DSM WORKFORCE TRENDS AND OCCUPANCY STUDY

INITIAL SUMMARY

MARCH 2022

I. EXECUTIVE SUMMARY

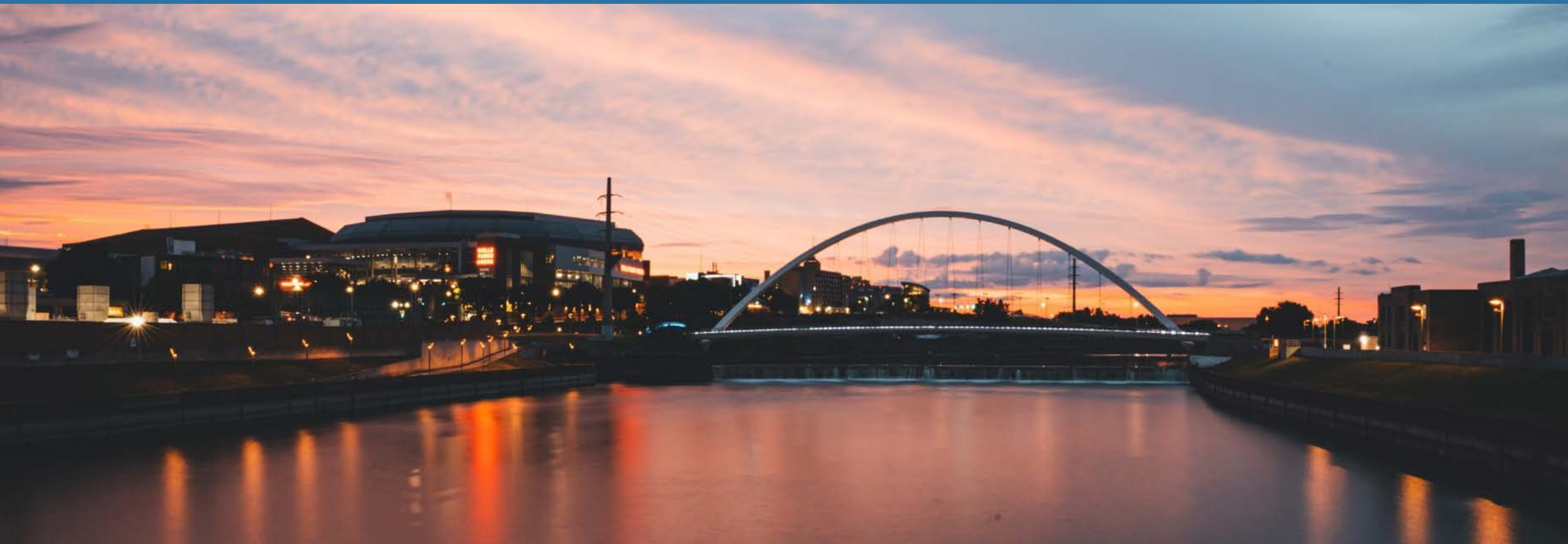
In January of 2022, the Greater Des Moines Partnership (GDMP) invested in the Des Moines Workforce Trends and Occupancy Study (WTOS), which is the first-ever community-level study of its kind in the world. This study emerged in response to recognition of a "wait and see" pattern that has taken root in our community and organizations due to the pandemic. With ambiguity reigning about how leaders and workers will behave in an increasingly competitive environment of hybrid work, some leaders have delayed important policy and investment decisions around the return to office and other strategic questions. These dynamics are not unique to Greater Des Moines (DSM), and we're confident this study will serve as a model for other cities to follow.

The WTOS emerged as an idea to support the Downtown DSM: Future Forward Vision and Action Plan. One of the firms involved in the project, Bâton Global (BG), was poised to gather research and data, with emphasis upon pandemic and futuristic perspectives. They leveraged their global experience and network to conduct this research, but they also expressed the importance of a hyper-local dataset that would maximize relevancy for decision-makers. Moreover, BG sought fresh insights about the human foundation that Downtown had historically relied upon – 80,000 daytime workers.

