The Flex Report

Q4 2023

Flex Index
PRESENTED BY scoop

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About the Flex Report

The question many media and C-suite executives have been asking over the last few years is, "Are remote workers *really* productive?" The answer has become a bit of a **Rorschach test** to see which side of the divide you land on in the flexible work debate.

Several CEOs like **JPMorgan's Jamie Dimon**, BlackRock's Steve Schwarzman, and Australian business leader Nicole Duncan are now famous for their naysayer views on remote worker productivity. Dimon is firmly entrenched in his return-to-office beliefs, saying, "I don't think you can lead people and work from home." At the same time, **Schwarzman believes** people weren't productive or working hard remotely during the pandemic. Duncan's take **went viral** for going even further, suggesting that those wanting to work from home are "selfish and actively hurting businesses."

Is there any data to back these perspectives up?

Some studies have found that Fully Remote employees may be less productive than hybrid or Full Time In Office workers. A recent **NLRB study** found that those working from home were 18% less productive than office workers. Research shared by **Nick Bloom** also found that Fully Remote work might lead to reduced productivity but also reduced headcount costs for companies.

Employees feel strongly that they are MORE productive when they have the flexibility to work from home. One study by Owl Labs found that **62% of workers** feel more productive while working at home, and 55% of employees said they put in more hours while working remotely than at the office. Workers also express that no commute means more time for work. A **University of Chicago study** this year backs this up: the average commute time savings for a remote employee is 72 minutes, and they invest 40% of that saved time into more work.

To help settle the debate, we partnered with **Boston Consulting Group** -- a world-class management consulting firm -- to analyze the relationship between public company revenue performance and flexibility. If there is a big difference in productivity between on site and remote workers, it should show up in the financial performance of public companies over time.

In this report, we also explore the latest trends in flexibility in the United States by industry, region, company size, and company age. We hope you enjoy!

Flexible Work Categories

Fully Flexible

Companies that give their employees a choice over whether to come into an office. Fully Flexible companies have adopted either a Fully Remote or Employee Choice model.

Fully Remote

Companies that do not have physical office space. All employees work remotely.

Employee's Choice

Employees can choose when or if they work from an office.

Structured Hybrid

Companies that have set specific expectations on when employees work from an office. The different Structured Hybrid models are:

Minimum Days

Companies that set a minimum number of days employees must work from the office each week (ex: two days per week).

Specific Days

Companies that set specific days of the week employees must work from the office (ex: Tues/Thurs).

Minimum & Specific Days

Companies that set minimum and specific days per week employees must work from the office.

Minimum Percentage of Time

Companies that set a minimum percentage of time employees must work from the office (ex: 40%).

Full Time In Office

Companies that require employees to work from the office full time.

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Key Findings

1 Flexibility continues to grow more prevalent

The future may not be Fully Remote, but it won't be Full Time in Office either. 38% of companies now require Full Time In Office work, down from 39% one quarter ago and 49% at the start of 2023.

2 Younger companies are overwhelmingly flexible

When a company was founded is highly correlated with its attitude toward flexible work. The younger a company, the more likely it is to be flexible or Fully Remote. And it's not just tech firms – we see this across all companies regardless of industry or size.

3 1/3 of US companies do not require office time

Despite the intense media coverage of return to office, many US companies are offering Full Flexibility. 26% of US companies have offices but do not require their employees to go into the office. 7% of US companies are Fully Remote.

4 Fully Flexible public companies outperform on revenue growth

Fully Flexible public companies outperformed their peers by 16 percentage points on 2020-2022 revenue growth on an industry-adjusted basis. Even excluding Tech, Fully Flexible companies outperform by 13 percentage points.

5 The return to office has stalled out

The average Structured Hybrid company requires employees to be in the office about 50% of the time, or 2-3 days per week. That's been consistent since the beginning of 2023 and did not move after Labor Day.

6 Where to find flexibility

If you're looking for flexible work, where should you go? The best places to find flexibility are (1) small companies (2) tech, media, and finance companies (3) companies with offices in the West and Northeast United States.

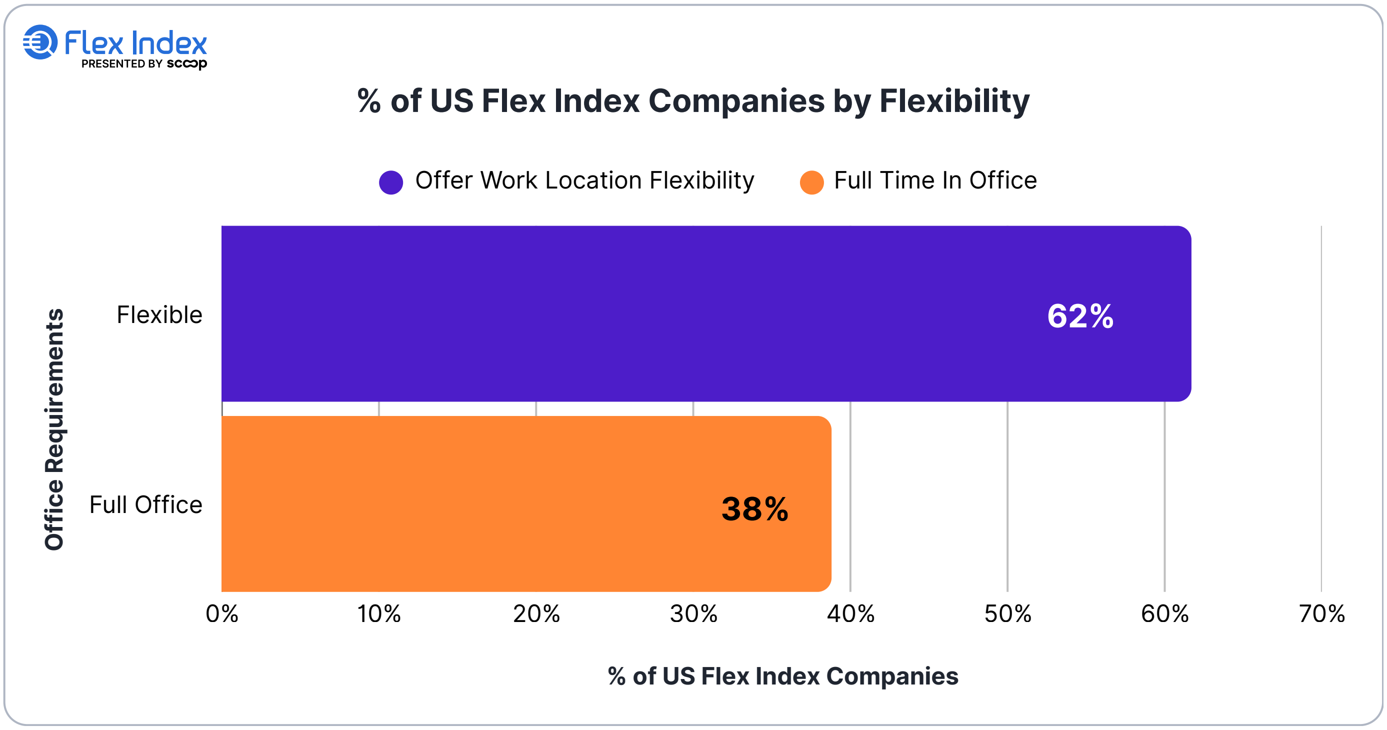
Spotlight on...

Adoption of Work Location Flexibility

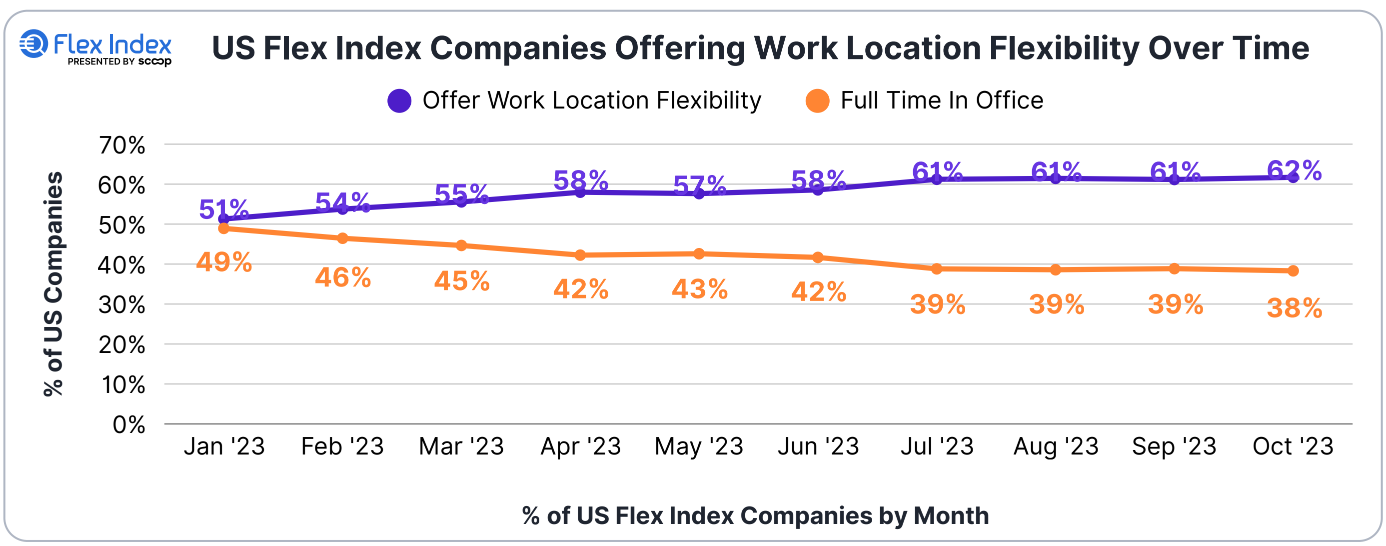
Share

62% of US companies now offer work location flexibility, up from 51% at the start of 2023. Full Time In Office has now dropped to 38% of US companies, down 11 points from the start of 2023 and 1 point over the last three months.

It appears that the importance of work location flexibility to job seekers is having an impact on company policy and full time office requirements.



Source: Flex Index (flex.scoopforwork.com) employee surveys and publicly available data on company office requirements for companies with headquarters in the US, N = 5,565 companies. Flex Index data has been re-weighted using the Current Population Survey industry data to better approximate the US working population. The Flex Index is presented by Scoop (scoopforwork.com).



