



EXECUTIVE INSIGHTS

Tipping the Scales: The Four White-Collar Archetypes That Define Work's New Normal

The COVID-19 pandemic changed the way millions of Americans work. Many of those changes are likely here to stay. As a result, the traditional 9-to-5 office job is yielding ground to other models of white-collar work.

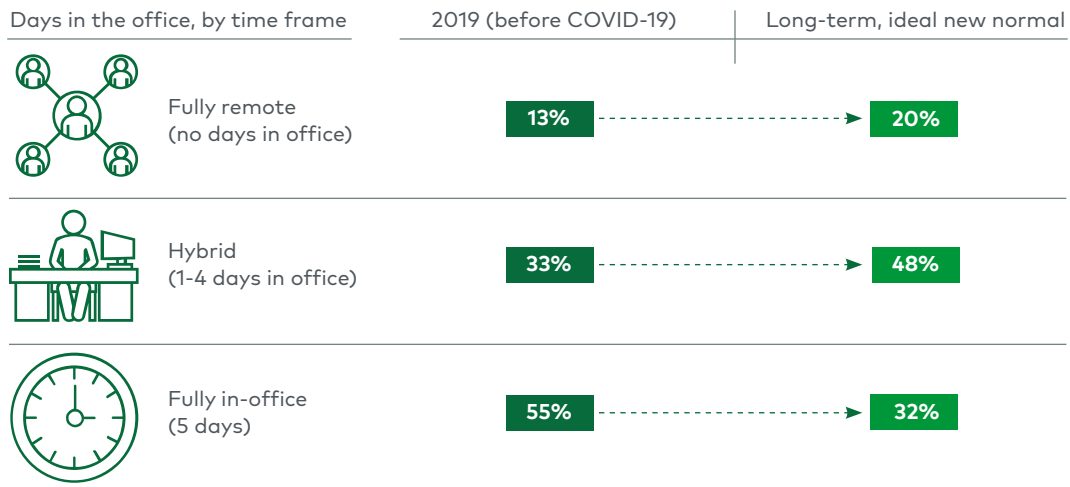
This isn't necessarily what employers expected, even after the shutdowns in the spring of 2020. Companies began to call employees back to the office, only to run into resistance, especially among the young.¹ By the last quarter of 2021, office occupancy rates in major U.S. cities were still sitting at just 40%, and that was a post-pandemic high.²

Commercial real estate operators are clearly feeling the squeeze. However, new work norms also have significant implications for hotels, airlines, leisure providers and other businesses in the travel and infrastructure sectors. But what do these new norms look like, and what kind of opportunities do they present to industry executives and investors? Let's find out.

The rise of flexible work

A recent L.E.K. Consulting survey of 1,000 white-collar workers reveals that one in four plans to be fully remote going forward. Asked about their long-term, ideal new normal, 48% indicate that they prefer a hybrid model of one to four days in the office. This is an increase from the 33% of respondents who pursued this hybrid model pre-COVID-19. Similarly, while 55% of white-collar workers surveyed worked fully in-office pre-COVID-19, only 32% expect to do so long term (see Figure 1).

Figure 1
Number of days U.S. workers spend in the office (N=1,000)



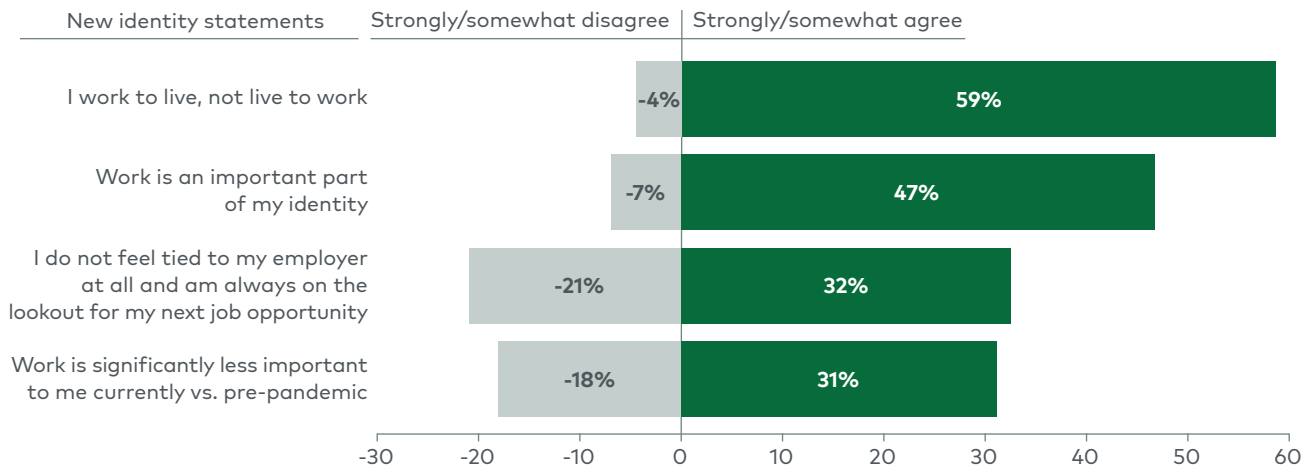
Note: Percentages may not total 100% due to rounding
Source: L.E.K. survey, research and analysis

