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## Why Workers Need Proximity to Remain Competitive

BY ELIZABETH LOWREY OCTOBER 2, 2024 10:54 AM

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Lately, CEOs I meet ask the same question: "How am I going to get people back to the office? Remote work is killing us!"

Research supports their concerns. While the pandemic's remote-work experiment brought about today's hybrid schedules — and many employees appreciate this flexibility — studies show that those who consistently work in proximity with one another outperform purely remote teams.

Although some amount of remote work is here to stay, the office remains crucial. Innovation and creativity thrive on proximity, especially at critical moments. Employees need it to remain competitive.

Employees benefit significantly from relationships that involve consistent physical proximity. Those in-person encounters foster trust, belonging and improved communication, while also introducing different perspectives.

Remote work diminishes the time spent interacting and collaborating, which reduces exposure to novel ideas. Consequently, organizational networks contract, and teams become more isolated and less dynamic. In particular, decreased interaction with those who typically introduce innovative concepts results in fewer informational bridges between distinct teams and business units.

Remote teams struggle to converge on complex information as effectively as their inperson counterparts. This is particularly acute when working on conceptual tasks, where
ideas are difficult to express and knowledge is implicit. Much of the success of remote
teams relies on knowledge and decisions coordinated during face-to-face
collaboration, with late-stage technical tasks handled remotely. As one group of
researchers succinctly put it, "Remote teams develop, and on-site teams disrupt."

Even large tech firms — early champions of remote work — acknowledge the importance of proximity. Their post-pandemic office mandates have brought employees back together.

Surveys show that most employees prefer on-the-job learning over virtual education platforms. With the average half-life of skills now less than five years (even shorter in some tech fields), it's crucial to continually reskill. Office-based employees spend up to 25 percent more time on career-development activities than their remote counterparts. This is particularly important for early-career employees and women, who often receive less direct feedback when working remotely.

There's no one-size-fits-all solution for the "right" level of remote work, nor should we

expect one. Rather, let's acknowledge that lessons from this experiment should inform a

new blend of technology, space and culture.

As a workplace strategist who designs offices, I know that for most office-using

organizations this balance can enhance productivity, innovation and overall workplace

satisfaction. Leaders can ensure they maximize the benefits of in-person interactions by

fostering proximity within thoughtfully considered spaces.

Collaboration is key. Face-to-face interactions, co-creation and observing team dynamics

enable people to effectively achieve what individual team members couldn't conceive.

Regular in-person contact between team members keeps people close to others and their

projects even when they are working remotely. Proximity will make remote work days

more deliberate, structured and productive.

My message to CEOs: Physical closeness fosters genuine connection, sparks creativity and

drives innovation. Proximity is powerful.

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