To understand this population in terms of their feelings, priorities, and utilization patterns – both inside and outside of work – BG partnered with Reworc, another experienced, global firm in DSM, which offers a suite of analytical tools to assist leaders in assessing an organization's work behaviors, networks, cultures, and spaces. After the development of questions specifically for this study, their expert team leveraged innovative virtual interview methodology to capture the sort of robust data needed to make informed decisions. Ultimately, there were five subjects we investigated through the assessment:

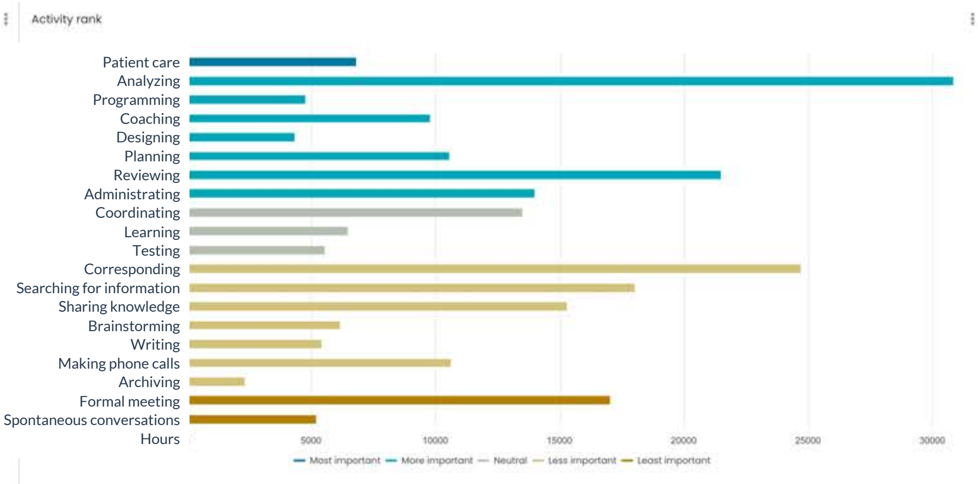
- **work behaviors** (the types of things our workers are actually doing day-to-day),
- **mobility** (where our workers have been working and plan to work),
- **attributes** (of the organization and surrounding environment),
- **work culture** (both current and desired future states), and
- **downtown** (the priorities, satisfaction, and utilization from our workers).

We have not come across another recent workforce study that has obtained this much detailed, crowdsourced data addressing the future of work as the pandemic wanes. Ultimately, the study reflects thousands of respondents across top employers, which confidently provides deep understanding of both the present and future priorities of our knowledge workers. Thus far, our analysis has yielded five insights about the Future of Work, and five insights about the Future of Downtown.



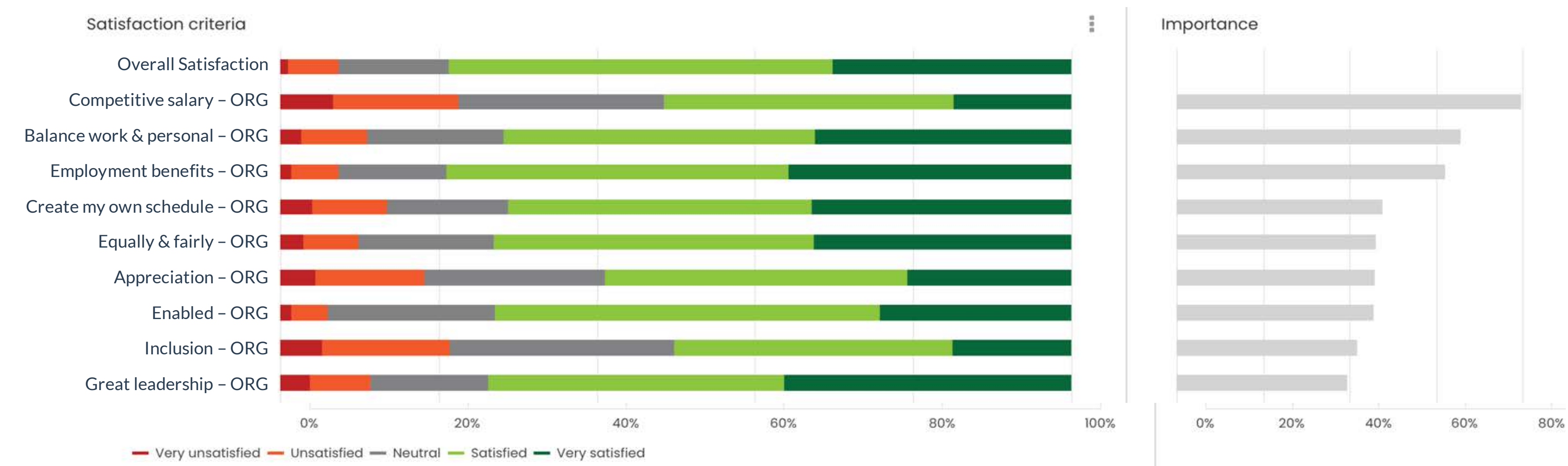
II. INSIGHTS: THE FUTURE OF WORK

Our analysis of the first round of data collection generated five insights reflecting workers' opinions about their work and their organizations.