Recent studies of worker behaviors and consumer norms seem to back up this trend. Caltrain reports that the number of people who plan to commute at least four days a week fell from 71% to 37% since the pandemic began.³ And according to the American Public Transportation Association, weekly passengers have dropped by roughly half or more among the five largest transportation systems in the U.S. following the pandemic.⁴ The Massachusetts Bay Transportation Authority, for one, is spreading train schedules more evenly throughout the day in response to reduced rush-hour demand.⁵

Workers are taking advantage of the increased flexibility afforded by the pandemic to adjust not just their locations but also their work hours and work styles to accommodate personal needs. The most common approach is to work up to four normal days in the office (not necessarily consecutively) and one normal day remotely. Another arrangement is to work four long days and one light day, any of which could be remote or in the office. Still another variety of arrangement is to compress work time, delivering five days' worth of work over four days. Here, too, any of the time could be remote or in the office.

Whatever the model, many workers are less tied to their employers and more focused on balance. Among survey respondents, 59% say they work to live rather than the other way around. What's more, 31% say work is significantly less important to them than it was before the pandemic, and a similar proportion say they feel no tie to their employer and are ready to seize the next opportunity (see Figure 2).

Figure 2
Importance of employment to worker identity (N=1,000)*



*Percentage of respondents selecting 1 and 2 (strongly/somewhat disagree) vs. 6 and 7 (strongly/somewhat agree)
Source: L.E.K. survey, research and analysis

Four archetypes that define new ways of working

In the war for white-collar talent, employers are motivated to support these changes. This is even more pronounced now that they compete not just with local employers, but nationally and even internationally amid more virtual ways of working.

The new work norms typically fit one of four archetypes:

- 1. Traditionalist.** A traditionalist is someone who spends five days a week in the office, with a fixed primary residence and schedule. Pre-pandemic, traditionalists accounted for 55% of the white-collar workforce in the U.S. Today, their share is down to around 34%.
- 2. New-norm seeker.** Like the traditionalist, the new-norm seeker has a fixed primary residence. However, new-norm seekers typically don't put in a full week at the office anymore. While they often follow a fixed schedule, many value being able to vary this occasionally. New-norm seekers account for about 35% of today's workforce.
- 3. Flexible worker.** This emergent white-collar segment fully embraces new work flexibilities. They can spend anywhere from zero to five days a week in the office. They want the options to relocate throughout the year, change their work schedules (e.g., sabbaticals, rotations) or both. Flexible workers fall into two subtypes: the occasional wanderer who balances work-from-home flexibility with the social benefits of going into an office occasionally (4% of the current workforce) and the digital nomad who has given up their primary residence (3% of today's workers).

4. Remote worker. Remote workers spend no time in the office. They have a fixed primary residence, and their schedule is relatively predictable. Remote workers made up 13% of the white-collar workforce pre-COVID-19. Today, their share is up to 24%. While the stereotype is of people going off grid to live in remote cabins, 80% of this segment actually live in the suburbs and even urban locations. Remote work is especially important to women who, as job seekers, are twice as likely as men to focus exclusively on remote work.⁶

Each work archetype has different expectations and needs. Understanding them will help businesses anticipate demand for real estate, transportation, lodging and leisure. It can also inform the development of new solutions and marketing materials targeting the most relevant cohorts.

Traditionalists are generally more ready to bounce back to normal. Most feel some degree of loyalty or tie to their employer, aren't actively looking for a new job opportunity and believe work is no less important in their lives than it was at the start of the pandemic. Even so, well over half acknowledge the pandemic has altered their outlook on their health, and 64% plan to spend significantly more time and money on their health and well-being.

New-norm seekers tend to report no reduction in the importance of work in their lives, nor any decrease in employer loyalty. Vacation time and long weekends remain unchanged. But 46% of new-norm seekers did change the way they work, by either negotiating flexible arrangements or achieving the same outcome by combining part-time gigs. Roughly half plan to increasingly prioritize family activities, noting that the pandemic has made them permanently closer to their children, significant others and pets.

Flexible workers also feel more drawn to their personal relationships, but they've loosened ties to their employer. Occasional wanderers plan to invest more time and money in their fitness and personal well-being, reallocating their time and money accordingly. Nearly three-quarters have reduced the amount of time they work by negotiating flexible hours (33%), switching to a part-time job (22%) or taking a sabbatical (18%).

Digital nomads are likely to say work is an important part of their identity, but they seek greater balance in their lives. About a quarter have moved from full-time to part-time or gig work. Forty-two percent are taking more vacation days and long weekends than they did pre-pandemic, and half or more of their vacation time is flexcation.

Remote workers tend to feel less attachment to their work in general — only 38% say work is an important part of their identity — but being remote isn't a geographic decision, it's a

lifestyle. At least half indicate no change in spending or behavior related to work, community or leisure. The majority feel closer to their family. About half plan to invest in their homes, and 57% plan to invest in their well-being.

