

How Emerging Work Strategies are Changing the Workplace

Telecommuting was just the beginning

Alternative work strategies, which break the paradigm of an assigned office space for every worker, have been around since at least the early 1990s. For most companies, alternative work strategy is synonymous with telecommuting, an arrangement in which employees regularly work from home. However, as today's businesses face unprecedented challenges, attention is veering to newer work strategies that can radically change office environments, providing opportunities to support work and workers as never before with innovative design approaches and product applications.

From the pressure cooker created by a new generation in the workforce, a marketplace gone global and deep economic recession, two facts have emerged: 1) companies need to dramatically cut their two largest expenses, people and real estate; and 2) the only way to stay competitive is to accelerate the pace of knowledge work. Some companies turn to alternative work strategies such as telecommuting as a quick fix, but don't consider how the physical space that remains needs to change in response. By rethinking both the nature of work today and the physical workplace, there's opportunity to accomplish immediate and long-term goals.

Expanding beyond telecommuting, hotelling, home offices or other typical *alternative work strategies*, this new approach, which we call *emerging work strategies*, is designed around a management philosophy that redefines work to

give employees control and choice about where and how they work. At the same time, it supports them with a workplace specifically designed to support the kind of work that happens when people come to the office. It offers maximum flexibility for both individual work and collaborating with others. By untethering workers from assigned workstations or offices, less space is needed overall and workers are supported more fully.

It requires considerable time and effort to properly implement and bring such a major change to an organization. The issues are complex: What exactly does the organization do today? What does it aspire to do? What kinds of office space does it need for the kinds of work performed? What's the relevance of the office when work and workers are more and more mobile? If work is more dependent on connections with other workers, how does the office help them collaborate? What are the implications for the four-generation workplace? How do leaders plan for the long term while shrinking offices and expenses today?

This article examines these issues and presents Steelcase research findings along with insights gained from architects, designers, facilities and real estate professionals, and workplace consultants who have engaged with us in examining this important topic. Our collective insight is that well-conceived and executed new work strategies can effectively reduce real estate *and* support knowledge workers.

We begin with a review of the ways companies are cutting real estate expenses at both the macro and micro levels, and discuss why it's important to think beyond simply reducing real estate. We discuss how the most effective perspective begins with a clear understanding of the company, its workers and work processes. We then review some examples of emerging work strategies.

Responding to cost and use realities

Costs are almost always the initial drivers of the desire to find ways to reduce real estate. Real estate is a company's biggest expense, exceeded only by compensation.

In many cases, real estate can be shrunk, but it can't be entirely eliminated. While so-called virtual businesses may eschew the traditional landmark corporate headquarters, they still rely on physical places to get work done.

A new survey of corporate real estate professionals just completed for Steelcase by CoreNet Global shows that 63% expect their company's real estate portfolio to contract this year. Only 12% expect it to grow, while 25% say it will remain the same.¹ Downsizing approaches vary, as the graph shows.

workers from their desks. Some jobs that are process-oriented or more transactional may still require workers to be at their workstations, but the growing creative class of knowledge workers need only a laptop, cell phone and place to collaborate with colleagues to get work done.

Skinnying down spaces

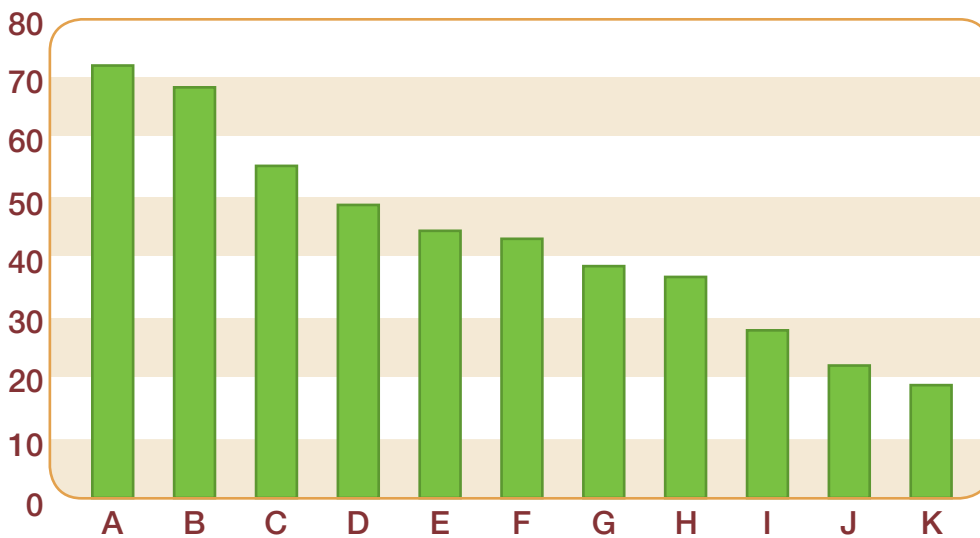
Designers are called upon to reconfigure space to eliminate unused workstations, but they're also shrinking occupied workstations, for several reasons. First, technology is taking up less space.

has gone down since 2001, and experts predict a continuing decline.³ In addition, younger workers weaned on Xboxes® and iPods® are bringing paperless, digital work styles to the workplace.