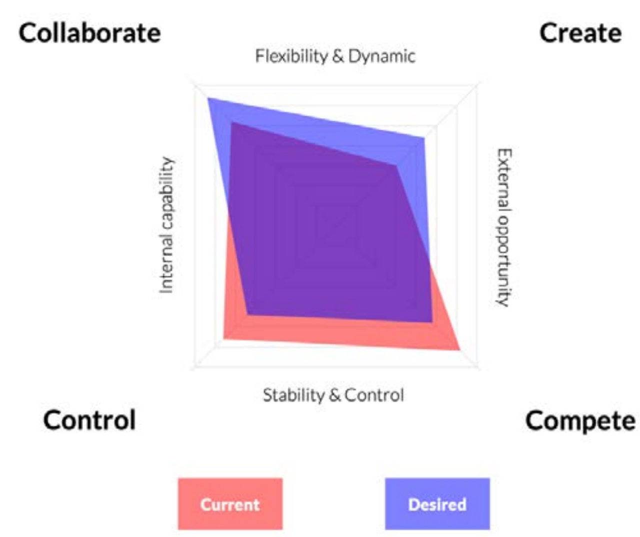
Deep Work: The study showed respondents a list of 19 activities (such as programming, coordinating, brainstorming, or writing) and asked them to indicate on which activities they spend most of their time and how they carry out these activities. It then asked them to rank those activities based on what is most important to achieve success in the role. What we found is that our workers are placing high value upon deep work - work that is more complex, collaborative and judgement-based. With that in mind we can ask, what can we do in education and talent development arenas to enable our workers to adequately conduct this type of work? The study also asked where each activity was best performed – at the office or at home, which will help our business leaders ensure their space is designed for the things their employees prefer to do at the office.

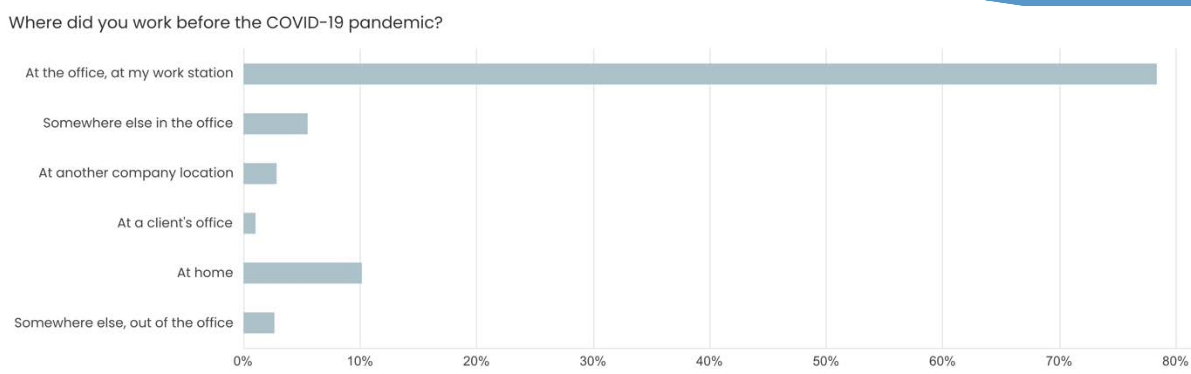
Just Do It: Of the 19 activities that workers were able to select and rank, formal meetings were the 2nd lowest valued activity, and yet it was the 5th highest in terms of time spent. In fact, our estimates are $1.7M in time spent in meetings per week, which is $81.6M per year going toward an activity our workers say isn't moving the needle, and that's just for the 5,200 workers in this study. Our employers have the opportunity to shift time spent to higher value activities and unlock more productivity. We also feel this highlights the importance of having thoughtful, wholistic communication strategies that span different mediums – including meetings to some degree but also real-time communication tools and asynchronous ones as well.