Businesses can develop new strategic approaches by considering the various attributes of each archetype (see Table 1).

Table 1
Profile of each white-collar archetype

Typical attributes	Traditionalist	New-norm seeker	Flexible worker	Remote worker
Arrangement	5 days in office Fixed primary residence and schedule, similar to pre-COVID-19	1-5 days in office Fixed primary residence; schedule is fixed or occasionally varies	0-5 days in office Variable residence and/or schedule; may relocate throughout year and/or change work schedule (e.g., sabbaticals, rotations)	0 days in office Fixed primary residence; schedule is fixed or occasionally varies
Typical income	\$70K-\$80K Salaried	\$80K-\$90K Salaried	<ul style="list-style-type: none"> Occasional wanderer: >\$100K; salaried Digital nomad: <\$70K; hourly, contract & gig work 	\$80K-\$90K Salaried
Generational bias	Gen X Baby boomer	Millennial Gen X	<ul style="list-style-type: none"> Occasional wanderer: millennial, Gen X Digital nomad: Gen Z, millennial 	Gen X Baby boomer
Gender mix	49% male 51% female	57% male 43% female	<ul style="list-style-type: none"> Occasional wanderer: 65% male, 35% female Digital nomad: 42% male, 54% female, 4% nonbinary 	45% male 55% female

Source: L.E.K. survey, research and analysis

Implications for businesses

So, what do these new work norms mean for travel and infrastructure providers?

Ground transportation and infrastructure providers have some potentially significant adjustments to consider. Since flexible workers are most common in urban areas, public transportation systems have to understand the long-term impact to their ridership and usage. This has critical implications for revenue expectations and capital programs. With the potential for material reduction in ridership levels, operators and investors must carefully consider how to realign operations and schedules to best serve the shifting pattern of demand as well as understand implications for both current and planned capital programs.

Airlines also have important considerations to weigh. As workers skew to more flexible schedules and shift the balance toward their personal lives, the ability to blend work and travel increases. This is already adjusting the traditional demand profile for Monday through

Friday air travel as more people extend their weekend travels into the week, further blurring the lines between business and leisure.

Lodging providers have to grapple with substantial changes to the “missions” they have traditionally supported for the business guest. The frequency and duration of business trips have changed permanently. While some business trip missions have been replaced with video calls, other missions are emerging to support the more distributed workforce as companies look for ways to foster teamwork and culture in the remote world.

In addition to serving new “bleisure” (travel that combines elements of both business and leisure) demands, hotels also can take on a new role in their local markets, serving as a gathering place for local companies with more widely distributed employees. This opportunity doesn't impact just how the sales and marketing function works, but also how hotels configure their offerings to support these types of gatherings — from property formats and amenities to reservation systems, subscription models and clubs.

Commercial real estate owners are front and center to these changes. As many have already recognized, these new ways of working have accelerated interest in agile space and services that help companies adopt hybrid and hoteling workspaces. Regarding new development, look for an uptick in demand for office space in satellite locations, closer to the suburbs, that addresses the more distributed and remote workforce.

Conclusion

The U.S. white-collar workforce has tipped from a 9-to-5 world to one of flexibility, splintering into four broad archetypes. This is arguably the biggest change to work since the invention of the weekend. The traditional model claims only a minority of workers today. The majority demand at least some variability in their workplace, working hours or both.

This shift has significant implications for travel and infrastructure providers. By understanding each archetype — including their lifestyles, motivations and attitudes toward work — providers have an opportunity to shape solutions for a new set of emerging needs as work continues to evolve.

For more information, please contact strategy@lek.com.

Endnotes

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About the Authors



Dan McKone

Dan McKone is a Senior Partner based in L.E.K. Consulting's Boston office and is a relationship lead for major corporate and financial sponsor clients of the firm. Dan heads the firm's Customer Engagement & Loyalty service line globally, is Head of the Travel & Transportation practice in the Americas, and co-leads the firm's Edge Strategy® service line. Dan has also chaired major initiatives responsible for the firm's strategy, remuneration and training programs. Consulting magazine recently recognized him as a Top 25 Consultant in the industry.



Alan Lewis

Alan Lewis joined L.E.K. Consulting in 2003 and is based in the Boston office. Alan is a Managing Director on L.E.K.'s Consumer sector team, working extensively in the travel industry; he is also a leader on the global Advanced Analytics team. He is an expert in growth strategy and has helped many companies define and execute on ways to grow and create value. Alan is a co-author of the book "Edge Strategy: A New Mindset for Profitable Growth." Consulting magazine recognized him as a Top 25 Consultant in 2016.



Claire Morgan

Claire Morgan is a Principal at L.E.K. Consulting. Claire is a leader in the Retail and Consumer Products practices, specializing in travel and hospitality — particularly airlines, hotels and restaurants. Previously with the firm's Chicago and Sydney offices, she is currently based in Boston. Claire advises clients on growth strategies, new product launches, pricing and M&A transactions. Claire holds a bachelor of science degree from the Kelley School of Business at Indiana University.

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