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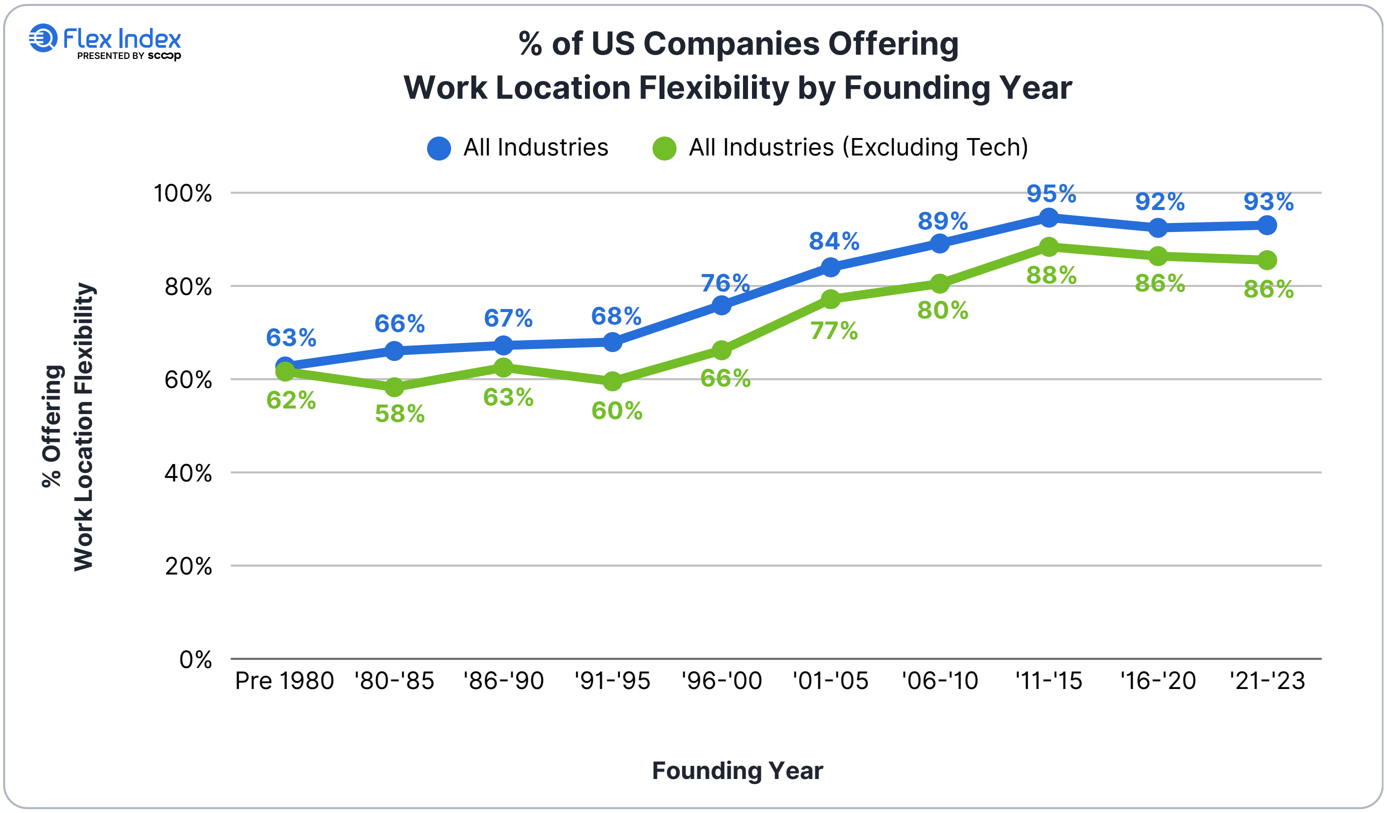
WORK LOCATION FLEXIBILITY BY FOUNDING YEAR

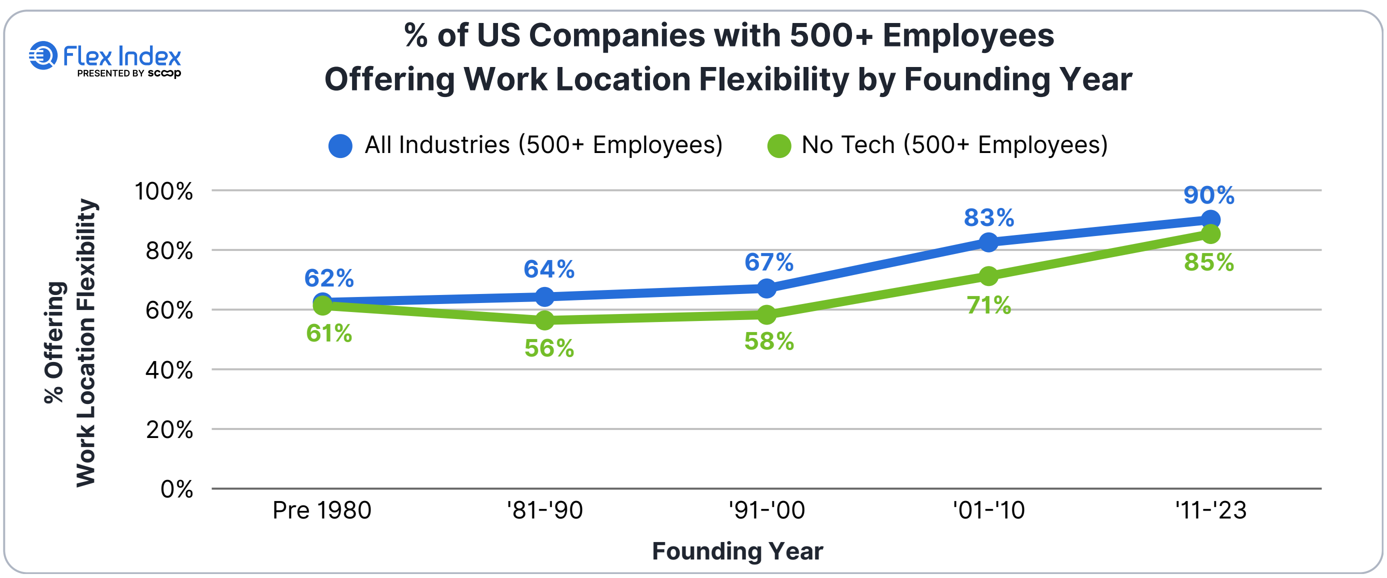
Share

Looking at companies founded in the last 15 years gives the best indication of where work location flexibility will head in the future. With each passing year, companies started since 2010 will be a greater percentage of the overall US company base.

93% of Flex Index companies started after 2010 offer work location flexibility. Excluding the tech industry, 87% of companies started after 2010 offer work location flexibility.

Based on this data, we continue to expect Full Time In Office to decrease to 15% or less of US companies over the coming years.





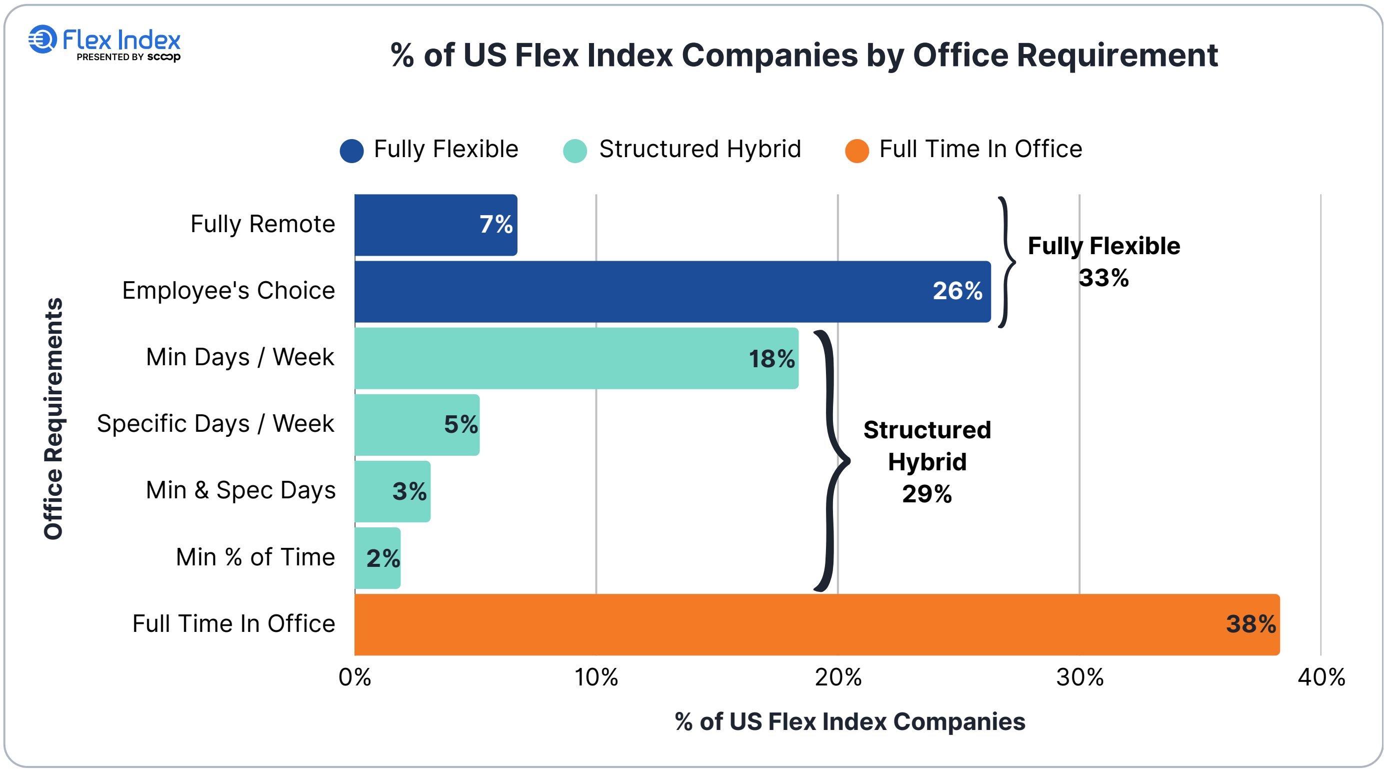
Source: Flex Index (flex.scoopforwork.com) employee surveys and publicly available data on company office requirements for companies with headquarters in the US, N = 4,772 companies. People Data Labs data on company founding year. The Flex Index is presented by Scoop (scoopforwork.com).

Spotlight on...

Office Requirements & Company Performance

1/3 of US companies on an industry-weighted basis offer Full Flexibility. That's consistent from Q3 2023 and up two percentage points from the beginning of 2023.

The significant majority of Fully Flexible companies have an Employee's Choice model, meaning they have offices but do not require attendance. Only 7% of US companies are Fully Remote without any office space.



