Future of the Workspace #1

THE LURE OF THE REIMAGINED WORKSPACE

The status quo: homeworking has been the norm for over 18 months

With the global pandemic forcing the largest work-from-home experiment ever seen, it's unsurprising that attitudes towards workspaces have changed en-masse since pre-COVID times.

Although the notion that work doesn't just get done in the office existed before, it's certainly been strengthened by the personal experiences of vast numbers of workers. The remote-work possibilities opened up by technology have been proven successful (or, at least, it has been proven that they can be successful), plus for a proportion of the working population, the benefits of ditching their commute have far outweighed the drawbacks.

BACK TO THE OFFICE, STAY AT HOME, OR HYBRID?

Unsurprisingly, this has led to one of the greatest debates in business, across a wide variety of knowledge industries. The newspapers and sector-specific press have been filled with articles arguing a case for a particular point of view for some time. Business leaders from David Solomon, CEO at Goldman Sachs, to Apple CEO Tim Cook have made it clear that their staff are expected back in the office (whether full time or with a hybrid approach), while others have set out their support for greater flexibility and choice for employees, including Facebook's Mark Zuckerberg, and Twitter's Jack Dorsey, who both stated that people in eligible roles could work from home indefinitely.

And so the voices in this debate seem to conflict and contradict. Each argues their case with both logic and passion. Taking a step back, what's become really clear is that the issue is highly personalised on both sides – dependent on the individual worker's situation, goals and preferences, and also determined by the distinct culture of the business in question, and the type of work activities required to keep the cogs of commerce turning. Additionally, the constantly shifting situation regarding COVID figures in the UK means that resilience and flexibility has to be built into all planning for the future.

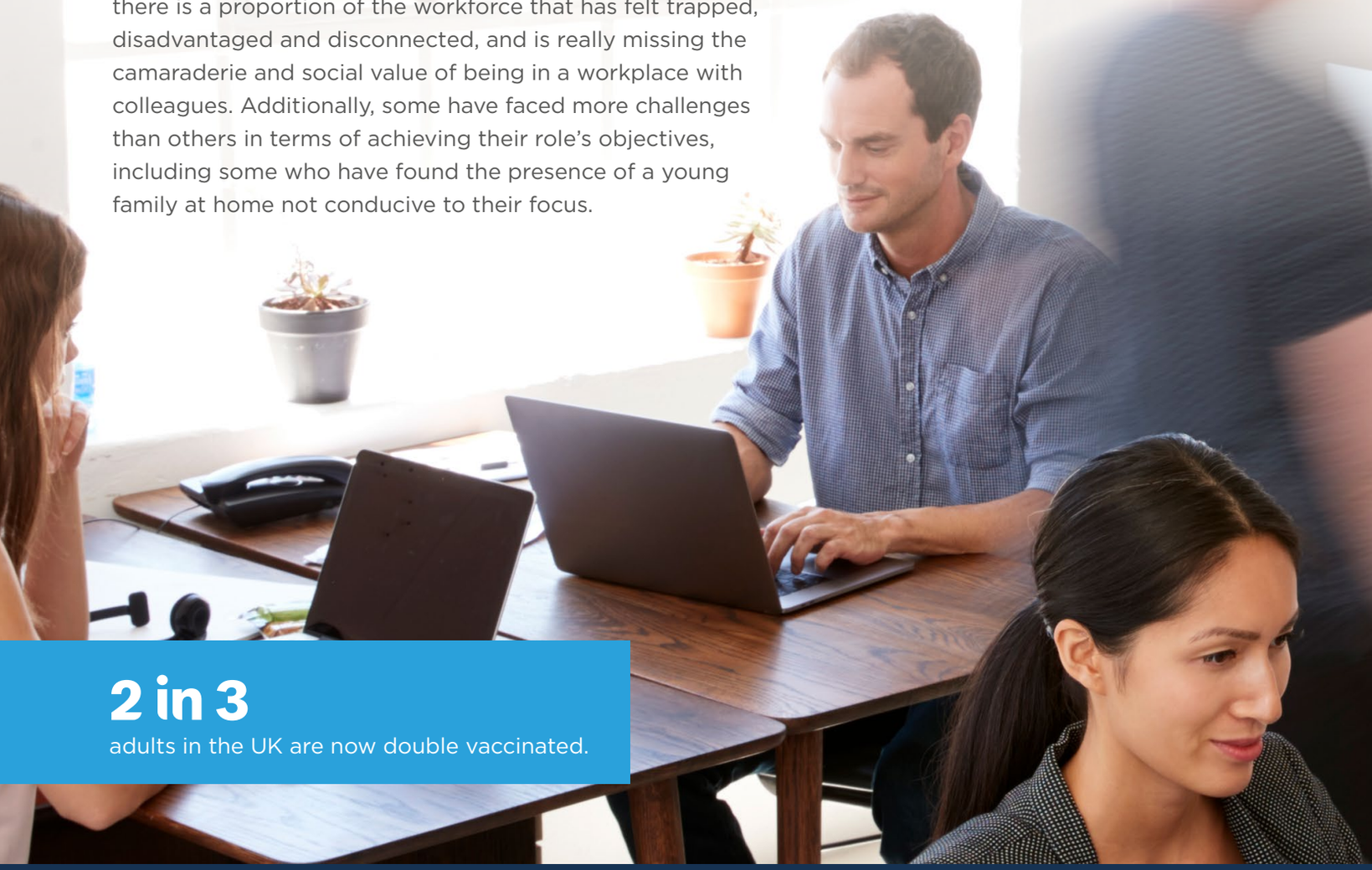
Which brings us to the purpose of this paper: how can we keep those cogs of commerce turning, while offering the sort of employee value proposition which attracts and retains top talent – thereby facilitating excellence, heightened productivity and competitiveness, and future-proofing both the organisation's brain trust and its success?