Less paper means less need for places to store it. People store more content electronically today, and file drawers that once were filled with folders and binders now hold backpacks and digital media.

Transitioning from private offices to open plan as a way to compress real estate is not new, but some organizations are starting

How companies are cutting property costs²



- A: Redesign office space to increase density
- B: Deferment of capital projects / Expansion plans
- C: Implement telework programs
- D: Accelerate projects that reduce ongoing expenses
- E: Restructure leases
- F: Shift work to lower cost locations
- G: Move to lower cost facilities
- H: Cancel capital projects / expansion plans
- I: Reduce / Defer maintenance
- J: Sale of owned properties
- K: Exercise early termination options in leases

But there's more going on than just cutting space to cut costs. Offices everywhere have workstations standing empty due to layoffs over the last two years, while offices of workers still on the job are unoccupied much of the time. Intel Corporation's internal research found that 60% of their workstations were empty at any given time of the day. Other studies show a 40%-60% vacancy rate. A major reason is the increasingly collaborative nature of knowledge work. Team work often happens outside the workstation, in group spaces, cafés, coffee shops, client offices and other locations. Many knowledge workers spend most of their time outside their individual workstation as a natural course of business. Meanwhile, mobile technology has untethered many

Desktop computers have downsized and flat screens have all but replaced bulky video monitors as many workers have switched to laptops or netbooks to gain mobility without losing any capabilities. Phones have shrunk and features have grown. Combined with workstation tools that hold monitors, phones and other tools off the desktop, technology no longer needs a big section of the work-surface, so desks can be smaller.

How information is stored is changing, too. There are signs that the long-predicted paperless office actually may be at hand. Content creation and management — from web-based software to electronic medical records — is going digital. As a result, the demand for office paper

to rethink how they achieve that goal and still provide the confidentiality and concentration that private offices can offer. Consider GE Energy Financial Services, a division of GE that specializes in energy investments. It employs some of the brightest minds in the industry that need their heads-down space. Designers at Perkins Eastman helped GE EFS shift from 90% traditional private offices to a mere 30% and reduce net usable space overall by 20,000 square feet. They deployed a conch-shell-shaped application that offers a progressive blend of collaborative to concentrated work zones and yet requires less space than traditional enclosed offices. Private offices are not disappearing by any means, but when walls come down, offices require smaller footprints.

Smaller technology, less storage and new approaches to private office design add up to skinnier spaces.

Enter alternative work strategies

Facing pressure to cut staff and real estate expenses in this new age of austerity, many executives start with this kind of survival-mode thinking: make cubicles smaller, decrease or eliminate swing space, convert meeting rooms to individual workspace, cram more people in, save money. But in any economy this type of slash-and-burn approach can be dangerous. A single focus on cost management risks impairing the company's ability to remain effective, and certainly hurts its ability to respond when the economy turns around. Enter alternative work strategies. The concept which, some forward-thinking organizations have used for over a decade, has now gone mainstream. According to the Steelcase-CoreNet study, 69% of respondents have implemented some type of alternative work strategy in the past twelve months and 73% are using these strategies as a means to reduce their real estate portfolio for the long term.⁴

Mobile workers often take advantage of "third place" locations, a term coined by sociologist Ray Oldenburg. Separate from

our first place (home) and second place (office), such coffee shops, libraries, pubs, parks and other "great good places" are informal, safe, public places where people gather to soak in the atmosphere and mingle with others. But Starbucks, like any third place, isn't always an ideal workplace. The coffee's great and the ambiance is a refreshing break from the office, but this is no place for serious work. There's little privacy for information on flat screens or in printed material. Holding a conversation is a public event, and the amount of space to work in is limited, at best. There's a reason it's a third place, after all. Organizations are divided on their support for this type of work according to the Steelcase/CoreNet study. While some companies support the opportunity for work-life balance and relieving commute times, others express concern for confidentiality and maintaining the corporate culture.

New work strategies have been pushed forward by the advent of Generation Y in the workforce. They appreciate new technology and the freedom to work anywhere, and they have a natural inclination to work with others (i.e., outside an individual workspace).

Alternative work strategies involve a bit of risk-taking by an organization and a