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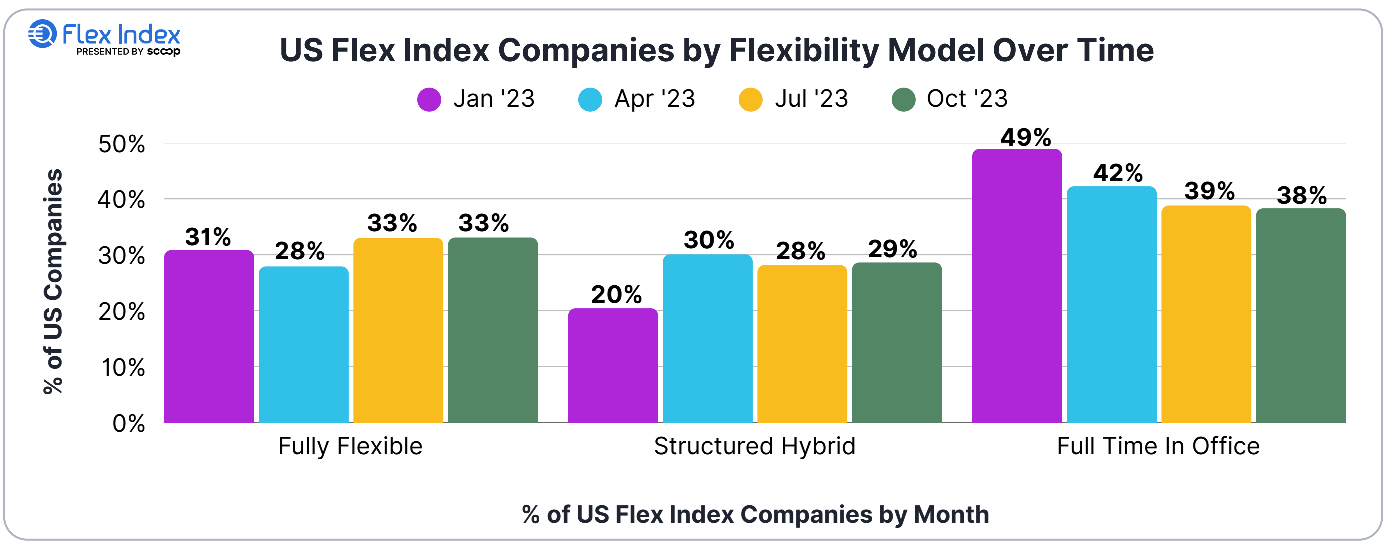

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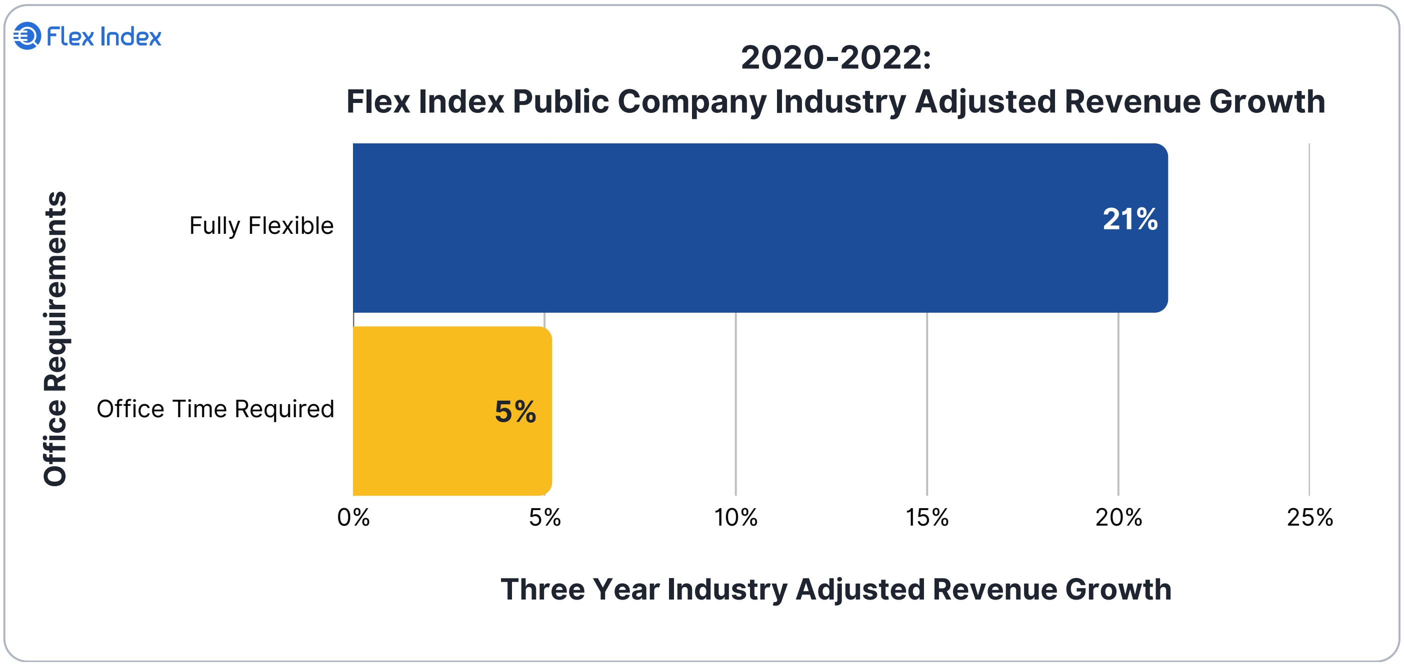
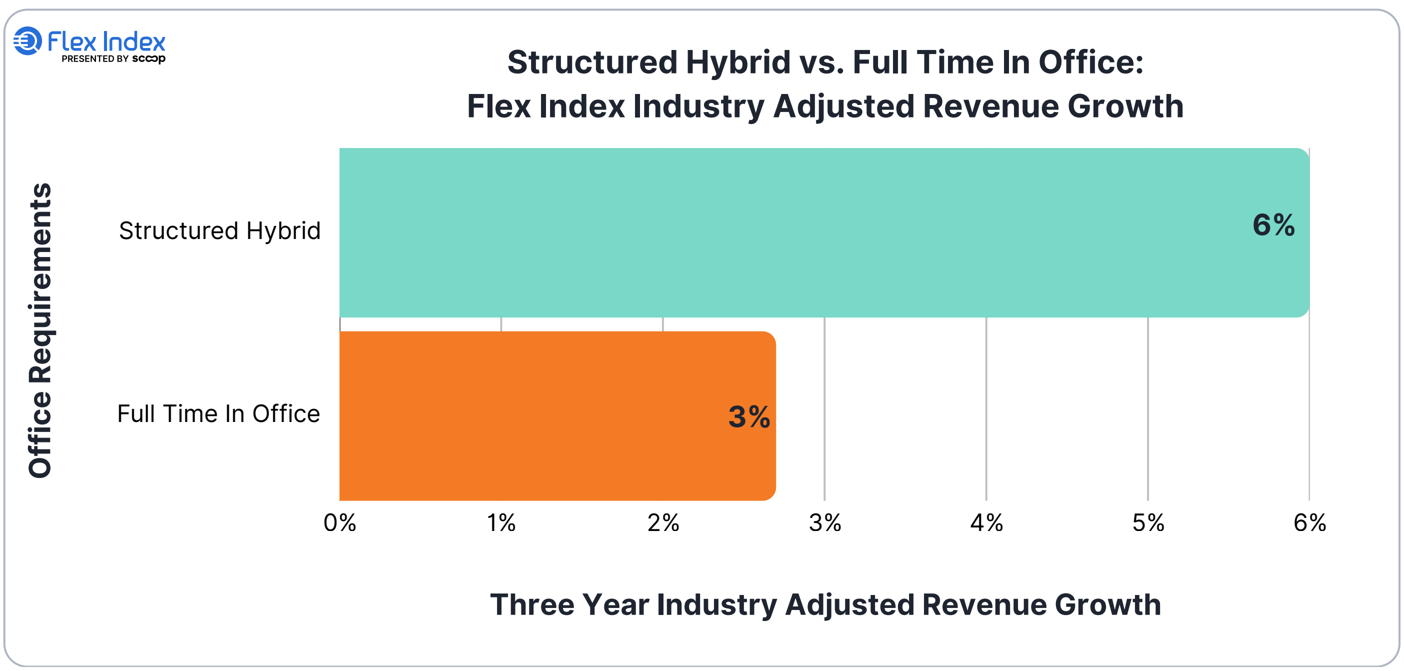
Share

Fully Flexible public companies significantly outperform their peers in revenue growth. From 2020-2022, the average Fully Flexible public company outperformed their peers by 16 percentage points in revenue growth on an industry-adjusted basis. Even excluding Tech, Fully Flexible public companies outperformed their peers by 13 percentage points.

It's not just Fully Flexible companies that outperform. Structured Hybrid companies performed better on revenue growth compared to Full Time In Office companies.



Source: Flex Index (flex.scoopforwork.com) employee surveys and publicly available data on public company office requirements. Boston Consulting Group analysis on Flex Index public company revenue performance from 2020-2022. Each company's revenue growth has been normalized against their average industry revenue growth rate from 2020-2022 to strip out revenue growth differences that could be attributable to industry mix. This sample has an average industry adjusted growth rate of 9.6%. N = 554 public companies. Flex Index is presented by Scoop (scoopforwork.com).



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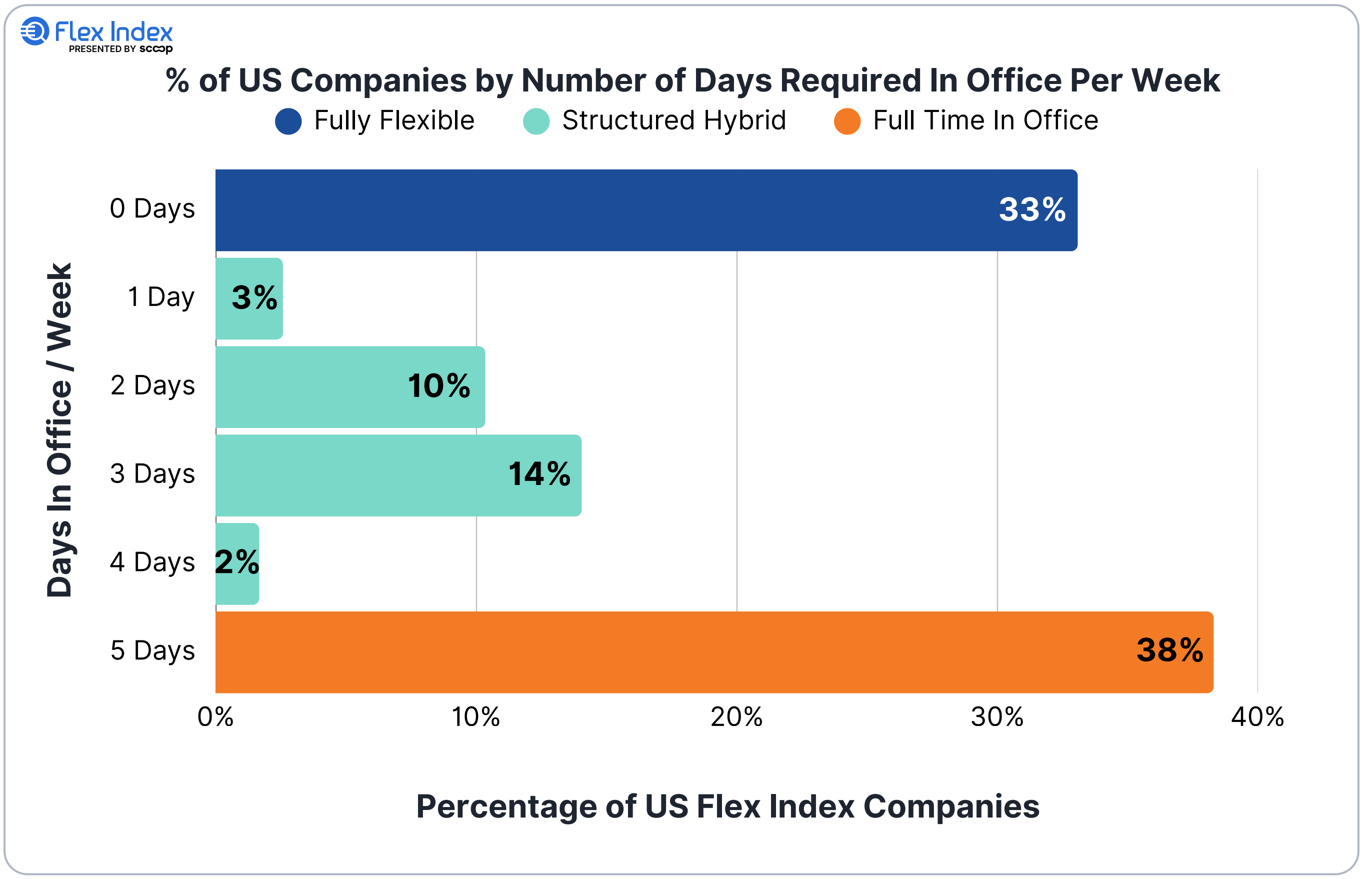
Spotlight on...