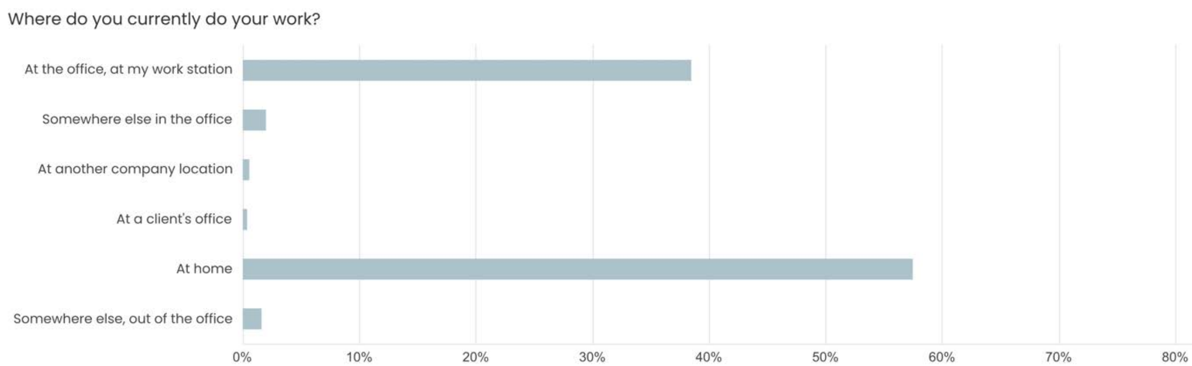


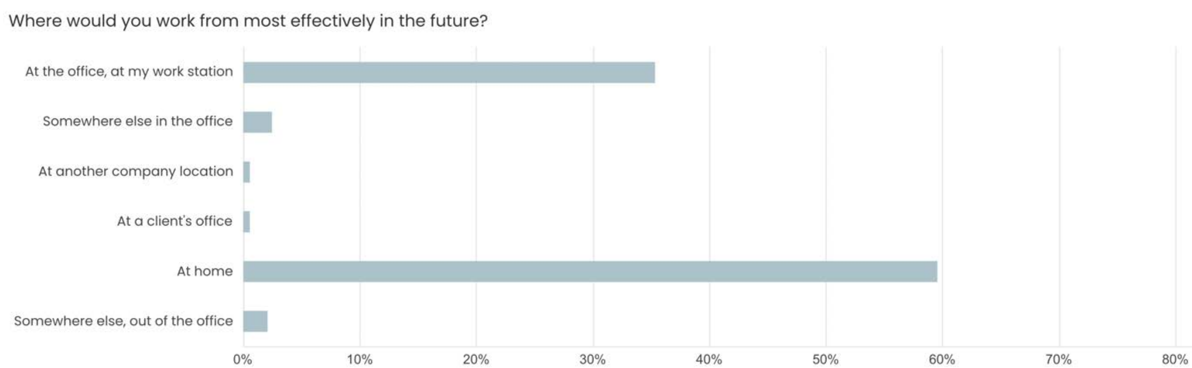
The Total Package: The study asked, what are the most important attributes of your organization? Then asked, how satisfied are you with those things? What we've found is salary, work-life balance and employment benefits are in a league of their own and are very important to employees. These make up the employee value proposition (EVP) in the minds of our knowledge workers. Employers should continue to communicate the value of the "total package" of these offerings rather than individual components of the EVP. The data does show the satisfaction with salaries is lower than satisfaction with work-life balance and employment benefits. Salary satisfaction is usually lower, as one might expect. Nonetheless, we do think it will be wise to investigate this topic further to understand how much of this dissatisfaction is rooted in perception vs. reality. We'd expect this analysis to compare salary alongside cost-of-living figures in other comparable metros while also factoring in economic trends like inflation.

A Needed Shift: The cultures within our organizations are key to the overall success of our region. Culture can be defined as the unwritten rules and values of an organization, but it is rarely measured in an actionable manner. While culture evolves with company strategies and lifecycle stage, the greater the level of alignment between current and future states, the better an organization will perform. Therefore the study asked, how would you describe the current culture of your organization? Then asked, what does the culture need to look like in the next five years if the organization is to reach its highest aspirations and goals? According to our knowledge workers, today's organizational culture in DSM puts emphasis on stability, control and performance above all else. However, our workers feel that more innovation and teamwork will be necessary for maximum achievement in the future. The data shows top-level leaders will likely have the biggest adjustment to make between current and future leadership and communication styles.





