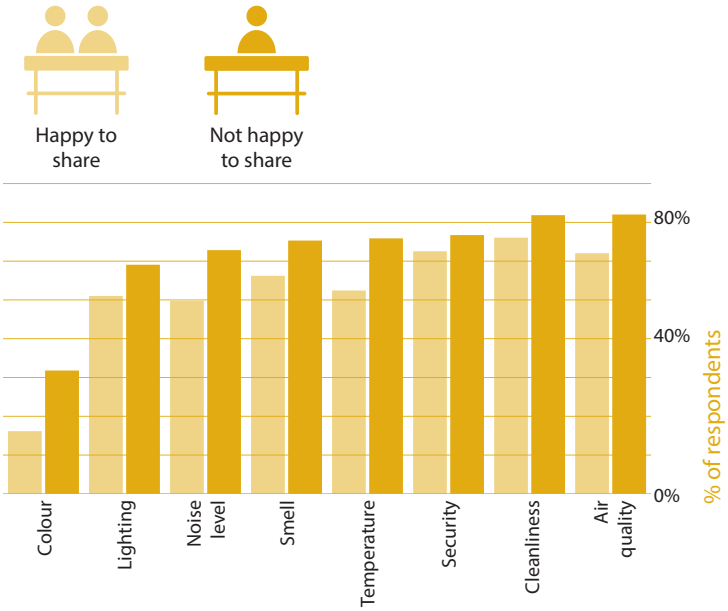
Now focusing on space within the office, it is clear that cleanliness and air quality is highest on the agenda. The chart shows the percentage of respondents that place a 'high importance' on the eight factors shown.

An agile workplace makes more sense for hybrid working and this includes a higher degree of desk sharing. Those that are not happy to share, place a higher importance on all comfort factors, particularly for colour, temperature, noise level, air quality, and smell, compared to those who are happy to share desks. This underlines that should an organisation in Malaysia wish to adopt agile working arrangements, these are some of the areas that need to be addressed and incorporated in their engagement exercise.

Do you think physical office space is still a necessity for a company to operate successfully?



The comfort factor responses split by willingness to share desks in the office: Percentage placing a 'high importance' on the factor



TECHNOLOGY

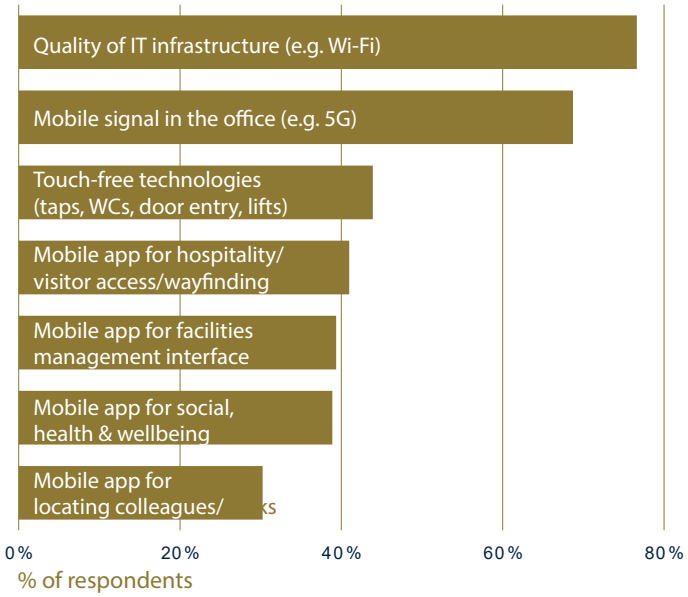
Emphasis has been placed on the role of technology in supporting the future workplace, ranging from contactless wash rooms and doors to sensors to monitor air quality and environment. The survey results, as per other surveys, illustrates that the quality of Wi-Fi and mobile signal are of primary importance in the workplace, with less reliance being placed on mobile apps.

These results are borne out by further research. In November 2020, Khazanah Research Institute, a policy think tank in Malaysia, found that gaps in the digital infrastructure would be challenging to hybrid working becoming the 'new normal'. Most organisations' internet access and computer network are tied to the physical workplace with 81% relying on fixed broadband, 55% using local area network and 36% using wireless local area networks.

Technology has played a key role so far and this is set to continue with long-term potential for businesses and the employee experience. We will continue using video conferencing because of its convenience and familiarity. It cannot replace face-to-face collaboration but convenience will prevail. Workplaces will evolve into hybrid-mode with in-person and remote communication and live video conversations occurring in all areas of the work environment. In order for this to succeed, the technology infrastructure must be in place.