Time In Office

TIME REQUIRED IN OFFICE

Most US companies are still operating at the poles when it comes to flexible work. 33% of companies have no required office time; 38% of companies require Full Time In Office.

The remaining 29% of companies are Structured Hybrid, with the vast majority requiring the equivalent of 2-3 days in office per week.



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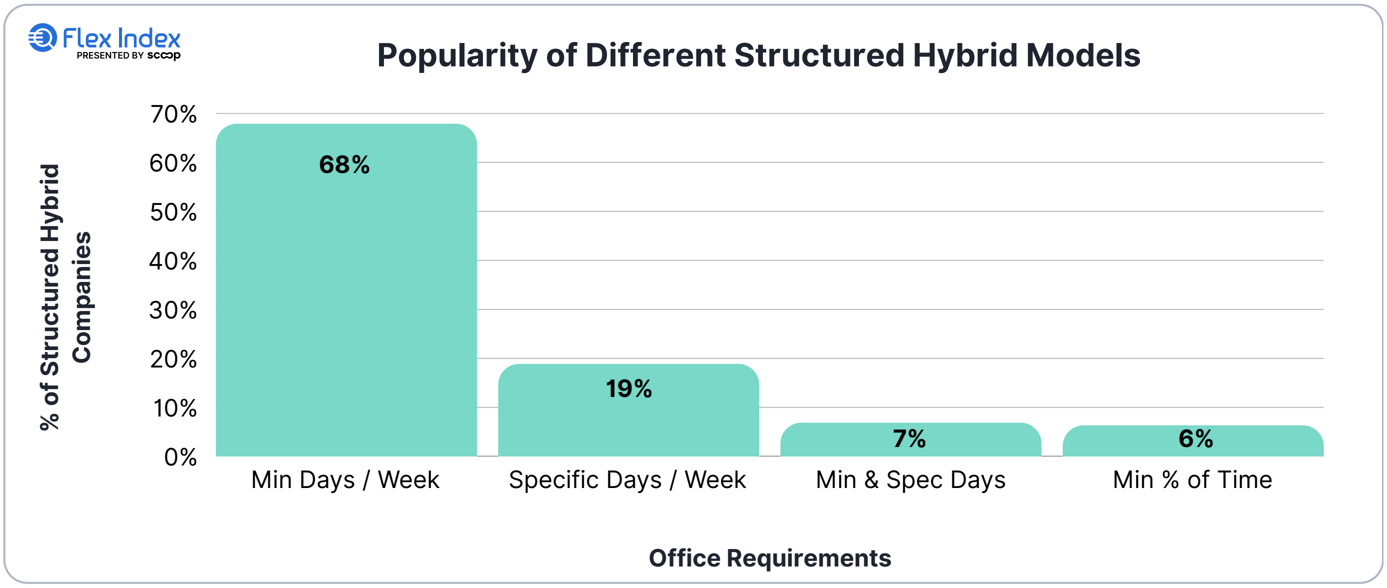
💡 KEY INSIGHT

With each passing quarter, the percentage of companies requiring Full Time In Office is decreasing. Most of that movement has gone toward Structured Hybrid, which has grown from 20% of companies at the beginning of 2023 to 29% in Q4 2023.

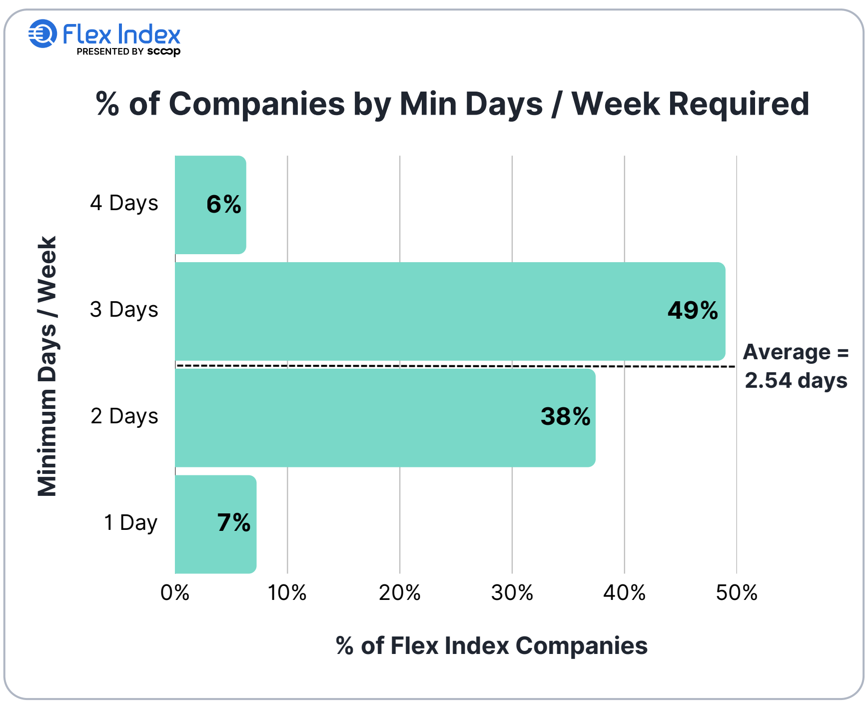
Over time, we expect Full Time In Office to continue to decrease and Structured Hybrid to surpass Fully Flexible as the dominant approach to office requirements in the United States. However, if Fully Flexible companies continue to outperform Structured Hybrid companies in revenue growth, that may cause further movement in larger companies toward more flexible models.

STRUCTURED HYBRID: DAYS / WEEK REQUIRED

Minimum Days / Week is the most popular Structured Hybrid model. 75% of companies have at least a minimum days component to their Structured Hybrid policy (68% just minimum days, 7% minimum & specific days). That's up from 70% in Q3 2023, so this model is continuing to solidify as the preferred model.



Source: Flex Index (flex.scoopforwork.com) employee surveys and publicly available data on US companies with Structured Hybrid office requirements. N = 1,483 companies. The Flex Index is presented by Scoop (scoopforwork.com).



Source: Flex Index (flex.scoopforwork.com) employee surveys and publicly available data on US companies with a min day / week office requirement. N = 1,090 companies. The Flex Index is presented by Scoop (scoopforwork.com).

💬 GOOD TO KNOW

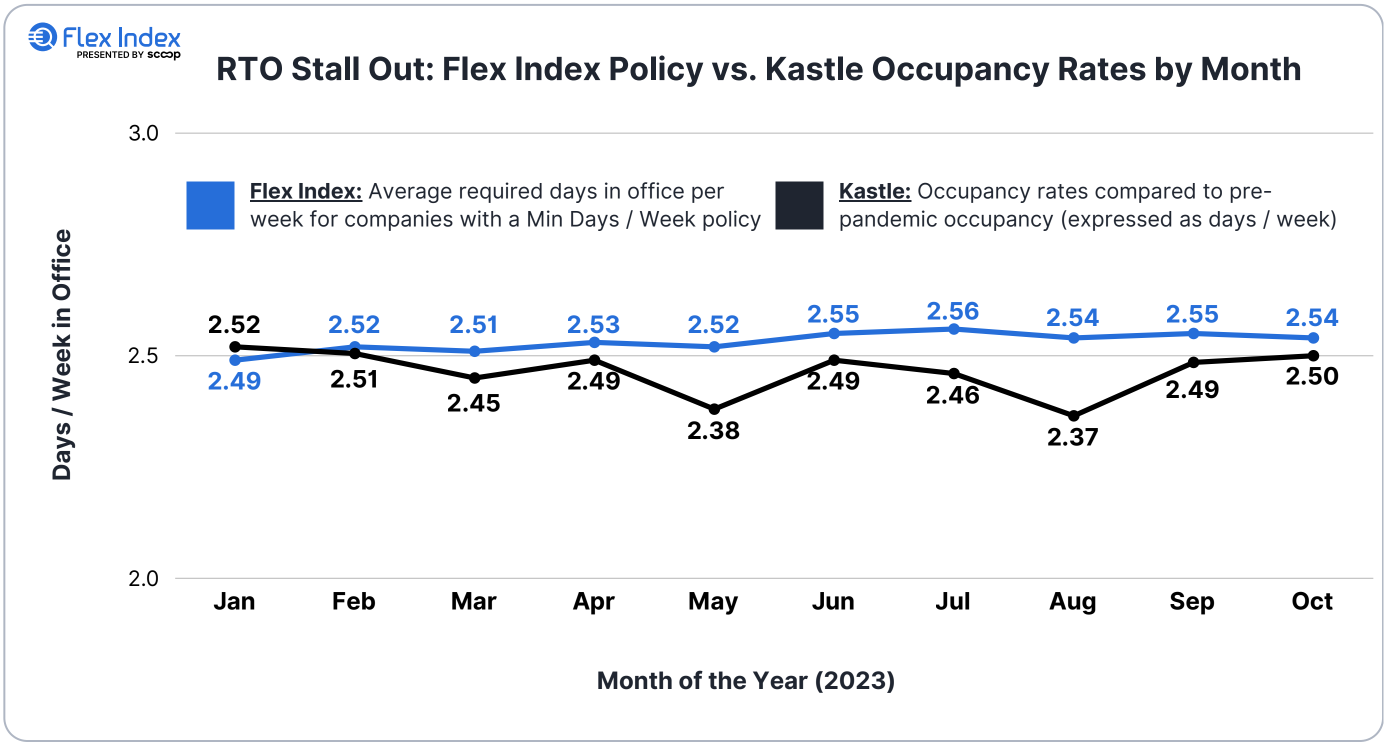
87% of companies with a Minimum Days / Week model require 2 or 3 days in the office.