> ***In roles with very high complexity, superior talent is up to eight times more productive.***
>
> McKinsey, War for Talent 2000
> (refreshed in 2012)

The return to the office: what happens next, and why is it important?

With around two in three adults in the UK now double vaccinated, and COVID restrictions having ended in July, the way is currently clear for organisations to start bringing their staff back into the office – though of course we're all keeping an eye on the figures and the latest indications regarding any new restrictions that might be introduced.

But even with that context aside, attitudes to returning to the old ways of working vary enormously amongst employees. Some have enjoyed not having to spend hours commuting, and have valued the extra time with their families – while suffering very little impact on productivity, because the nature of their activity is suited to remote working. Conversely, there is a proportion of the workforce that has felt trapped, disadvantaged and disconnected, and is really missing the camaraderie and social value of being in a workplace with colleagues. Additionally, some have faced more challenges than others in terms of achieving their role's objectives, including some who have found the presence of a young family at home not conducive to their focus.



2 in 3
adults in the UK are now double vaccinated.

TOP TALENT IS A SCARCE RESOURCE

With human capital widely acknowledged to be more scarce than financial capital across a wide range of knowledge industries, satisfaction with working arrangements isn't just an issue for HR, it's an issue across the board (and across the Board). All such organisations have a particularly delicate line to walk with their back-to-work strategies and policies: get it right, and they will strengthen employee loyalty, company culture and ultimately their commercial success – get it wrong, and morale, retention, and ultimately the quality of their offering can suffer.

Although there may be some aspects of the previous norm that worked, there were plenty that didn't – but that fact can appear less obvious when our natural cognitive biases get in the way. If we're not careful, status quo bias, anchoring bias and functional fixedness can dictate the way we think about workspaces going forward, and that could be missing a trick in terms of setting a course for the most effective, efficient (and ultimately profitable) new normal.

Status quo bias is our tendency to want to get back to familiar ways of doing things – and the more complex the decision to be made, the more likely we are to change nothing. Similarly, anchoring bias is likely to feed into the same inaction; it's the inclination to rely heavily on previous experiences, rather than weigh up the pros and cons of a new situation – literally being 'anchored' to past patterns and habits. Another related heuristic is known as 'functional fixedness', whereby an existing perception of how systems work means that new (and possibly better) ways of working get ignored.

> ***Knowledge-worker productivity is the biggest of the 21st-century management challenges.***
>
> Peter Drucker (1999)

A GOLDEN OPPORTUNITY TO CREATE A STEP-CHANGE

The idea that we all need to get back into the office at some point, to carry on as before and preserve company culture, is perhaps at least partly based on these cognitive biases, and borne of a desire to 'get back to normal'. But we can't assume that this previous culture can be recaptured. A lot has happened in the past year and a half or so. A lot has changed.

