

Quality not Quantity: Should Workplace Strategy focus on Effectiveness rather than Efficiency?

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Context

One of the fundamental roles of the workplace consultant is to develop workplace strategies, defined as:

"The dynamic alignment of an organisation's work patterns with the work environment to enable peak performance and reduce costs"¹

But is the current emphasis on reducing costs eclipsing the ability to provide a work environment that enables peak performance?



The experience of many members of the Workplace Consulting Organisation (WCO)² is that the predominant consideration for workplace strategy is reducing the amount of space that an organisation occupies and the associated property costs, with little or no consideration of business performance or lasting effectiveness. The main focus of the property industry appears to be on the efficiency (quantity) of the workplace at the expense of its effectiveness (quality). Organisations

have been driving for greater efficiency for many years but the economic downturn has accentuated the focus on savings. The WCO is concerned that this approach to the design and management of the workplace may be neither sustainable nor beneficial to the occupying business in the long term.

Nine of the UK's leading workplace consultants, all active members of the WCO, attended a workshop to discuss these concerns. The participants debated a number of related topics:

- How do clients measure the success of their workplace?
 - how do the core measures of success drive the focus of the workplace strategy and subsequent design?
- What are the current trends in workplace design and planning?
 - which new trends in workplace design, furniture, architecture and technology influence the focus of the workplace strategy?
- What are the true objectives of flexible (agile) working?
 - is flexible working about culture change, work-life balance and enhancing performance or simply about reducing cost?
- Could flexible working negatively affect performance and a sense of belonging?
 - is flexible working adopted with an understanding of the impact on staff and business performance?

¹ Savage A.E. (2005) Workplace strategy: What it is and why you should care? *Journal of Corporate Real Estate*, 7 (3). See http://en.wikipedia.org/wiki/Workplace_strategy

² www.workplaceconsulting.org

- What are the next big drivers for workplace strategy and design?
 - how will technological, sociological, economical and political changes affect workplace strategy and workplace design of the future?

Measuring workplace success

Understanding how clients measure the success of their workplace creates an insight into the key driver for workplace strategy. The challenge lies in the fact that often workplace success is measured in relation to a specific workplace project rather than part of an on-going process. The metrics are often therefore specific to the project, rather than relating to the impact on a business-as-usual situation.

“Two common measures of success specific to workplace projects are programme and budget” (GB). An old business adage is “you can’t manage what you can’t measure”³ but perhaps in practice “there is an inclination to measure the things that are easiest and most accessible yet are often the least relevant to the business” (PA). The group concluded that “a key role of the workplace consultant is to demonstrate the benefits to the client and project team of taking into account wider workforce issues rather than simply focusing on the measures relating to the delivery of a project” (GB), which is traditionally the domain of the designer.

In terms of measuring the resulting benefits of workplace projects “the two metrics most often referred to are cost and productivity, but as productivity cannot be easily quantified it simply leaves cost as the sole measure of success” (JE). Even in the knowledge economy, where people are an organisations’ biggest asset, there appear to be limited attempts to make an evaluation of the impact of the workplace on their workforce. Whilst it is reasonable for a workplace consultant to be asked to prove the impact of the workplace on performance, it seems incongruous for an organisation to ask such a task of the consultant without them providing their own embedded metrics of business performance that can be monitored alongside modifications to the workplace.

“Effectiveness is about better business and efficiency is about cutting cost, indeed efficiency is about turning people into labour units” (RH). In office design, the natural conclusion is therefore to focus on cost alone, which can ultimately result in increasing the density of people accommodated in the building. In contrast, in the retail industry, measuring the productivity (sales) per square metre rather than the cost per square metre is the norm.

Furthermore, “as the workspace accounts for only 10-15% of any organisation’s overhead; it would make more sense to improve the productivity of the people who account for say 85% of the overhead to generate savings” (RH). Although the amount of wasted space can be significant, for some organisations the associated cost may be relatively insignificant in terms of the cost to the overall business. Careful attention should therefore be given to creating a more productive environment rather than simply reducing the space used.