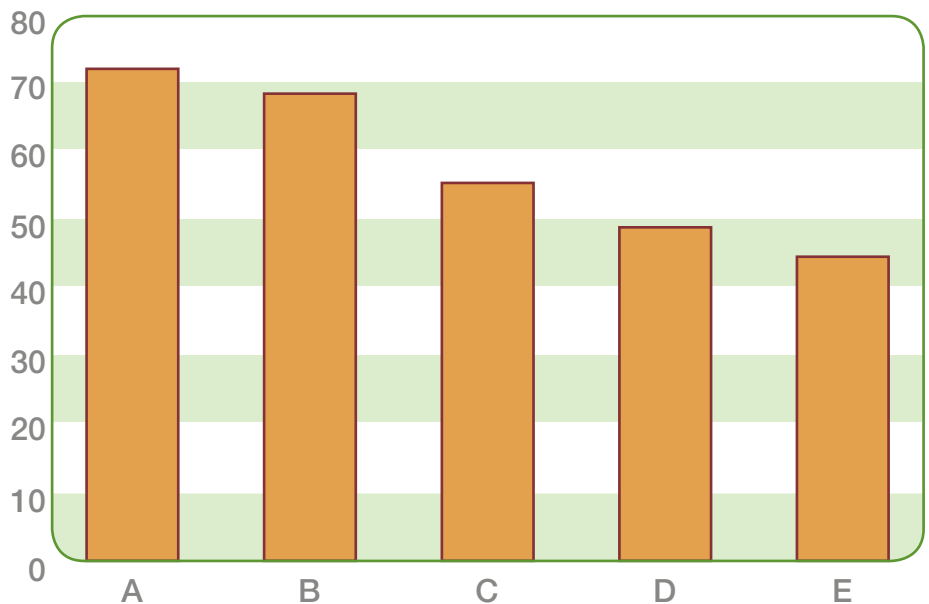
tolerance for change. When people work from anywhere at any time or even work in one location but move from place to place throughout the day and rarely use an assigned workstation, productivity must be measured by results, not monitoring. To "supervise" (from the 15th-century meaning of *oferseon*, to oversee) is a quaint and outdated management approach in an age of Wi-Fi. Conversely, "face time" as a factor in performance does not make up for a lack of results.

An initial obstacle is the concern of some managers that they must actually see workers to know they're really working. Middle managers are usually considered the roadblock in this regard, but our work has shown that top management is often more concerned about this issue than lower level managers. Another issue is the perceived cost of information technology to support mobile workers and the security of company information. A national survey of employees and IT professionals found that security is the top challenge associated with teleworking, but companies are stepping up to address it: 76% of private-sector employers provide technical support for remote workers, up 27% from 2007.⁶

Workers have their own concerns about telework and other mobile strategies, including a loss of recognition for their work

Alternative work strategies in use⁵

- A. Telework or telecommuting in which an employee works from home, substituting telecommunications for the commute to work.
- B. Mobile work, a work style in which a person consistently uses multiple spaces, both inside and out of the office, to accomplish his/her work.
- C. Hotelling temporary workspaces assigned through a reservation system; typically used by mobile workers but also used by any worker not near his/her assigned workstation.
- D. Home office used as an alternative location to the primary office. Employees may work from home on a set schedule or on an as-needed basis.
- E. Satellite offices which are smaller spaces located in areas closer to employee's homes for greater convenience.



Source: Steelcase Corenet study.

and missed opportunities for promotion if they're perceived as stepping off the corporate ladder. They're also concerned about losing informal networking opportunities if they work outside the organization's primary business location. Companies have responded by providing non-dedicated workspaces. Such unassigned hotelling and touchdown spaces use less real estate than dedicated workstations, but often suffice for mobile workers. Our research shows these workers often would rather plunk down in an unoccupied workstation in the middle of the office than set up in a hotelling space apart from the action — there are collaborations to accomplish, professional networks to nurture and other connections to make that are basic to knowledge work.

Despite the angst caused by change, alternative work strategies are here to stay in North America and are growing abroad. According to CoreNet's 2009 State of the Industry Report⁷, 77% of organizations see their alternative work programs growing over the next three years. And the study also found that in North America alternative work strategies have an 83% adoption rate, 51% for Europe, 33% for Asia and Australia, and 31% for India.⁸

Exploit space, support people

There are real costs and risks to making any workplace change. So before spending money on shrinking workstations or a telecommuting strategy that may or may not work, it's worth spending time thinking through both the short- and long-term goals.

A first step is to craft a clear understanding of the organization today, what it hopes to be in the future and its readiness for change. As anyone who has tried to write a useful mission statement knows, it's not easy. Whether you engage an architect, designer or workplace consultant to better understand your organization's work, workers and workplace, it's a critical planning step and the questions are the same:

- What kinds of work does the organization engage in?
- What are the goals of the organization? What does it want to be?

- How much change is the organization willing and able to make?
- Is there executive support for the change?
- What are the work processes and work styles?
- How much of the work is transactional or process-oriented vs. creative and innovative?
- What kinds of spaces best support the work people actually do?
- How does IT fit into the workplace?
- What is HR doing as part of this change?
- Are employees at all levels engaged in the process?

On the surface, the questions may seem to have little to do with space design, but the answers inform the choices an organization has and the decisions it must make about how much space it needs, the kinds of space its work processes require and how much change the organization is capable of making. Strategies for less space and/or different kinds of space, as well as alternative work strategies, will then be evaluated against a clear understanding of the organization and where it's going.

Redefining work

As companies work through this discovery process, they naturally ask, How much work do people actually do at the office?