While it's very common to see a lot of media coverage when large companies change their policy to require 4 days in the office, that is relatively uncommon.

RETURN TO OFFICE STALLED OUT

There was a lot of discussion pre-Labor Day on whether we would see a big increase in time spent in office after the holiday. That return to office did not materialize.

The average Structured Hybrid company requires 2.54 days in office, and that has been pretty consistent year to date. Similarly, Kastle tracks occupancy rates at its locations compared to pre-pandemic. Kastle occupancy rates compared to pre-pandemic have stayed flat at roughly 50% year to date.



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💡 KEY INSIGHT: POLICY VS. OCCUPANCY

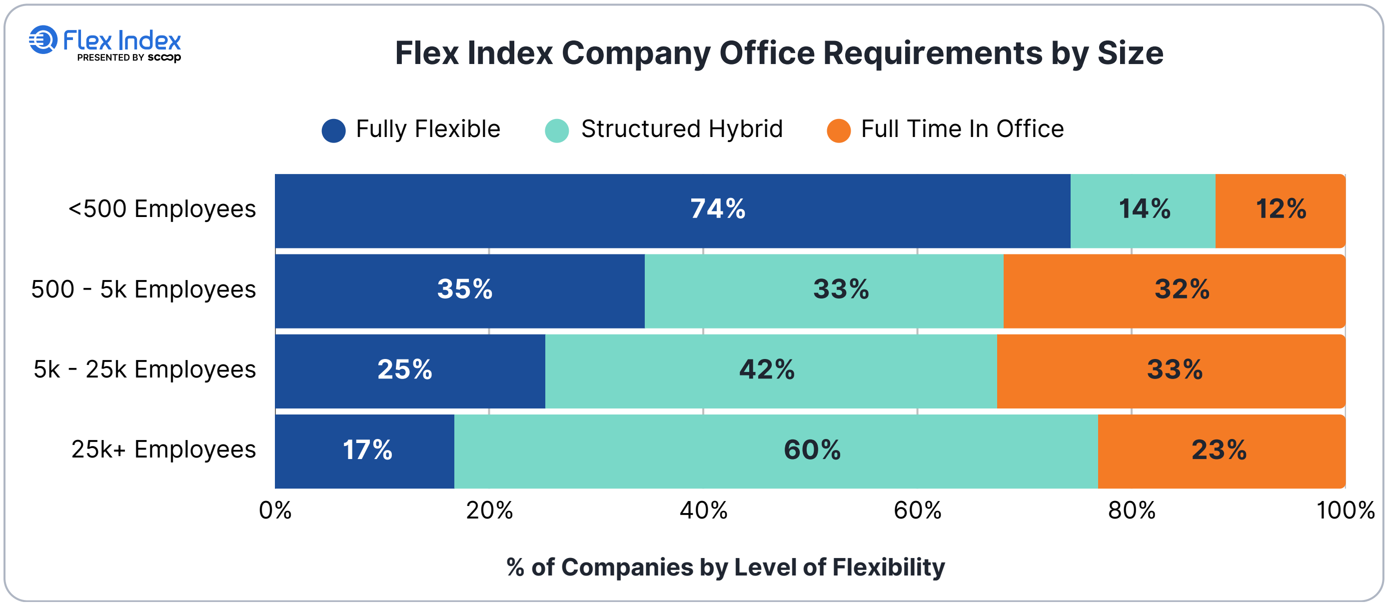
The vast majority of US companies required Full Time In Office pre-pandemic. For Structured Hybrid companies, that requirement has shifted from 5 days in office to 2.54 days; that's the equivalent of a roughly 50% drop in required office time.

It's no surprise then that Kastle's barometer is finding that return to office has flattened out at roughly 50% of pre-pandemic levels. If company policy continues to be 2-3 days / week in office for most companies, expect occupancy rates to stay at their current levels.

Flexibility by Company Size

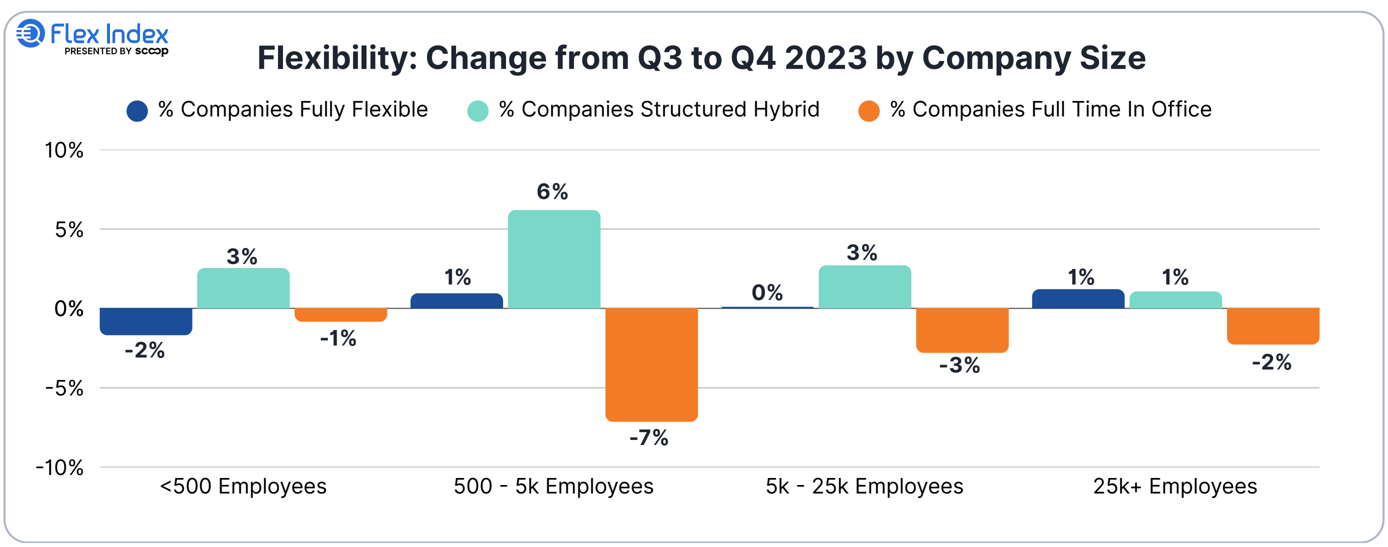
FLEXIBILITY BY COMPANY SIZE

There are two clear camps in flexibility. Small companies -- under 500 employees -- are overwhelmingly Fully Flexible, with 74% allowing employees to choose whether to come into the office at all. The largest companies -- 25,000+ employees -- are increasingly Structured Hybrid, with 60% opting for this model.



Source: Flex Index (flex.scoopforwork.com) employee surveys and publicly available data on company office requirements. N = 5,377 companies. The Flex Index is presented by Scoop (scoopforwork.com).

Policy for medium size companies is becoming more flexible as competition increases from smaller and larger firms. The percentage of 500-5k employee companies requiring Full Time In Office dropped from 39% to 32% quarter over quarter. 5k-25k employee companies are also shifting away from Full Time In Office.



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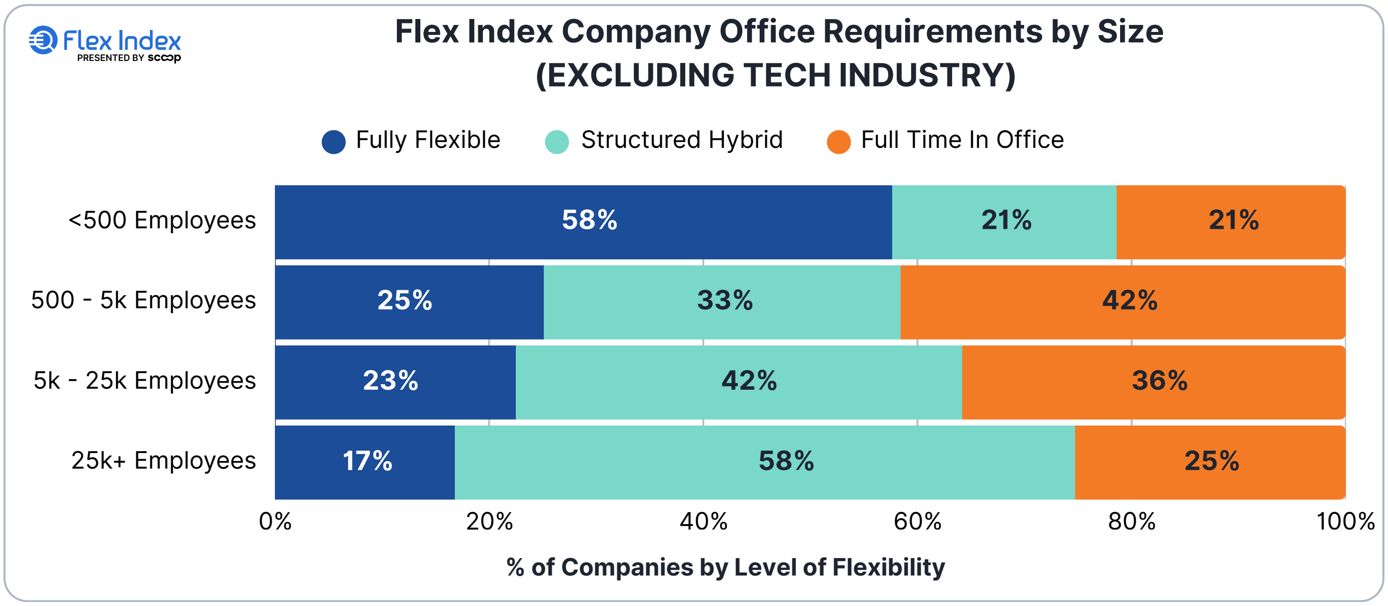
FLEXIBILITY BY COMPANY SIZE (EXCLUDING TECH INDUSTRY)

Even excluding the tech industry, the shift in mid-size companies away from Full Time In Office is pronounced. 42% of companies with 500-5k employees are Full Time In Office, down from 48% in Q3 2023. We expect that percentage to continue to trend down until it comes into line with smaller and larger competitors (20-25%).