³ Drucker P. (1993) *The Practice of Management (Reissue Edition)*. New York: Harper Business.



Figure 1 Business costs⁴

One key question is whether the original concept of flexible working has been hijacked by the drive to reduce space or whether, as originally intended, it enhances individual and business performance, providing the choice of how and when to work that is appropriate to the task. Workplace strategists often find that space is only utilised for 50% of the time and therefore propose flexible working, including desk-sharing, to reduce the amount of under-utilised real estate. Flexible working strategies (also referred to as agile, alternative, mobile or new ways of working⁵) are also grounded in the benefits for individuals and for organisational performance that are not related to space, such as control over when and where to work, increased autonomy, enhanced interaction and culture change. However utilisation is becoming a more common metric that tends to be used to inform the workplace project rather than measure post-project success.

Workplace design and planning trends

The type of work carried out in offices and daily work activities have changed over the last couple of decades, mostly due to advances in technology but also through changes in the market economy. For example, technology has automated repetitive processes resulting in more of a focus on interpretation and a faster service. It has also changed the way we interact with each other and present information, and it has enabled us to stay connected even when we work away from the office. The economic landscape has witnessed a push to globalisation and off-shoring of services. Following the migration from a manufacturing to a service-based economy, we are now gradually moving towards a creative and innovative economy.

Nevertheless, despite economic and technological change, it seems that workplace design has not advanced at the same rate. “desk-based working styles have not fundamentally changed in 100 years” (BS). Of course, the workplace has seen some changes over the last 10-15 years. This includes in some sectors, a decrease in private and multi-person offices, but an increase in the variety of work-settings, such as quiet rooms, meeting rooms and breakout areas, providing privacy and enhanced collaboration as and when required.

⁴ CABE/BCO (2005) *The Impact of Office Design on Business Performance*. London: BCO.

⁵ Burt K. et al (2010) *Making Flexible Working Work*. London: British Council for Offices.



More recently there has been an “interesting trend in using furniture to create private spaces” (BS) through semi-enclosure and high backed chairs. Whilst it is laudable to provide more private and adaptable spaces, is this a means of creating visual privacy at the expense of acoustic privacy? These settings do not connect directly with the building as traditional partitioning would do, making them more cost-effective to operate and

adaptable for future modification to the layout of the space, supporting the “build a stage, not a set”⁶ principle.

During the workshop, the participating WCO consultants agreed that the majority of workplace projects are currently about space reduction because of rationalisation and consolidation of the organisation. Whilst it was thought that organisations are occupying less space, in general it was perceived that the quality of workspace was improving. The current observation is that “the amount of space per workstation has stabilised, but desk-sharing has been introduced to decrease the amount of space per person” (MW). This is often referred to as the dynamic density, i.e. space per person, whilst static density is the space allocated per workstation.

Implementing flexible working is not a panacea as not every office worker has the freedom to work flexibly, either because of their role, their management or their personal circumstances. The reason it is proposed as a core component of many workplace strategies is the ability to improve employee interaction and support a culture change in the business, as well as redefining how people work. However, the truth is that flexible working is usually implemented because it is fundamental to increasing desk utilisation and the dynamic density, and thus reducing space.

The group observed that in places where flexible working is being introduced the “people accept desk-sharing in the current climate of uncertainty even if they feel uncomfortable with the concept” (GB). In contrast, “for many it still seems quite radical not to work at a desk ... people still like to have their own real estate at work, a real psychological need to own space” (BS). The group also agreed that despite the stereotypes of the new generation of workers, most prefer ownership of their desk. This need may be a pre-conception based on territorial behaviour and habitualisation. After all we don’t feel the same need to indefinitely own a hotel room or a library space so we should consider these perceived differences and work with the occupants to overcome them.

The need for personalisation is a separate issue. Desks can be personalised without ownership and vice versa, but the people perceive ownership and personalisation as synonymous. Shared spaces can work but they have to be well designed and promote shared ownership, a sense of belonging and a variety of settings that support work activities and entice people to use them.