But that's not necessarily a bad thing. For progress to be made, the old ways of doing things must be left behind. We now have a golden opportunity to reimagine the workspace and reap the rewards – both transforming the stakeholder experience and unlocking business potential.

To truly take advantage of this opportunity for a step-change in the way we work will require open minds, a rigorous process to identify wants and needs on both sides, and a realignment of employee-employer expectations. It will also require a focus on the design of both physical and virtual workspaces to create a seamless, frictionless, connected, work-friendly environment which allows individual workers, teams, departments, cross-functional task forces, and the company as a whole, to operate more efficiently and effectively, while also enjoying a positive, niggle-free experience – wherever they're working from.

Creating people-centric workspaces that support company culture

Back in the earliest years of the millennium, when Google's new Mountain View HQ set a new (and it has to be said, very different) standard in workplace design, it might have been easy to dismiss certain playful elements as gimmicks – such was the fixed mindset of what a workplace should look like. But while the 'Google effect' may have led to a rash of copycat office interiors with quirky décor, the principles behind the distinctive style ran a lot deeper. Spokesperson Jordan Newman explained the company's workplace strategy as aiming "to create the happiest, most productive workplace in the world." The resulting spaces not only supported employees to do their best work, but fostered a very particular company culture, too.

Google's example shows just how intrinsically linked workspaces are to the way in which people go about their work, and how well they are able to do it – and to their identity as part of something bigger. What the brand's exemplary campuses show is a people-centric working environment, tailored to the needs of their workforce, flexibly designed to support the wide variety of activities that take place on site, and also intended to deliver wellbeing benefits – giving staff a better chance to consistently bring their work A-game to the office.

> ***"Companies with healthy cultures have 3x greater total returns to shareholders."***
>
> Brooke Weddle, Partner, McKinsey, Washington DC

HORSES FOR COURSES: DESIGN TO SUIT THE DEMOGRAPHIC

So, in more detail, what does a people-centric working environment look like? Well, let's not take 'look' too literally. In terms of style, anything goes – anything that suits the organisation, that is. So, for example, tech and media companies (which are looking to attract the brightest young Millennial and Gen Z talent) might opt for trend-led furnishings and surfaces, tapping into a preference for 'resimercial' design, where offices are created almost as oversized living rooms, for a casual and comfortable ambience. The legal sector, in contrast, needs its offices to ooze gravitas and accomplishment – hence a more sober palette of colours, and understated yet luxurious materials may well be the order of the day. In terms of trends, they are more likely to borrow from hotel interiors, or perhaps from high-end, modernist residential design.

Aesthetics are important. They can help signal brand identity and so support company culture. They can also impact on the workforce in a sensory manner – a strict approach to minimalism can create a sterile environment, for example, while at the other end of the spectrum a busy, colourful space can make it harder to focus on deep thought work.

But in terms of improving the employee experience – not just to achieve better productivity, but also to attract and retain top talent – it's not just about making the office look attractive (though it can be a deciding factor – one survey* of UK workers suggested that outdated office décor would put off 41% of jobseekers). Function is arguably more important than form. It's necessary to create a workspace that facilitates people's best work, supports individual wellbeing, and fosters a sense of being part of something exceptional.