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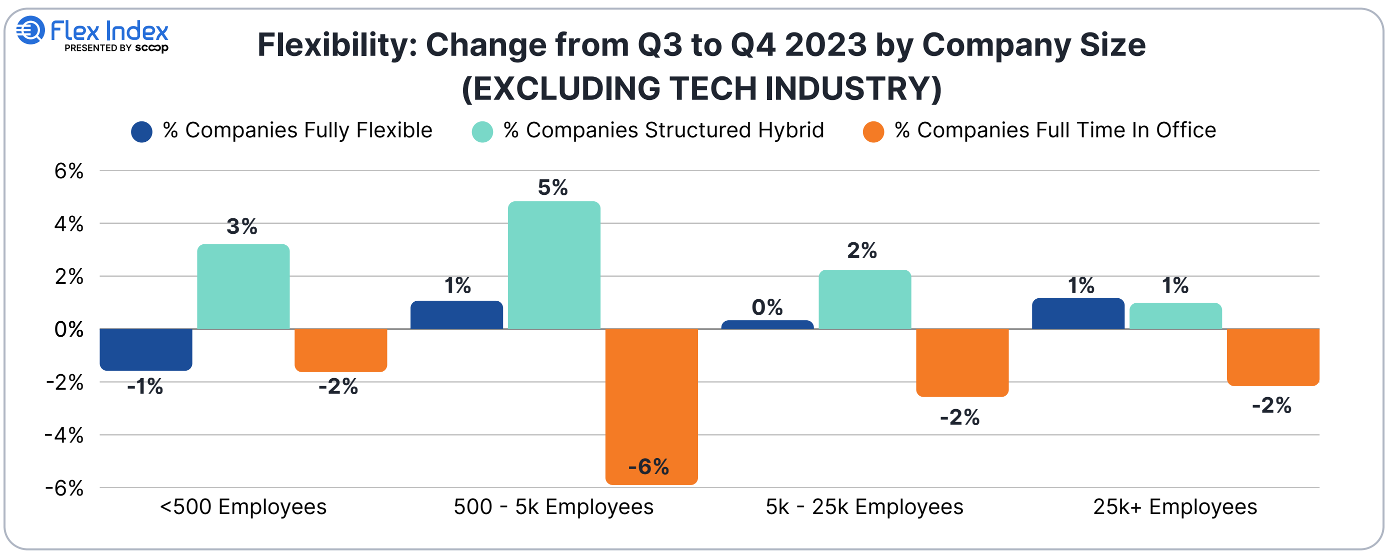
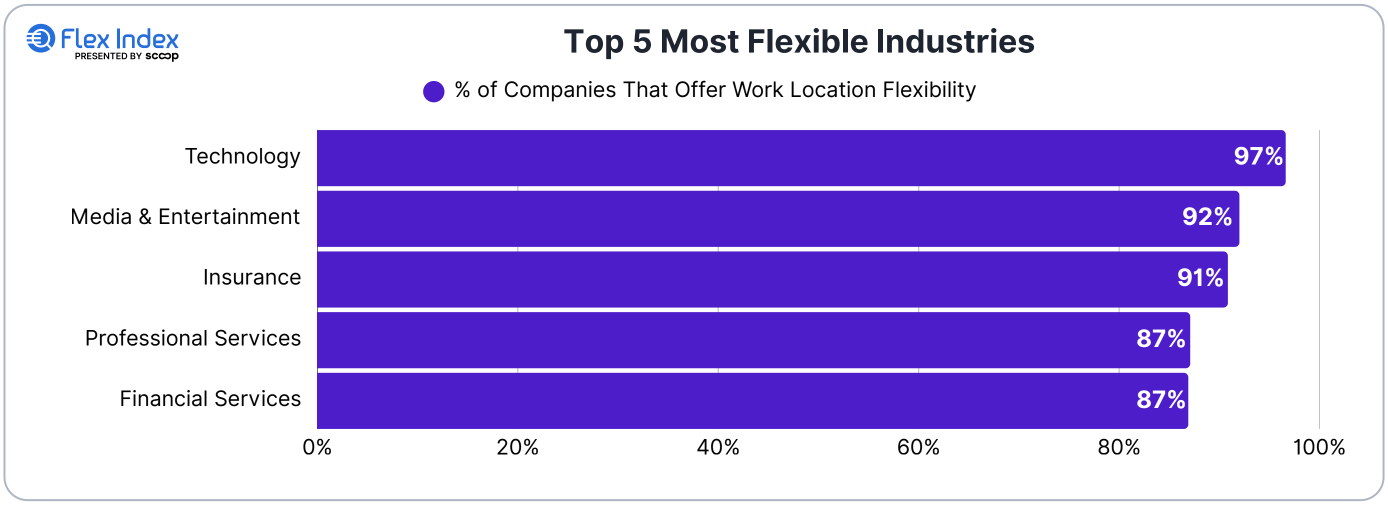


Source: Flex Index (flex.scoopforwork.com) employee surveys and publicly available data on company office requirements. N = 3,496 companies. The Flex Index is presented by Scoop (scoopforwork.com).

Flexibility by Industry

FLEXIBILITY BY INDUSTRY



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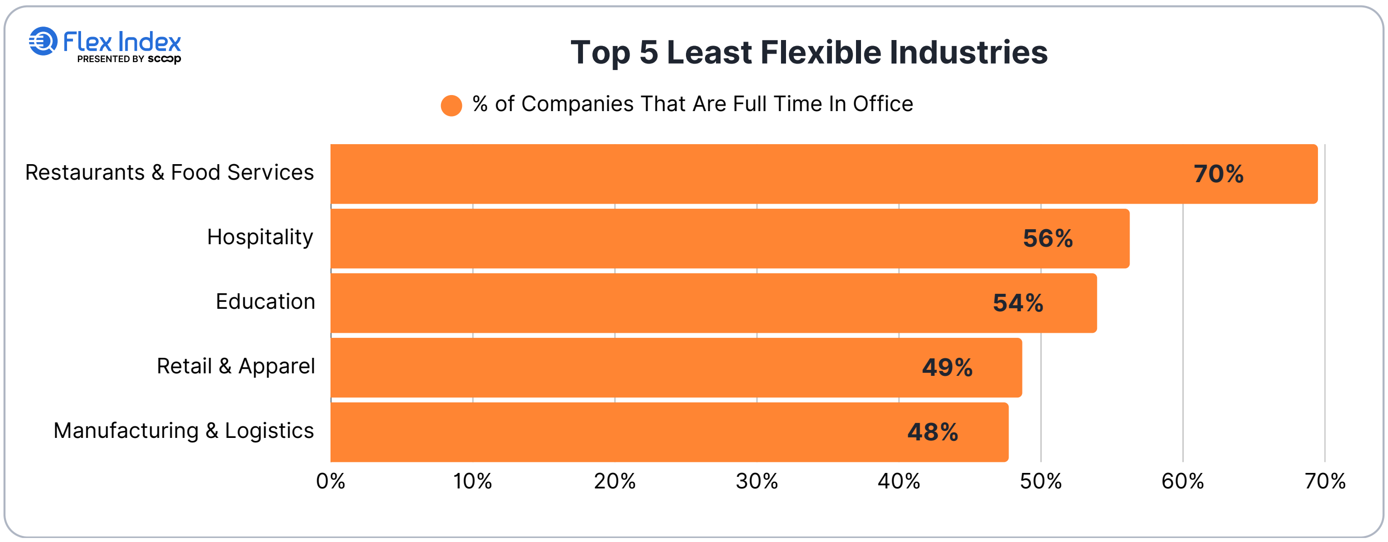


Source: Flex Index (flex.scoopforwork.com) employee surveys and publicly available data on company office requirements. N = 5,503 companies. The Flex Index is presented by Scoop (scoopforwork.com).

MOST FLEXIBLE

Tech companies are overwhelmingly flexible, with 97% offering at least some work location flexibility.

87% of **Professional Services** companies offer work location flexibility, which isn't surprising given employees at these companies are used to working across multiple locations (e.g. office, client site).

LEAST FLEXIBLE

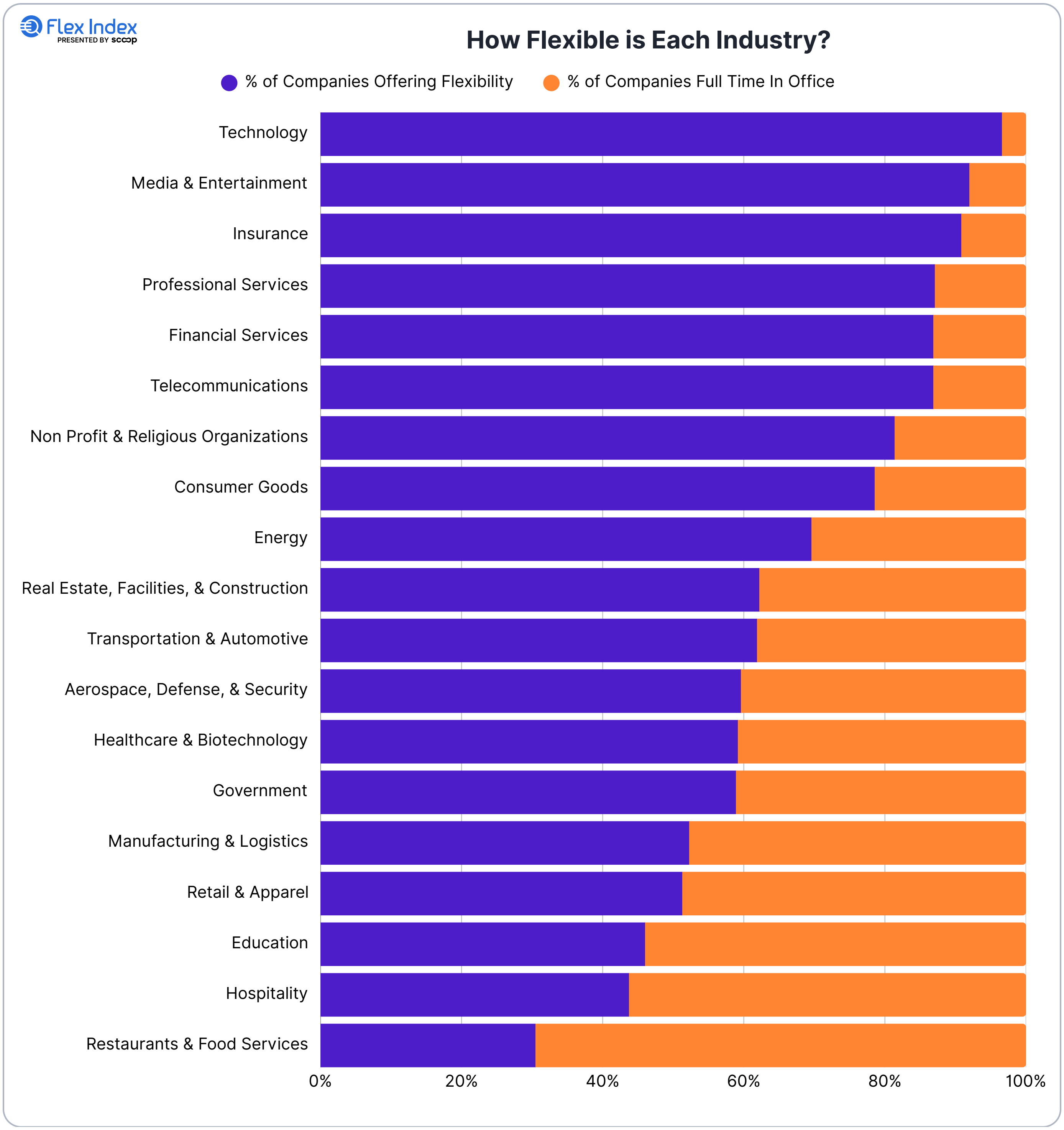
Restaurants & Food Services continues to be the biggest holdout on offering flexible work.