With just a smart phone, laptop and a few files, a knowledge worker can be effective practically anywhere. This confluence of technology, mobility and flexibility often leads to *distributed work*, a catchall phrase for work that is spread among teams in variable locations that occurs at varying times. Distributed work exemplifies how work is becoming increasingly disconnected from any *one* place. Technology and place are gradually merging into one element to be managed to support the structure, culture and work activities of organizations.

The geographic distribution of work requires that we rethink long-held office standards, such as the one-assigned-desk-for-every-worker-in-one-location paradigm. Another concept to rethink is "net usable space," shorthand for all carpeted office spaces including workstations, meeting rooms, collaborative spaces, hallways, etc., and expressed as square feet or meters per worker. It's a way to benchmark an organization's space utilization against industry averages. While current standards can range from 150 to 225 square feet per worker, when workers take advantage of telecommuting and other alternative work strategies, it's time to rethink those industry averages and what they mean. Workers can enjoy a spacious, well-designed environment with less than 100 square feet per employee because people aren't all in the same space at the same time.

Distributed work patterns



Spatial How much physical space separates workers?



Temporal How does the daily work schedule of employees overlap within the team?



Configurational At how many different sites are team members located?

Source: O'Leary, Michael Boyers and Jonathon N. Cummings. "The Spatial, Temporal and Configurational Characteristics of Geographical Dispersion in Teams." *MIS Quarterly* v31 no.3, September 2006. p433-452

Choosing the right change

How much workplace change and what types of work strategies are right for a particular company? There's a threshold of change that each organization's leadership and staff are willing and able to make. It's important that organizations answer these questions to create an overall work environment strategy. Steelcase research has identified four levels of organizational capacity for change:

1. As Is: At this level, space is basically staying the same with some modest square foot reductions in individual workstations and the possible addition of some new products. It's about first cost, *existing standards*, and maintaining the status quo. The Steelcase/CoreNet study reports most organizations allocate 200-225 square feet of net usable space per employee.

2. Refine: It's about *moderate change* to space, technology, work process & culture. Organizations are starting to shift the overall allocation of space from individual work areas to more collaborative spaces. To achieve this, the individual workspace footprint is shrinking more significantly, perhaps from 8x8 to 6 x8 or even 6x6 cubicles and may introduce some shared spaces. The ratio of dedicated individual workspace to collaborative space can range from 90/10 to 80/20. Real estate may be reduced 10-20%.

These first two levels of workplace change are primarily directed at gaining efficiencies — reduced footprints, cost savings and other financial benefits — combined with an effort to increase collaboration spaces. This level of change may be entirely appropriate for organizations involved in primarily process-oriented or transactional work. The downside is that workers may perceive these changes as reductive, taking something away from them to free up space in the building.

The next two levels are where genuine leaps in organizational effectiveness can take place.

3. Rethink: It's about *significant change* to space, technology, work process and culture, and it requires activity-based planning methods that recognize the

A brief history of the knowledge workplace

It's been a half century since Peter Drucker coined the term **knowledge worker**, but **knowledge work** and the places where it gets done have been **evolving for much longer.**

1770s Farming is the occupation for most of the world's population until the late 18th century, when the Industrial Revolution gears up in England and slowly spreads worldwide. The center of production gradually shifts from the home and farm to the factory.

1843 The Economist, a weekly financial paper, is founded in London.

1880s Industrial jobs begin to outpace agricultural work in many countries. The first skyscraper is built in Chicago (1883) — 10 stories tall.

1890s Use of the typewriter and adding machine becomes widespread.

1900s Public education expands and increases the demand for more teachers. Growing commercial and industrial companies need more office workers (record keepers, clerks, typists, etc.) and salespeople. The white-collar workforce emerges.

1950s The service economy (including jobs ranging from government workers to janitors, teachers and office workers) employs more people than industry in the U.S.

1957 Payment of salaries to federal employees for work done at home is approved by the U. S. Comptroller General.

1959 Peter Drucker coins the term "knowledge worker."

1960s Systems furniture is introduced.

1973 Jack Nilles, a consulting rocket scientist to the U.S. Air Force Space Program, coins the terms "telecommuting" and "teleworking."

1985 "Your office is where you are," the seminal article by Philip J. Stone and Robert Luchetti, advocates "activity settings" and access to quiet spaces for knowledge workers, presaging today's alternative and emerging work strategies.

1993 Frank Duffy and Jack Tanis publish "A Vision of the New Workplace Revisited," arguing that office design must link the physical workplace to changing organizational structures and technology and set the stage for the mobile worker.

1995 *The Knowledge-Creating Company*, by Ikujiro Nonaka and Hirotaka Takeuchi, identifies two kinds of organizational knowledge, explicit and tacit, and explains how innovative companies support the creation of these knowledge assets.

1998 Author John Elkington coins the term "triple bottom line" as a way of measuring business success in terms of the broader economy, environment and society.

2000 The U.S. census reports the average roundtrip commute is 51 minutes, 3.4 million workers have a roundtrip commute of 3 hours or longer and 4.2 million people work from home at least part of the time.