*Source: Furniture123.co.uk, 2017

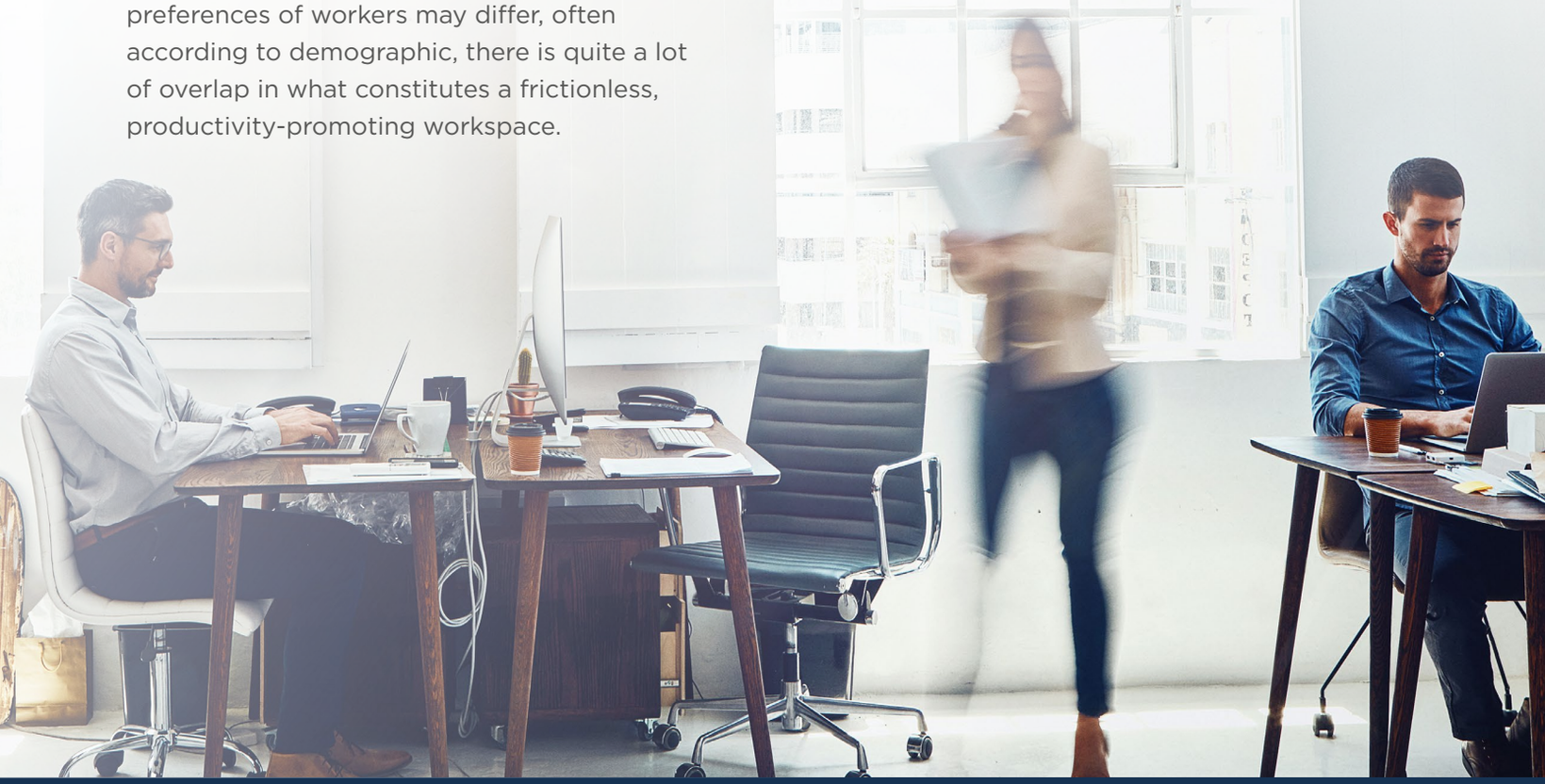
FUNCTION OVER FORM

The idea of the office as a machine has been around since, well, since the office has been around, and as such its design has always followed its function. But the purpose of the office has diversified and become more complex. Whereas it was once effectively a factory for processing information, the advent of computer technology (which now takes care of this particular function), means the office has become a more dynamic environment for collaboration and creativity, for forming relationships, solving challenges and coming up with innovations together, and also feeling a sense of corporate belonging – which is why we have seen its evolution from banks of individual desks, and later cubicles (both with solo offices for management around the outside), to a more complex balance of activity-based zones with a more democratic spatial arrangement, and amenities such as gyms, laundry rooms and coffee bars.

While the specifics must be dictated by the particular needs of the organisation, there are commonalities of requirement amongst knowledge businesses – and while the individual preferences of workers may differ, often according to demographic, there is quite a lot of overlap in what constitutes a frictionless, productivity-promoting workspace.

Imagine a working day where the fiddly, repetitive tasks are automated to let everybody focus on the bigger matters at hand. For example, contactless sign-in to buildings, room and desk space bookings easily achieved through an app on their mobile device, or wayfinding to make it easy to be on time for that short-notice cross-departmental meeting, all take away the daily operational friction that frustrates and delays staff.