Many organisations still appear to be focused on the quantity rather than the quality of work (CW). Flexible working ultimately comes down to trust and responsibility; if managers do not trust their staff to work or if the staff lack responsibility then it will fail regardless of the design and technology. In particular, implementing flexible working meets resistance from middle managers who manage by presenteeism rather than delivering agreed outputs, referred to

⁶ Edson J. (2011) Three tips for designing a work space that embodies your brand. *Design*, Nov 30.

as the Results Orientated Work Environment (ROWE)⁷. Even if the all the factors are in place to favour a change in work style, the transition requires a substantial change management programme to ensure success.

The workplace of the future

With concerns over hyper-efficient layout, what will the workplace of the future primarily be used for and what might it look like? Will the current trend for agile working with desk-sharing and remote-working continue? Will the office as we know it become redundant?

New technologies at the turn of the 20th century (typewriter, phone and dictaphone) were instrumental in the adoption of large open plan offices laid out with rows of desks. Ironically modern technology, over the last fifteen years or so, has enabled the shift to flexible working. "Technology first tethered us to the desk but now it enables mobility" (MW). The new wave of mobile technology, in particular tablets with their intuitive interface, is having the biggest impact on how we work and use space. "We are seeing the humanisation of technology ... tablets are the future" (CW).

Some of the group thought that sitting at a desk using a tablet does not "feel comfortable". Accessories have been developed to accommodate the desk to fit the tablet, for example extendable arms. But is this missing the point? This type of technology encourages work in alternative work-settings thereby liberating the user from a workstation.

In the world of flexible working enabled by technology, the corporate landscape is changing. The risks are "a loss of cultural glue" (GB), lack of loyalty, a decrease in interaction and collaboration, or reduced mentoring of new members of the team. Of course new technologies enable new ways of interacting. "People can socialise and feel a strong sense of belonging through on-line social media networks, especially generation Y" (CW). However, the group also recognised that "face to face interaction is extremely important" (KKS) and there is a need to "build attractive spaces that entice people back into the office" (BS). Maybe these spaces will have a different objective to the traditional office, just as facets of the way resources are used may change. In the future it is likely that individuals will bring their own technology to the workplace, rather than relying on employers to supply it.



The key question comes down to "what is work" (BS). For example, attending conferences, reading in a breakout space or networking with colleagues are just a few examples of work which are not easily tracked or identified as such when it comes to assessing spatial needs. Tracking software, which measures PC processing time, or jelly beans i.e. presence indicators⁸, are the modern Panopticon, which allows all to be observed, but is this information valuable in assessing how the workplace should work?

⁷ Ressler C, and Thompson J. (2008) *Why Work Sucks and How to Fix It: The Results-Only Revolution*. New York: Penguin.

⁸ Ross P. (2011) Jelly bean working. *Worktech'11 North*, Salford, June.

We also need to be cognisant of technological determinism. "Just because we can be mobile doesn't mean we need to be ... we must recognise the diversity of workers and businesses. The discussion around technology in the workplace tends to be focused on what is available and how it can be integrated, rather than what is required to enhance how we do things. Organisations are about people, process (systems) and place ... technology should be the cultural glue to reconnect people" (RH).

Perhaps "office design should take a lead from Apple stores which revolutionised the retail environment ... Apple's bold step to create a radically different environment, in terms of 'quality' and 'functionality' of the space, was a huge success resulting in better sales and customer loyalty etc." (CW). The new Apple stores also appear to encourage exploration and play and the WCO workshop participants discussed the "idea of work as play, and the workplace as the corporate playground" (GB). For example, "the Play Ethic⁹ philosophy could be used in defining the workplace of the future" (MW). One simple viewpoint is that the workplace "is all about making people happy" (BS) where a happy worker is a productive worker. Interestingly the idea of measuring Gross National Happiness as an alternative to GDP dates back to Bhutan in 1972 and year after year is being adopted by more nations as a serious metric of "wealth".

The participating consultants agreed that the workplace of the future will be a place of hospitality, networking and learning. It also seems sensible that the workplace offers real choice, and that choice is about enhancing happiness, collaboration, performance, and loyalty. For some workers their choice will be to carry out process work in isolation, for others it will be about creative collaboration through virtual networks. The workplace (including technology) can only facilitate work and occasionally be a catalyst for change, but alone it cannot change our work processes, our attitude to work, or the way we work.