2009 64% of Americans classify themselves as professionals (versus blue- or white-collar workers); 54% of U.S. persons will at least start college; 45% of employed people report doing at least some work from home.

2011 Nearly 75% of the U.S. workforce is mobile; in Japan, it's nearly 80%. The center of knowledge production, the office, is now everywhere.

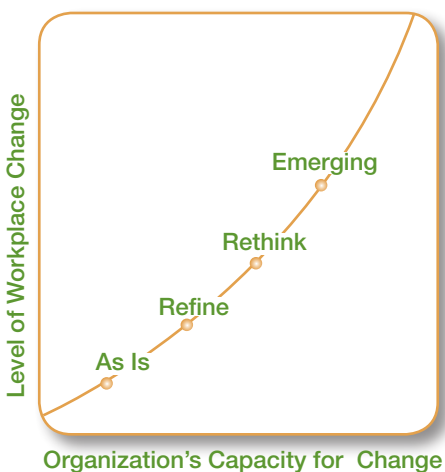
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types of work and tasks people actually do, rather than their titles. At this level, organizations have introduced one or more alternative work strategies, such as mobile work or telecommuting for some employees, which allow for much more flexible space plans. The ratio of individual and collaborative spaces can range from 60-40, sometimes even 50-50. Collaborative spaces are more varied, with informal spaces augmenting traditional conference rooms. Net usable square footage per person can drop as far as 80, which is close to the equivalent of a call center. However, with alternative work strategies and a sharing ratio of 1:1.5-3, people don't feel cramped or crowded.

4. Emerging: It's about fundamental *breakthroughs* and new discovery. This type of planning supports distributed work, with spaces that support mixed presence teams: people working in both the physical and virtual space. This means including spaces that accommodate telepresence or HD videoconferencing. There are individual workspaces, but none are assigned — they can be scheduled or simply used as needed. Much of the space is designed to support project work, with individual spaces located adjacent to team spaces. Net usable square footage is again around 80 per person, and the potential real estate reduction is 40-60% for the organization. While this is a huge, fundamental change for any company, we see organizations making this kind of transformation right now.

Designing to support emerging work strategies requires an iterative process:



employees need to live in the space for a while, learn what works and make adjustments. One researcher likened this process to dining at a favorite restaurant — there are enough people there to create a sense of energy, but there's always a good table available.

Obviously, these types of changes cannot be realized in a single project or a short period of time. It requires substantial commitment and a fair amount of time to make these transitions. Yet success stories abound. Sun Microsystems's "iWork" program equips and encourages employees to work from home, and it has received significant media attention and many awards. The program includes technology, workspaces and work practices to support mobile work. As of the end of 2008, nearly 19,000 employees — more than 56% of Sun's workforce — were working away from the office at least two or more days per week. A full one-third of Sun employees do not check into assigned locations on any given day. Getting to this point has taken the company 14 years. Clearly the time has come to stop thinking of knowledge workers in terms of being at work. It's now all about being *on* work.

Locating for connections

Emerging work strategies that support distributed workers may suggest a declining importance of the physical office to some but in fact, they raise the influence of place as a key factor in effective knowledge work. The workplace is pivotal because, no matter how good the virtual connection, knowledge work is all about interpersonal connection and collaboration.

At a macro level, a company's proximity to talent, resources and collaborators are crucial in a knowledge economy. Silicon Valley attracts so many digital companies because other digital resources are there. Boston's real estate market has enjoyed resurgence recently not because of its climate, ocean port or tax structure. The draw is Boston's concentration of scientific talent, leading colleges and graduate programs, and a diverse, thriving talent pool. Two exemplars of the knowledge economy, Microsoft and Google, for example, have taken large pieces of real estate in neighboring Cambridge.⁹

Applying new work strategies in the workplace

Clearly understand the organization and its goals, leadership and its management style, the workers and their work processes and work styles.

Engage across the organization, not just leadership; involve workers from all levels.

Prototype alternative spaces, test and use feedback to evolve the space.

Keep the space flexible so it can adapt to the constantly changing requirements of knowledge work.

Measure the benefits, not only in economic terms but also by their social and environmental impact on the company and its constituencies.

Or consider New York City's reemergence as a corporate headquarters haven. Once home to many headquarters, the city's high costs forced many firms to move to suburban locations in other parts of the U.S. But the tide has turned. There are more than twice as many headquarters and subsidiaries in the city today as there were in 1990.¹⁰ It's considered the best place for executives to network face-to-face with their peers in the financial, legal and communications industries. Companies move back-room operations to cheaper, remote locations that stay closely linked to headquarters by technology, while company leaders work at the physical hub of their industry.

At the building level, the workplace is no longer about defining status by office square footage or location. The workplace supports knowledge work to the extent it delivers collaboration, communication and connection with colleagues. Designers are responding to distributed work trends with new approaches, including:

Shared real estate for collaborative workers. A variety of smaller group spaces amid or adjacent to a group of workstations encourages people to collaborate. The key is proximity and flexibility: in plain sight, open and equipped with white boards, mobile tables and chairs, etc.