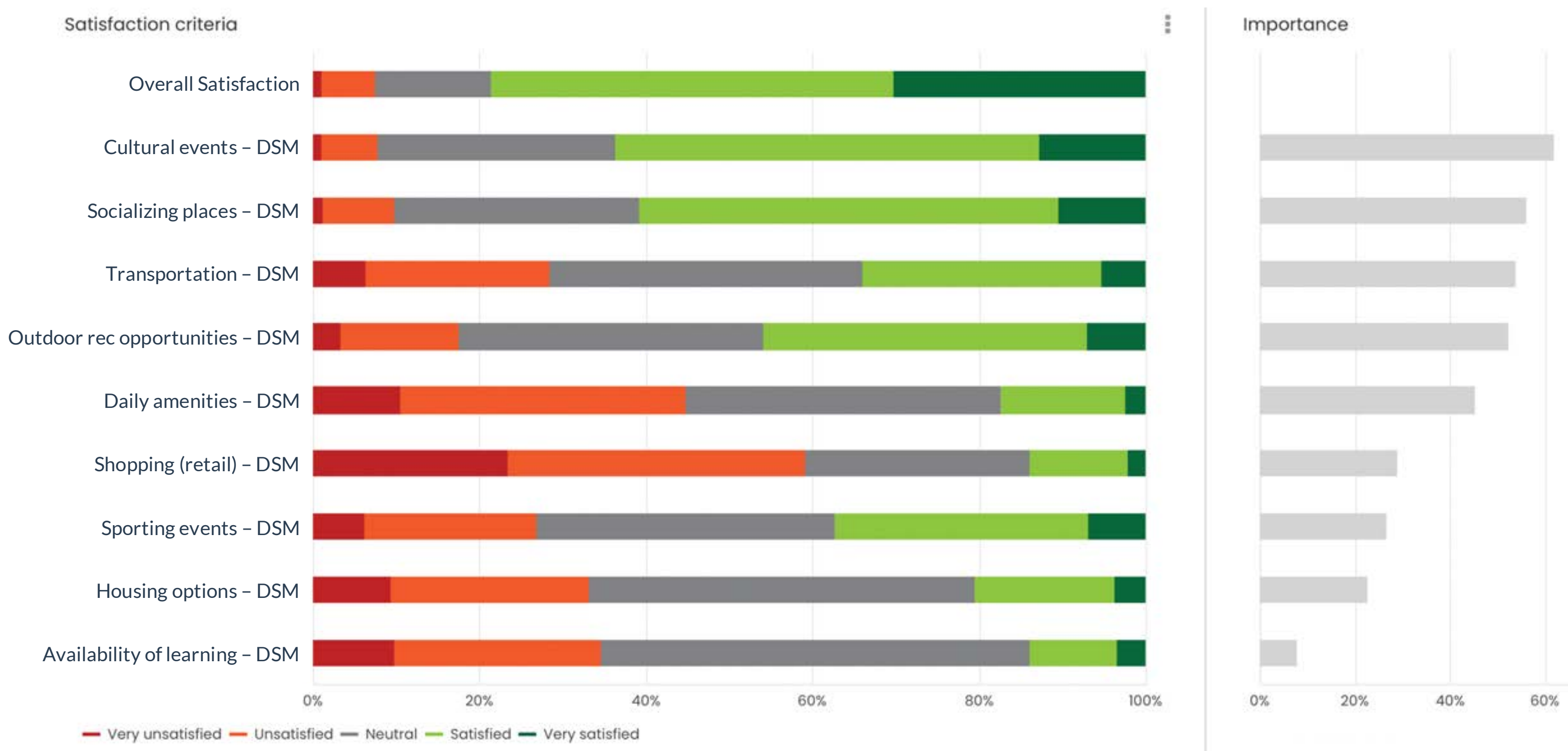




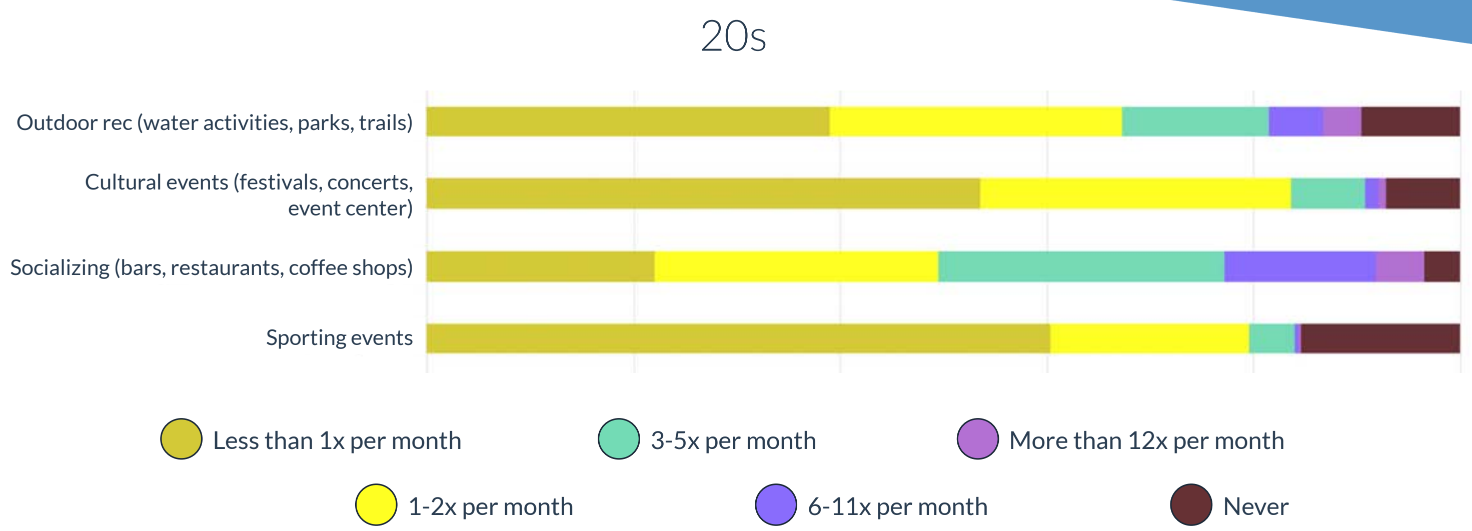
The Future of Hybrid: The study asked, where did you work before the pandemic? Where do you work now? And where do you feel you'll be most effective working in the future? What we've found is, our knowledge workers pre-pandemic location ratio was 85 (office)/15 (home). It's now 40 (office) /60 (home) and they think it should remain that way in the future. Nonetheless, Executives, VPs, and Directors feel differently than the overall population. They believe they'll be most effective working in the office 60% of the time and 40% of the time at home which supports their unique working patterns. Ultimately, this data reinforces the notion that hybrid work is here to stay, and employers will each determine how they approach this shift in general, and the different preferences amidst their ranks. The data shows that employers have the opportunity to create more meaningful in-person experiences at the office that are connected to socialization and make onsite the new offsite.