With an environment that is purpose-designed to enable, not hinder, people are free to do their best work – and who doesn't want to work for a company which enables them to do what they do best? This kind of people-centric environment is where we all want to be – and when we get there, we want to stay (not just because of the surroundings, either, but because people-centric workspaces denote a people-centric employer, who will provide career-long support).



WORKSPACES FOR WELLBEING AND PRODUCTIVITY

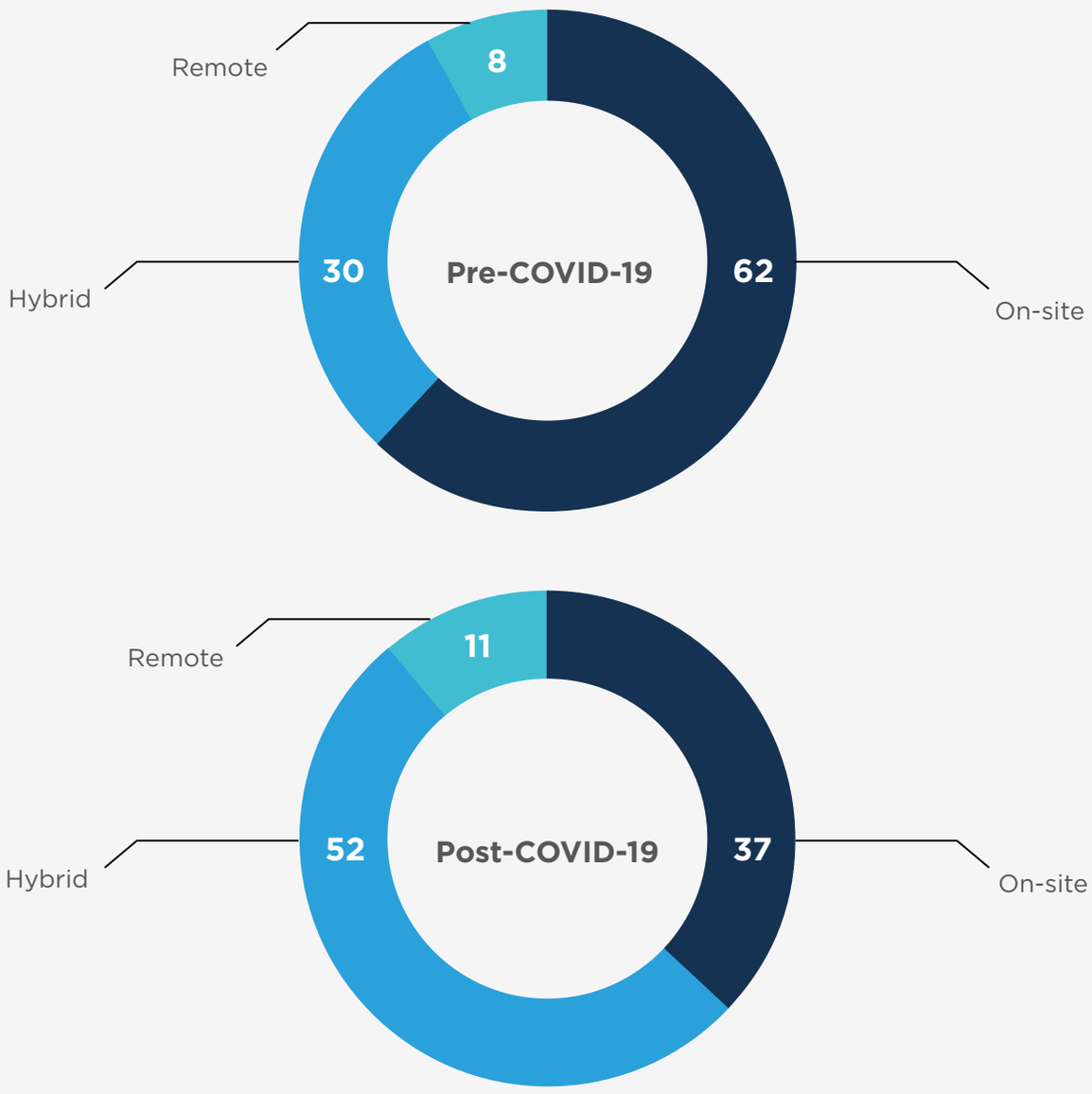
Salutogenic design has become a prime consideration when creating physical workspaces that promote productivity, especially in the knowledge sector – it's the principle of designing to support creativity, comfort, and wellness. As well as giving workers an element of control over their environment – choice in where they carry out particular tasks, for example – this holistic approach helps to put people at ease, and creates a healthier connection between work life and home life. Additionally – though, technically, it could be seen as an integral part of the salutogenic approach – biophilic design focuses on humans' innate connection to the natural world, and includes natural materials in the décor (such as live plants, or timber elements) to improve wellbeing and reduce stress.