Support for mobile/distributed workers. Easy access to power and data, simple ways to share information and spaces that adjust quickly to different kinds of work. Small touchdown or hotelling spaces for casual and collaborative work; small enclaves or huddle rooms for more focused work.

Spaces that communicate company branding and culture. Workspace helps create the shared culture of the organization, define the values and mores. The workspace manifests and helps further the culture of the organization.

Space that recognizes the multi-generation workforce. Younger workers thrive in closer proximity and expect unlimited technology access. Traditionalists place a high value on private offices. Boomers work well with Millennials and often mentor them. A variety of settings makes everyone more effective. And if the organization hopes to recruit and retain the Millennial workforce, collaborative spaces are key.

Workstation collaboration tools. Designers are adding more visitor chairs, monitor lifts to make sharing a screen easier and other tools to make the workstation a more desirable and functional place for collaboration.

Telepresence. Designers are supporting mixed presence work in both the physical and virtual space by including high-quality video and audio technology that allows distributed teams to meet via videoconference. Life-size images and HD video are replacing many business trips.

Emerging work strategies

Pushing beyond the existing menu of alternative work strategies, the WorkSpace Futures (WSF) group at Steelcase has researched emerging work strategies by creating a behavioral prototype — working spaces with real furniture and tools that evolve over time in response to user feedback and continuing study of how the space performs. Supporting the Global Supply Chain department within the company, the prototype allows researchers to understand the impact of space on behavioral change. Data is collected from video ethnography, surveys and interviews to gain insights into the emerging behaviors of workers. These insights become the basis for new approaches and solutions to meet the needs of workers and address business issues.

One of the key insights uncovered by the Workspace Futures researchers is the notion of an emerging work strategy that incorporates symbiotic changes to both the physical space and work strategies. Simply enacting a mobile work strategy without a corresponding change in the physical space may save real estate costs but at potential reduction in productivity.

The Global Supply Chain employees are distributed workers, interacting with vendors around the world and frequently traveling to suppliers' sites. They support a wide range of internal customers who are located in various Steelcase sites. Collaboration takes place across multiple time zones and locations. The emerging

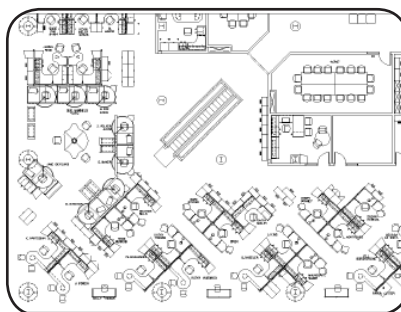
work strategy for this organization combined mobile work with a space designed specifically to support the kinds of work that happens when these employees come into the office. It was also designed to attract workers to return back to the workplace to keep the organization's mission and culture intact. Individual owned spaces were traded for collaborative, shared spaces. Organized around a central social hub, a café space with tables, booths and work counters, the space becomes progressively more private further away from the hub. The outer perimeter includes spaces to support focused, concentrated work. In between are both large- and small-scale collaboration areas that incorporate HD videoconferencing for remote team members.

Researchers discovered several key insights to develop an effective emerging work strategy that supports distributed work:

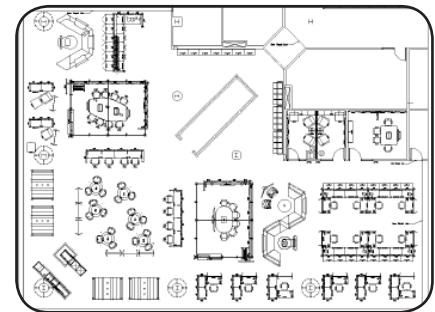
Customize their day: Workers need to have control and choice, to amp up or down their social setting, quickly transition between modes of work and to signal availability. For example, some workers do focused work in spaces that are optimized for concentration. Others focus very effectively in social settings, such as the café. This led to the insight that workers need a choice to amp up or amp down their sensory experience based on personal preference for that day.

Socialization as a knowledge-building tool: Employees need to network and connect with colleagues, to build trust via face-to-face interactions, to access

Breakthrough change



Before
Accommodates 33 individual workstations



After
Accommodates 96 workspaces for focused and collaborative work

tacit and explicit information, and to access collaborative tools. By embracing social behaviors of new generations in the office, companies can leverage the organic transfer of knowledge and ideas that occurs through social and professional networking. Space can reflect the company's culture of acceptance of these behaviors. Close proximity to collaborative tools enables quick transitions from individual to collaborative work without designated owned space.

Building a "hometown": It's important for employees to have a sense of belonging and community, develop broad social and professional networks, engage in interactions that build connections and trust, have a sense of control over their work-life integration, communicate their culture and make the space their own. Eliminating individual home bases shifted the focus of personal ownership to group ownership. The notion of group ownership grew from protocols and other shared activities within the space. Creating an inspirational environment drew workers to the space – since the change, the number of people attending both formal departmental meetings and informal social events has increased.