The survey categorised results into five key areas, of which technology was one. In total, this covered 42 variables. The chart shows that two of the top three variables were technology related, with quality of IT infrastructure and mobile signal rated as 'high importance' for 77% and 69% of respondents, respectively.

Percentage placing a 'high importance' on the factor in creating an ideal workplace



Top 20 factors that respondents place a 'high importance' split by the five key areas.

77% Quality of IT infrastructure (e.g. Wi-Fi)
70% Cleanliness
69% Mobile signal in the office (e.g. 5G)
69% Air quality
66% Security
62% Smell
60% Temperature
60% Financial cost of commute to work
60% Length of commute to work
58% Noise level
57% Lighting
53% Public transport connections
52% Ease of access into and around the building
44% Touch-free technologies
42% Staff restaurant/café
41% Mobile app for hospitality/visitor access/wayfinding
41% Having access to a number of toilets
40% Availability of meeting rooms
39% Mobile app for facilities management interface
39% Self-service food facilities

Five key areas:

- Comfort
- Building Experience
- Share Amenities
- Technology
- Location

WELLBEING

Compared to survey responses for the EMEA region, there is, overall, a higher degree of positive impact of the office on Malaysians' physical and mental health. This is shown in the chart, with a positive bias towards the right of the chart. It is encouraging to see that 62% and 57% would place a 7 or higher rating for physical and mental impact, respectively.

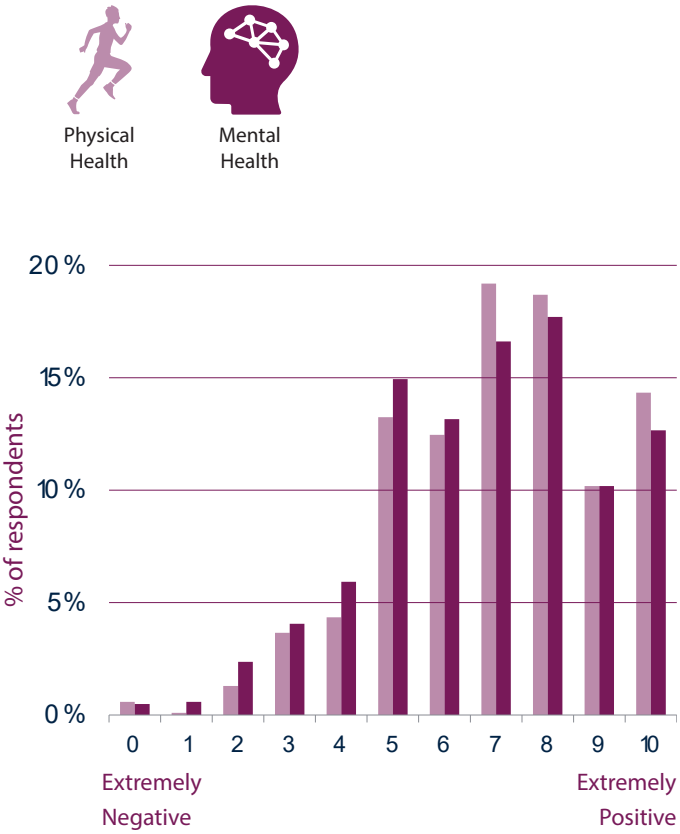
The survey also showed that 30% of respondents have experienced mental or physical exhaustion as a result of working at home. Symptoms include depression, anxiety and deterioration of fitness levels. Mitigating the occurrence of these symptoms in the future, through the provision of appropriate facilities and programmes in the office, is clearly an important immediate focus for companies.

Anecdotally, those who have worked in offices in other countries, report that Malaysian offices are highly social places with many workers having close friends within the organisation. Research has found that having friends at work can increase motivation, productivity and job satisfaction. It is an environment with shared purpose and shared experience where people provide a support network for one another.

Nearly 40% of the respondents to the survey said that they have experienced an issue of not being able to separate work and life during the increased time spent working at home. This, alongside the 44% that have felt socially isolated, is a clear indication that a safe return to the office must be a key aim for organisations.

There will be a strong desire to feel safe in the workplace, to perceive that organisations have given due care and attention to cleaning and operational regimes for as long as necessary. The employee perception of a safe working environment is vital to the transition period of returning to the office and individual perception plays a powerful part in the collective approach.

What impact do you think your office workplace has on your physical and mental health?



Which of these have you experienced as a result of working from home due to the pandemic?

30% Physical exhaustion – eye sight issues, deteriorated fitness, back pain

30% Mental exhaustion – increased stress, depression, anxiety

37% Increased working hours – no clear separation between work and life

44% Social isolation



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