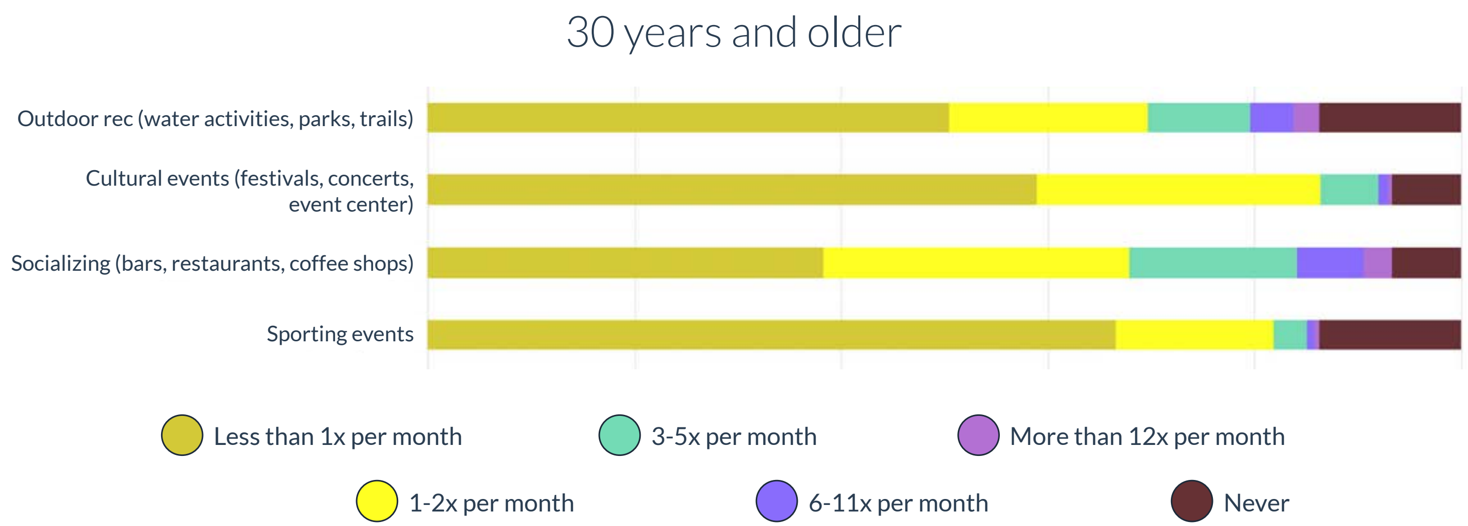
III. INSIGHTS: DOWNTOWN DSM

Our analysis of the first round of data collection generated five insights reflecting workers' opinions about Downtown DSM.



Memorable Experiences: The study asked, what are the most important characteristics of Downtown? Then asked, how satisfied are you with those things? What we've found is, cultural events, socializing and outdoor recreation are the top three drivers of high importance, satisfaction and Downtown utilization. Actionable ideas to best capitalize upon this very clear Downtown value proposition include (1) creating more "third spaces" like coffee shops or co-working spaces to attract remote workers, (2) ensuring favorable conditions for entrepreneurs to support these opportunities, or (3) emphasizing the *cultural and social* elements of prominent projects such as the Lauridsen Skatepark, Iowa Confluence (ICON) Water Trails and the forthcoming Pro Iowa Soccer Stadium and Global Plaza.