New spaces, same basics: Even though they're working in new ways, employees still need support for their personal tools — horizontal surfaces, power connection and a network connection, as well as support for physical well-being. Users flock to plugs, screens and surfaces for support for their personal tools. Spaces without these tools were underutilized because they limited workers' mobility.

Evolving behavior: People need to have time to transition to being a mobile worker, utilize the space to the maximum, have clarity around new expectations and feel that they have ownership within the evolution. Transitioning an organization to mobile work is a multi-layered process. A clear strategic vision from leadership, facilitating use by assigning a concierge to the space and giving workers an opportunity to share in developing the way to use the space — all are critical to success.

By using flexible space and furniture, the workspaces support different generations, individual and team work, focused private work and group work – all in the same amount of real estate. By not restricting people to a single workstation, they have more options, more tools and more empowerment to work productively.

Expanding to triple bottom line

Alternative work programs have been implemented at other companies such as IBM, Microsoft and Bank of America, and other emerging work strategies are blooming at companies worldwide. As referenced previously, according to the recent survey for Steelcase by CoreNet Global¹¹, strategies in use include:

- home offices on a full- or part-time basis (78%)
- hotelling or free address work spaces (74%)
- mobile work at multiple spaces (69%)
- full-time telecommuting from home (57%)
- satellite offices (27%)

A year ago these strategies were considered a tool to help attract and retain talent. Now they're considered a means to link a mobile workforce, a way to shrink an office footprint or a means to support different generations of workers. In the Steelcase/CoreNet survey, efficiency and cost reduction were the top-cited criteria for making strategic real estate decisions. Following close behind, however, were effectiveness/productivity and attracting and retaining employees. Because these goals are so closely linked, it's imperative for organizations to consider an emerging work strategy that links efficient physical space with employees' needs.

But emerging work strategies can and should be judged on an even large scale: the *triple bottom line* that considers not only economic and social perspectives, but also environmental gains. The Steelcase Workspace Futures team held themselves accountable to measuring success based on the triple-bottom line. The metrics for the Steelcase Global Supply Chain behavioral prototype include:

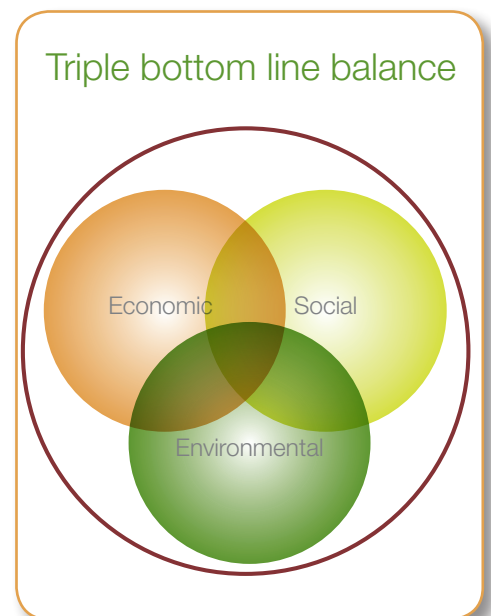
Economic

- Uses one-half the square footage previously required for 70 employees

- Helps reduce operating expenses associated with real estate portfolio
- Helps the department attract talent (employees from other departments frequently ask to hold meetings in the space)
- Enables the department to maintain flexibility and stay productive as work processes change
- Positions the company to quickly respond to changes in staffing

Social

- Encourages social interactions in the café and other informal spaces
- Treats employees with respect, assumes they know best what their work processes and work styles require
- Causes workers based in other parts of the world to feel more a part of the department (videoconferencing capability)



Environmental

- Saves on printing, paper and other resources by emphasizing and supporting digital storage
- Provides natural light to every workspace
- Reduces carbon emissions and energy use by promoting videoconferencing
- Extends the use life of materials with furniture, technology and work tools that are easily reconfigured

74% of workers at top-ranked companies are highly satisfied with their personal workspace. At average companies, it's only 48%.

Designing for organizational success

Research shows that companies who create supportive workplaces tend to be the most successful. A study by A&D firm Gensler found that 74% of respondents from top-ranked companies were highly satisfied with the functionality of their personal workspace. At average companies, workplace satisfaction is only 48 percent.¹²

Satisfaction breeds commitment, and research supports that committed employees perform at a higher level. A Corporate Leadership Council Survey of 50,000 employees in 27 countries found that highly committed employees perform up to 20 percentile points better than less committed employees and are 87% less likely to leave the organization than employees with low levels of commitment.¹³

Even in these tough economic times, companies can't afford to take a slash-and-burn approach to reducing their real estate portfolio. They shouldn't forget the need to attract and retain great talent. Visionary companies are striking a balance between cutting costs and better supporting the workers who will make the organization successful, now and after the turnaround. Emerging work strategies are helping to accomplish that balance.

Despite all the changes underway, the physical workplace remains a gathering place, a collaboration center, a resource for organizational culture and still the home base. Emerging work strategies can help deliver higher performing workplaces amidst a constantly shifting business landscape and are well worth the effort they require.