70% of companies in this industry require Full Time In Office work for corporate employees, likely out of a desire to stay closer to the customer who is on site.

Share

The majority of companies in most industries (except the bottom three) offer work location flexibility.

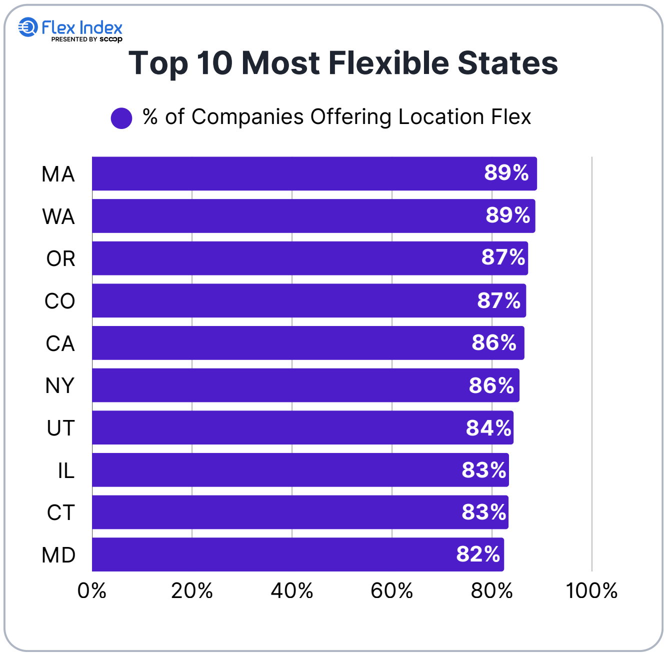
Government sits just outside the bottom five industries in flexibility, but that may shift as **more local governments experiment** with hybrid schedules.



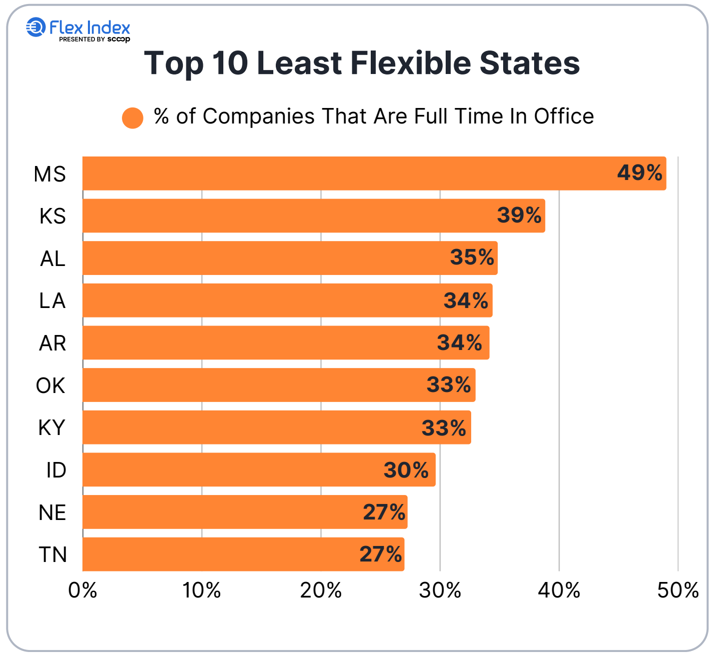
Source: Flex Index (flex.scoopforwork.com) employee surveys and publicly available data on company office requirements. N = 4,725 companies. The Flex Index is presented by Scoop (scoopforwork.com).

Flexibility by State & Metro

FLEXIBILITY BY STATE



Source: Flex Index (flex.scoopforwork.com) employee surveys and publicly available data on company office requirements; People Data Labs data on firm employment by metro. N = 41,514 State data points.



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MOST FLEXIBLE

Massachusetts holds on to its distinction as the most flexible state in the country.

The western part of the US takes the rest of the top five, with more than 85% of companies in WA, OR, CO, and CA offering work location flexibility.

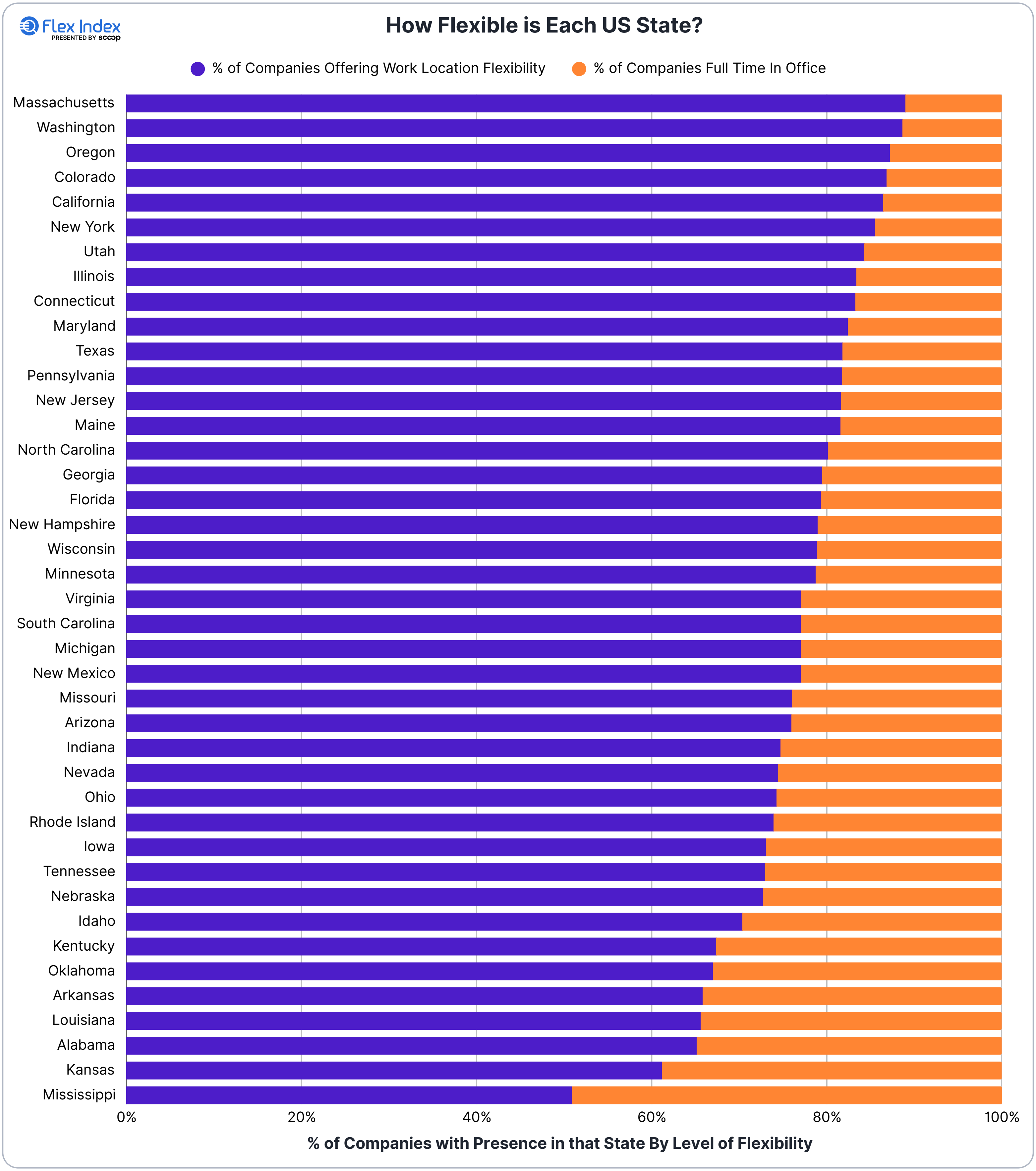
Illinois is the lone entrant from the midwest on the most flexible list. Maryland rounds out the top 10.

LEAST FLEXIBLE

Mississippi is the least flexible state in the US, with nearly half of companies requiring Full Time In Office work for their corporate employees.

The south accounts for most of the top 10 states requiring Full Time In Office work. That may be driven by a combination of industry mix, easier commutes, and regional differences.

FLEXIBILITY BY STATE



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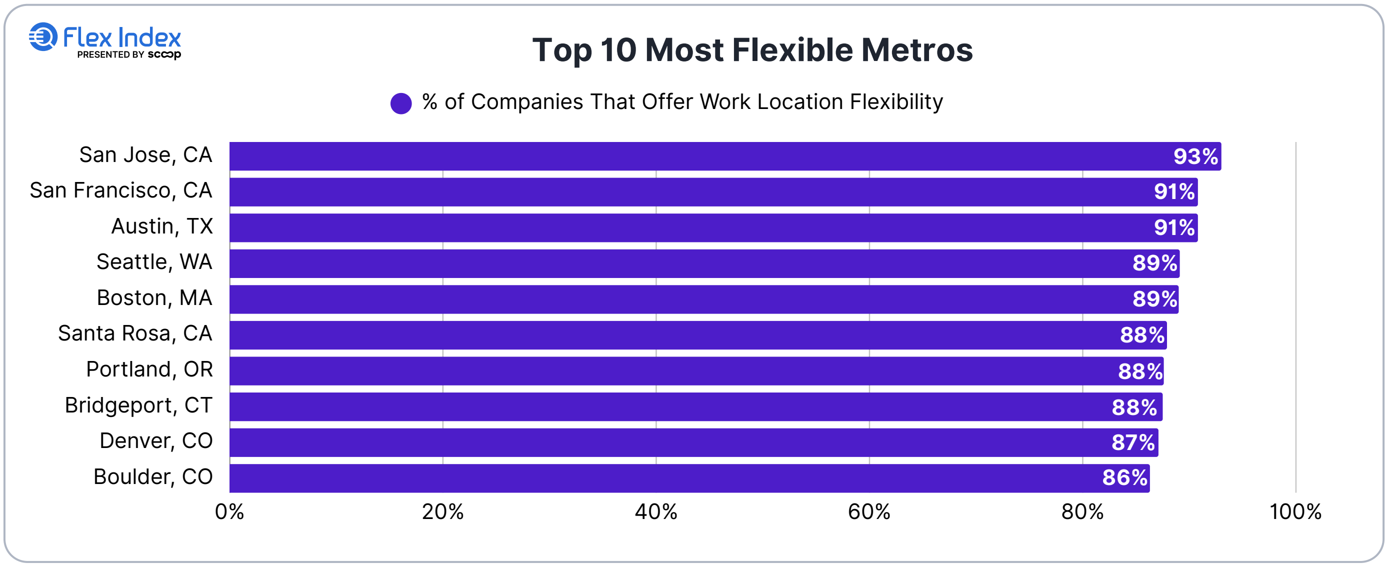
Share