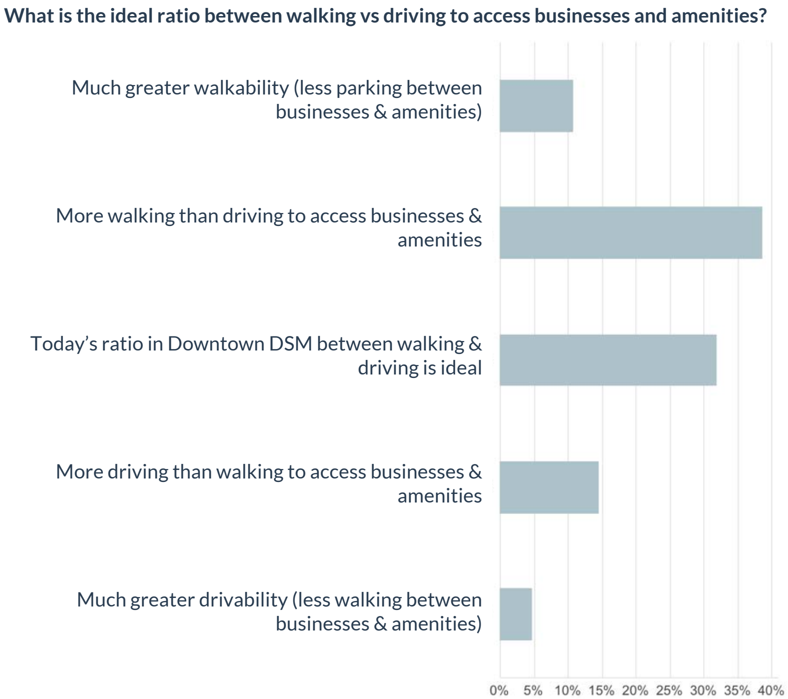


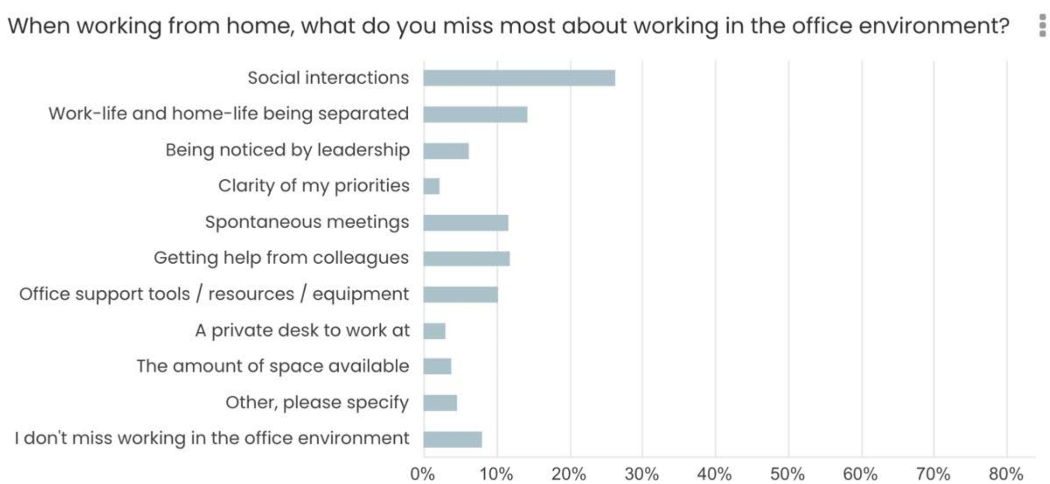


Generational Approach: We segmented the population in a variety of ways for further analysis. Not surprisingly, we find that demographics, in particular age, drive variation in preferences and utilization in Downtown. People in their 20s use Downtown more than anyone else. People 50 years and older care about parking, and people 60 years and older are very concerned with daily amenities. Policy makers will need to consider these differences in developing a future portfolio of amenities that appeal to the generational mix of residents and visitors.

Build It and They Will Come: The study asked, if positive changes were made to the things of importance to you, would it change how often you utilize Downtown in the future? We wanted to understand if our workers were at a saturation point with their usage of Downtown (i.e., if we had hit a point of diminishing returns within certain demographics). What we've found is encouraging – 86% would utilize Downtown more with continued improvements. With this data, we know we want to keep workers informed and give them opportunities to utilize Downtown. We're working with community leaders on ideas such as creating crowdsourced social proof about Downtown events and utilizing study data with developers who are considering projects in Downtown.

Step by Step: We asked, what is the ideal ratio between walking and driving to access businesses and amenities Downtown? We wanted to understand how our workers prefer to get around including transit and parking infrastructure. What we've found is 50% desire greater walkability around Downtown, with less surface parking and more pedestrian-friendly storefronts. Another 32% felt today's ratio between walking and driving is ideal. That leaves only 18% of our workers with a desire for easier driving and increased parking spots. Considerations should be made to determine how to promote the increased use of existing parking ramps and skywalks so other spaces can be developed into appealing pedestrian districts.





Building for the Future: The study asked several other questions about work, about the office and about Downtown. Our results indicate not only that the nature of work is changing but also people are using Downtown in different ways. Importantly, these changes are evolving in parallel. Respondents share that the number one thing they miss about the office environment is social interactions. And as previously mentioned, cultural events and socializing are the two most important Downtown activities. There's a **paradigm shift** happening; Downtown and its office environments must satisfy people's need for **connection** rather than just being a space for their **work duties**. This provides opportunity to reimagine and redesign to attract a hybrid workforce.

IV. ACTIONS

The insights above are already being activated by key stakeholders in Greater Des Moines:

- Insights will be used to drive action steps in the Downtown DSM: Future Forward vision plan and action plan to be finalized in the coming months.
- Bâton Global and Reworc facilitated work sessions with the Greater Des Moines Partnership to generate actionable ideas that connect to and advance The Partnership's 2022 Report Card.
- Research briefings will be conducted with each organization that contributed to the study.
- The data within Reworc's interactive platform is being shared with major employers, Partnership Board Members and Investors, Downtown DSM Board Members and many other stakeholders for their feedback and further insights.
- We also plan to create a toolkit of ideas and suggestions for employers based on the study's findings.
- Partnership Investors and Members are invited to the DSM Workforce Trends and Occupancy Study webinar on March 23, 2022 to learn more.
- Immediate action steps individuals can take right now is to come Downtown for work and recreation, attend events, support restaurants, retailers and amenities, and then share those experiences with their network and on social media.

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