Footnotes

- ¹ "Reducing the Portfolio and Maximizing the Use of Existing Space" research report; survey completed for Steelcase by CoreNet Global, April 2009
- ² CoreNet Global 2009 State of the Industry Report, March 31, 2009
- ³ "On its way, at last" The Economist, October 9, 2008
- ⁴ "Reducing the Portfolio and Maximizing the Use of Existing Space" research report; April 2009
- ⁵ Ibid
- ⁶ 2008 Annual CDW-G Telework report, March 31, 2009, CDW Corporation
- ⁷ CoreNet Global 2009 State of the Industry Report
- ⁸ Ibid
- ⁹ Global Real Estate Markets, Annual Review & Forecast, 2008, Newmark Knight Frank, NY
- ¹⁰ "The New York Paradox," by Paul Krugman, The New York Times, July 10, 2008
- ¹¹ "Reducing the Portfolio and Maximizing the Use of Existing Space" research report; April 2009
- ¹² "Work in 2008," Dialogue, Gensler Publications, 200913 Corporate Leadership
- ¹³ Corporate Leadership survey as reported in "Work in 2008," Dialogue, Gensler Publications, 2008

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A lexicon for alternative work strategies

alternative officing/work strategies

An umbrella term for different ways of working outside traditional office planning, including satellite offices, virtual work, telework, etc. Often referred to as an acronym, AWS.

collaboration

Two or more people working together for a common goal, sometimes called teaming or group work. The way knowledge work is primarily conducted today.

desk sharing

A way of allocating workspaces for use by different times; also called hot desking or shared assigned space.

distributed team

A group dispersed by geography, often outside traditional office spaces and usually meeting via technology, e.g. videoconferencing.

distributed work

The geographic distribution of work. Distributed workers may be separated by space, time or configuration (number of different, isolated sites). They may be based in one city or multiple cities, meet in person infrequently and communicate frequently via technology.

drop-in

Unassigned offices used for a short period of time (usually a few hours) by employees who have not made a reservation for a workspace.

Emerging work strategies

Pushes beyond alternative work strategies; Physical spaces are designed in innovative ways to support the ways people work when they come to the specific office, with particular focus on social, collaborative and project spaces.

free address

Unassigned workspaces that can be used by anyone on a first-come, first-served basis; sometimes termed group address if the workspaces can be used only by people from a particular group or department. Similar to just-in-time workspaces.

group address

An area of unassigned desks used by workers within a particular group or department.

home office

A workspace in the home, used on a part-time or full-time basis.

hotelling

Temporary workspaces assigned through a reservation system; typically used by mobile workers but also used by any worker not near his/her assigned workstation.

hot desking

A way of allocating workspaces for use by different people on different shifts or different days; also called desk sharing, or shared assigned space.

mobile work

A work style in which a person consistently uses multiple spaces to accomplish their work.

multi-generation workforce

A description for today's age-diverse work population with up to four different generations (from youngest to oldest): Generation Y, Gen Xers, Boomers and Traditionalists.

neighborhood work center

An office where people from different companies rent space for use as an offsite work location, also known as a satellite office.

networked virtual organization (nvo)

A company that links together employees, service providers, customers, partners, suppliers, and other outside stakeholders via technology.

non-territorial office

The concept that individuals in an organization are not assigned desks, and thus do not have ownership over designated spaces; coined by MIT researcher Thomas Allen.

real estate compression

Using various planning and design methods to shrink the office footprint and/or individual workstations, in order to reduce real estate expenses.

satellite office

A workspace owned or leased by the company, smaller than the primary office, used by employees who live near it to avoid a commute.

shared assigned

Workspace assigned to several people who work at different days or times, leveraging the workspace for more hours each week.

shared real estate

Space used by multiple users, such as team rooms, conference spaces and other collaborative spaces; differentiated from workspace dedicated to use by an individual.

telecommuting

A component of telework, in which an employee works from home, substituting telecommunications for the commute to work.

telepresence

A set of technologies which allow a person to feel as if they were present and give the appearance that they were present at a location other than their actual location. Usually involves high-quality video and audio, as well as content-sharing capability.

telework

Any arrangement in which an employee regularly works at home or other work sites geographically convenient to his/her residence; synonymous terms include telecommuting, flexible working and homeshoring.

third place

Informal, safe, public places where people gather to mingle with others and enjoy the local atmosphere, separate from first place (home) and second place (office). Third spaces include coffee shops, parks, etc. Term coined by sociologist Ray Oldenburg.

touchdown spaces

Short-term workspaces used on a first-come, first-served basis by workers for simple, focused tasks (checking email, sending text messages, online research, etc.); typically small footprint space, often stand-up configuration.

triple bottom line

A way to measure the economic, social and environmental returns to, and impact of, an organization; sometimes called "people, planet, profit."

videoconferencing

Conducting a conference between two or more people at different sites using a computer network to transmit audio and video. Participants use a video camera, microphone and speakers in their computers. Typically lower quality communication than telepresence.

virtual office

The concept of the workplace being wherever an employee happens to be working at any point in time.