FLEXIBILITY BY METRO



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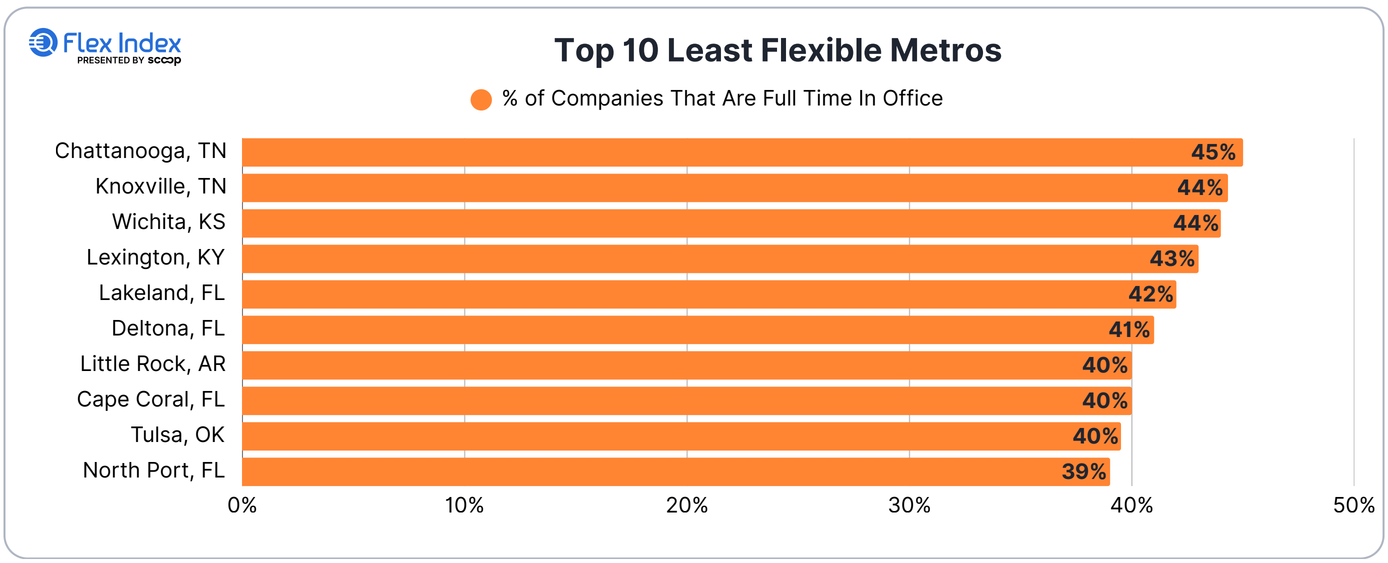

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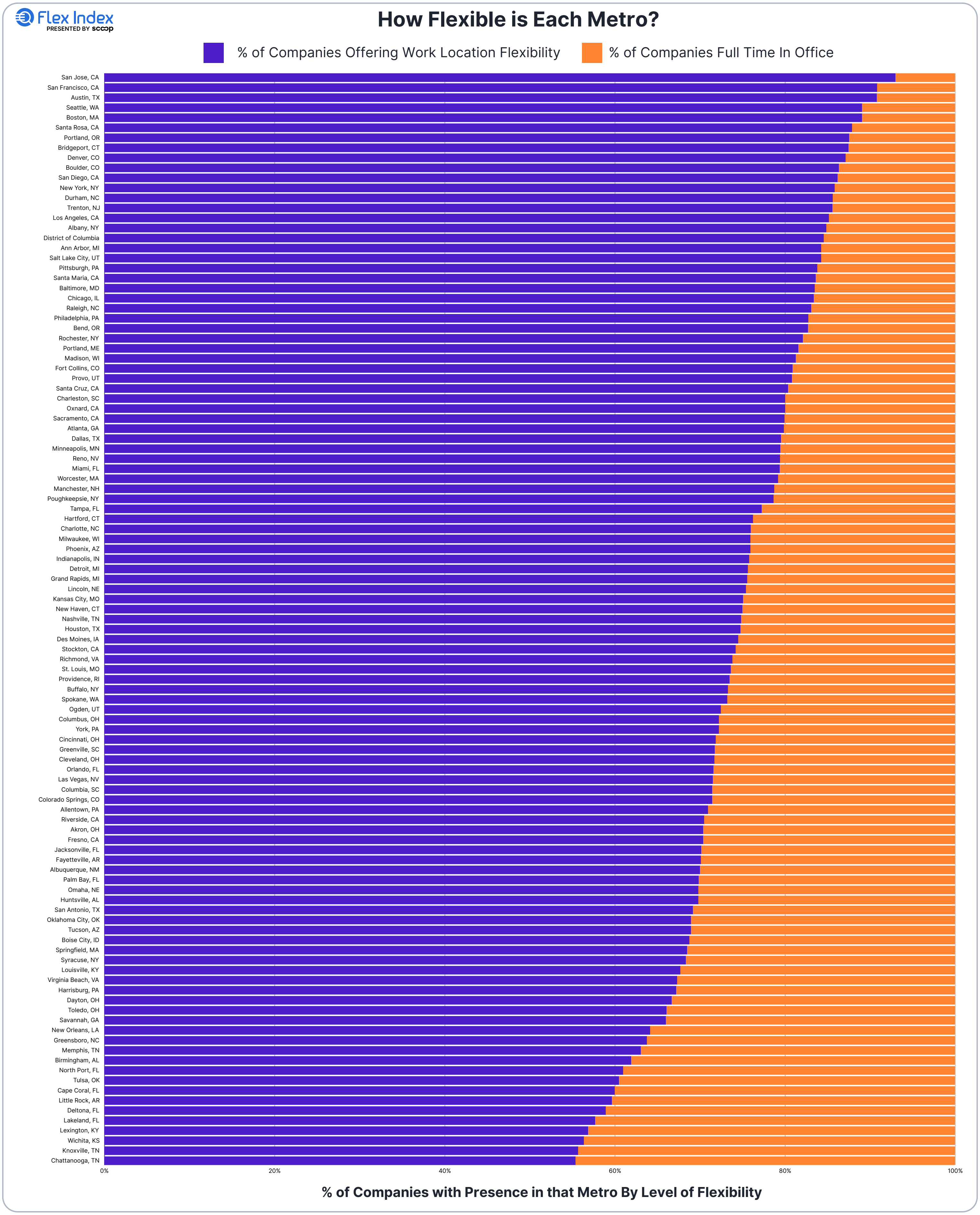
The Bay Area now boasts the top two most flexible metros in the United States. San Jose takes the top spot with 93% of companies offering work location flexibility. San Francisco is second with 91%.

Colorado also has two entrants on the most flexible metro list. Denver is in the 9th spot with 87% of companies offering work location flexibility. Boulder is 10th (86%).

Tennessee has the two least flexible metros in the country. ~45% of companies in both Chattanooga and Knoxville require Full Time In Office work.

Florida has four entrants in the bottom 10. Lakeland, Deltona, Cape Coral, and North Port all require high levels of Full Time In Office work. Smaller, more rural metros tend to offer less flexibility compared to the major metros represented on the most flexible list.



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In Closing

In Closing

At Flex Index we focus on digging beneath the attitudes, biases, and perceptions of flexible work to let the data tell the story. The data says that flexible work is continuing to grow in the United States.

For smaller companies, flexible work can offer a competitive advantage and an attractive work environment for top talent. For larger companies, hybrid work is a sweet spot that gives employees and managers a balance between in-person and remote work.

A majority (62%) of companies now offer work location flexibility, up one percentage point from a quarter ago and 11 points year-to-date. Younger companies are adopting flexible work at even higher rates; 93% of companies founded after 2010 offering work location flexibility.

The average Structured Hybrid company -- where there's a set expectation on time spent in office -- requires employees spend about 50% of their time in the office. That's been pretty flat year to date, and correlates closely with Kastle's data finding we're at 50% of pre-pandemic occupancy, even post Labor Day.

Thanks to our partnership with the Boston Consulting Group, we've been able to analyze the relationship between public company performance and revenue, and this analysis may shift some perceptions and attitudes around flexible work. We now know that Fully Flexible public companies outperform less flexible organizations on 3-year revenue, even when we exclude Technology firms.

These public companies have unlocked a way not just to scale flexible work for their people, but also to gain ground on talent attraction and employee engagement, which are working in tandem to drive business performance. Perhaps just the fact that remote employees "feel" productive thanks to the right balance of home and work time is helping them to focus on the work that matters.

As we wrap up 2023 and look to 2024, Flex Index will continue to track the latest so you get the vital information you need on companies, their office policies, and the latest trends!

You can contribute to the breadth and quality of the **Flex Index** by adding your company information **here**.

Appendix

Appendix

About the Flex Index

The Flex Index by Scoop is the world's most robust source of company in-office requirements, from fully in-office to remote work and everything in between. The Flex Index represents 7,500 companies, 55,000+ office locations, and 100 million people.

Contribute to the Flex Index

To contribute to the Flex Index, visit **flexindex.com** to create your user profile to either edit an existing company listing or create a new one.

Methodology

Flex Index collects firmographic and office requirements information on more than 7,500 companies. These companies have more than 55,000 office locations in the United States and significantly more offices globally. Flex Index companies employ more than 100 Million people worldwide.

Company office requirements are generated through a combination of publicly available information and statements as well as company submissions from current employees. All data contributing to this Flex Report was collected between October 2022 and October 2023. Once a company is incorporated into Flex Index, company representatives are contacted to inform them of their inclusion. Companies can add or update their information on Flex Index at any time.

Company office requirements reflect the most common office requirements for corporate employees. Companies can add detail to their company page to reflect job functions, roles, or geographies where there are different office requirements from the corporate policy. This includes opportunities for Fully Remote work, roles that are required to be Full Time In Office, or other hybrid work arrangements.

For a full breakdown of Flex Index methodology, please read our **Flex Report: Flex Index Methodology**.

Two specific methodology additions for this Flex Report:

- The analysis of the relationship between public company revenue and work location flexibility was conducted in partnership with **Boston Consulting Group**. Each company's revenue was industry-adjusted by that industry's revenue growth rate to remove industry variance from the analysis.

- Our partner **People Data Labs** provides the data on top employment locations and founding year for each company on Flex Index. This data is used to inform state and metro flexibility analysis, as well as potential trends in flexibility in the future.

Contacts & Contributors

For questions and press inquiries, please reach out to:

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Citations: Please cite "The Flex Index (flexindex.com), Q4 2023 Flex Report"

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