It's not only about the physical office, either – digital workspaces must offer a seamless, intuitive experience, ensuring consistency whether an employee is on-site, working from home, or on the road. Get this right, and it's not only possible to ensure the best collaboration within and between teams (which must be given specific thought, in an era where some form of hybrid working is expected to become the norm for most businesses), and optimal productivity, but also to ensure better inclusivity.

This is particularly important for organisations looking to safeguard their brain trust by fostering loyalty amongst their people: it's worth remembering that the best talent might not necessarily be those who want to return to a fully in-office working week. The message that people want flexibility, choice, and a better quality of life (in terms of both wellbeing and family) is coming through loud and clear in a whole raft of recent surveys – plus it would be remiss to set back previous gains made on inclusivity, for example, women are more likely to prefer flexible or remote working , and have been disproportionately affected by the impact of COVID on the working day.

MOST EMPLOYEES WOULD PREFER A MORE FLEXIBLE WORKING MODEL AFTER THE PANDEMIC IS OVER

Working models pre-COVID-19 and desired working models post-COVID-19, % survey participants



Source: Reimagine Work: Employee Survey (Dec 2000 - Jan 2001, n= 5,043 full-time employees who work in corporate or government settings)

52%
of workers would prefer a more flexible working model postpandemic.

The workspace as a positive brand experience

A company's office is a manifestation of a company's ethos, and an important way of demonstrating culture and values to all employees, whether or not they regularly work on site.

In fact, one might say that as we move to a model that may well be more characterised by hybrid and remote working, the HQ becomes even more important as a beacon of corporate culture – it needs to function as a positive brand experience for daily commuters, hybrid workers and remote-worker visitors alike (as well as other stakeholders, of course, such as partners and customers), and this strong identity needs to flow through both physical and virtual corporate spaces. Internal communications has never been more important.

And there's the crux of it. Internal communications will be the key to building the kind of culture that people want to be part of – and internal communications will also be the way to ensure that all workspaces meet both the needs and expectations of the workforce in question. It must receive suitable emphasis when reimagining the office (both in the literal sense, and in the sense of how and where we perform work), and it must continue to receive suitable emphasis after the tone of the 'new normal' has been set.

> ***We want our colleagues to be hyper productive at home and hyper collaborative in the office.***
>
> Sarah Willett, Chief People Officer, The Very Group
> *The Financial Times, 28th February 2021*

One thing is abundantly clear, there is no single right answer to post-COVID working – and in fact the pandemic may continue to impact on our choices and strategies. The issue of where people work is complex, highly emotive, and varies according to all sorts of factors from type of business to role specifics, as well as the socioeconomic status, age demographic, career aspirations and family circumstances of the workers in question. What is right for one organisation, could result in a catastrophic failure for another, if the decision doesn't chime with the people who matter: the workforce.

So it follows that creating the right type of people-centric workspace – physical or digital, wherever it is geographically located, and whether on personal or company property – can only be achieved through employee consultation and a rigorous review of requirements taken with a user-perspective slant.

What is common to all situations, however, is that prioritising a people-centred approach to workspace design – both in physical and virtual realms – is not a nice-to-have in today's challenging business climate, it's a must. With human capital more scarce and valuable than financial capital, attracting and retaining the best staff must be a business priority, to achieve competitive advantage now, and maintain it in the future.

> ***We won't be back five days a week in the office and I certainly won't. I will keep a mix of flexible working. It's good for staff, it's also good for customers.***
>
> Chris O'Shea, Chief Executive, Centrica
> *The Financial Times, 28th February 2021*

We hope this paper has been useful and would appreciate the opportunity to continue the discussion. To speak to a workspace consultant, please email us at **info@aurafutures.com**