The real workplace client

Within a workplace project there are many stakeholders, for example the leadership team and heads of business, the project and operational teams (HR, IT, FM), and the individual end-users. Ordinarily the property, FM or project management team engage a workplace consultant to establish the brief for a new workplace. The objective of these teams is to deliver on time, within budget and to save on property build and operational costs. It is therefore no wonder that, for the majority of workplace consultants commissioned by property teams or project managers, the success of the workplace is measured using property or project related metrics.

The objectives of the property and FM team tend to be connected to short terms goals that are related to the ring-fenced nature of delivering the workplace project. Improving business performance is the responsibility of the heads of business. They will most likely aim to achieve this through organisational factors such as motivation, management and marketing. The workplace should be an intrinsic factor to an organisations' ability to function effectively. Increasingly the role of the workplace consultant is to integrate those objectives as part of the measures of success of the project, to include cultural change, increased interaction and collaboration, and enhanced performance.

⁹ Kane P. (2004) *The Play Ethic: A Manifesto for a Different Way of Living*. Macmillan.

Conclusion

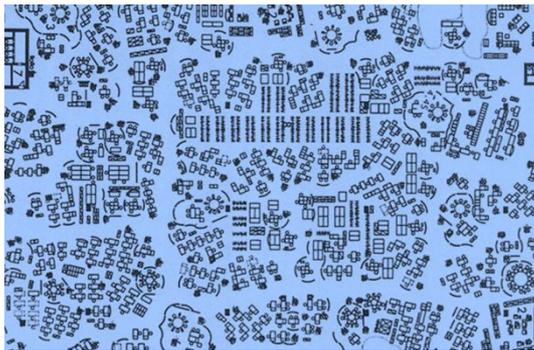
If productivity is considered, in its most simple terms, as the ratio of output to input then reducing the cost base without affecting performance can be considered a contribution to productivity. The collective assessment of the WCO workshop attendees was that most organisations do not monitor how the workplace is supporting the organisation on an on-going basis. If the objective of the property and FM teams is to improve business performance, rather than cut costs, then workplace design might take quite a different direction to the



homogenous large floor plate open-plan layouts we see in many of today's offices.

Workplace strategy should consider the workplace to be a facilitator, perhaps a catalyst, for change and for creating better organisational function and business performance. Organisational improvements are seen as the realm of the management or business consultant whereas workplace planning and design is the realm of architect or interior designer. The workplace consultant bridges the gap. A key role for workplace consultants is therefore not just mentoring the property and FM teams but also integrating their goals, and the objectives of the workplace, with those of the business.

Using allusive business metrics, such as business performance, and convincing the project team to adopt them as success factors in workplace strategy is a big challenge for workplace consultants. It is part of our role as is testing how new workplaces, new design and new initiatives are providing benefit to the business. To begin with, this can be partly achieved through post occupancy evaluation and benefits realisation studies to determine whether "peak performance" (quality, effectiveness) as well as "reduced costs" (quantity, efficiency) was achieved.



The original intent of the landscaped office (Bürolandschaft) and agile working practices was to enhance performance whilst reducing costs. It is just that the latter is easier to do and easier to measure. The modern office with its range of shared work-settings needs to be well-managed as well as well-designed; fortunately a range of proprietary tools are available to ease the management. The people also need to be trained in how to use the new space, be shown what is culturally acceptable through management example, and be convinced that their new working environment is appropriate for their work activities through effective change management.

The core role of the workplace consultant is to understand the business, determine its workplace needs for now and the future, challenge the perceived requirements, develop innovative workplace solutions, and brief the designer and project team in order to realise them. Creating the appropriate "quality" of space as well as recommending the required "quantity" should be the underlying goal of all of those involved in developing and managing the workplace.

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RH Rob Harris, Ramidus Consulting

CW Conrad Wildsmith, Turner & Townsend

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MW Melanie Woolcott, Aedas

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