

Research Foresight*

A Map for the Emerging Workplace: The Y in the Road

*A foresight examines trends and indicators of possible future developments.

“Maps connect us to what we know and free us from our limits: we can see where we are now, where we have not yet been, and where we want to be. For those who have access to them, maps can be agents of change.”

– Lucy Fellowes, *Curator of “Power of Maps”*
Cooper-Hewitt, National Design Museum

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Purpose

The office, that constant fixture in the working landscape and the iconic symbol of economics, has never been more scrutinized, studied, experimented with and tested. A recent yearlong Study conducted by Knoll looked at peeling back the various layers of the office with those that plan it, use it, its strategists and future occupants. The goal of the Study was to:

1. Explore the spectrum of diverse and ever-changing activity the contemporary office supports.

The hardware support, infrastructure distribution, efficiency demands and sustainability of these facilities mandate constant change. Business plans and organizations change overnight as a fluid symphony ensues to meet the demands of an evermore interconnected world. Your nearest partner may be a continent away.

2. Examine the people involved in this change. As we transition from a Baby Boomer ultra-achiever generation to an intra-linked, connected network generation, the demands of the office are morphing. The cumulative findings, presented here, provide foresight into the office with insights from a diverse audience.

Background

Any examination of the workplace must understand its players. The demographics of the workplace are typically grouped into two major age groups, or generations: Baby Boomers and Generation Y. Sandwiched between these two dominant statistical groups is Generation X.

► **Baby Boomers: born 1946 - 1964**

40% of Baby Boomers will be eligible for retirement in the next 5 years.

► **Generation X: born 1965 - 1978**

Gen X is most commonly associated with the “dot-com era.”

► **Generation Y: born 1979 - 1997**

Gen Y exists in greater numbers than the Baby Boomer generation, with a population of approximately 70 - 80 million.

According to the U.S. Bureau of Labor, the replacement pool of Gen X workers aged 35 - 44 years old will decline 15% in the next 5 years. This puts U.S. business on a collision course with a shortage of skilled workers. There is a heightened expectation for the skill set of incumbent workers within a smaller pool of workers that have those skills.

The emerging demographic, Gen Y, is the first generation to grow up with computers in the home, TV on demand, music downloads, cell phones and instant messaging. They have never ridden a bike without a helmet, nor have they eaten in cafeterias that serve peanut butter; their lives have been thoroughly scheduled and over-managed. They are the products of their ambitious Baby Boomer parents.

With this shift in workforce demographics, the approach to the office is changing. Through a variety of mediums, this Study looks to uncover what, precisely, such a transformation means in terms of workplace design, layout and organization.

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Research Methodology

1. Focus Groups

Knoll initiated the Study by exploring the word “innovation” in a series of seven North American multi-disciplined focus groups within the architecture and design community.

These initial focus groups also led us to companies with innovative approaches to the workplace, many of which ultimately became corporate participants in the Study.

Working with these organizations helped us to better understand their particular goals, successes and failures; various obstacles to achieving holistic workplace solutions were also cited.

Eventually, this audience came to include architects, designers, strategists, IT professionals, corporate real estate directors, facility managers, occupants, planners and a generation embarking on their careers.

2. Online Surveys and Interviews

As a result of these focus groups, specific points surfaced that were compiled into an online survey.

Data was also collected in one-on-one and taped interviews, photo documentation, written transcripts, roundtable discussions with technology experts and any report deemed relevant to the workplace. Sectors surveyed include financial services, retail, technology, communication, consulting and GSA, with a strong showing particularly from the financial services category. This was facilitated by a roundtable discussion with representatives from that group—sharing insights, achievements and struggles.

Inclusive to this process was the constant evaluation of Gen Y, which Knoll studied thoroughly in bi-coastal focus groups. For these sessions, Knoll partnered with the research firm DYG to facilitate meetings and evaluate participants. Additionally, with the assistance of Business Place Strategies, Inc., Knoll facilitated workplace workshops that focused on the exploration of collaboration in the office.

Observations and Findings

Defining Today's Workplace: Key Findings

1. The workplace is morphing from a single destination to a holistic resource. This approach connects people to their profession, peers and culture. It is becoming the interface to the enterprise and the connection to the network that enables the diverse work of today to occur.

Participants approach the workplace by first considering the work at hand and then determining the best place to accomplish it. On one day that solution may be a private space, on another it may be a team space, and still on another it may be a public space. The day of “one size fits all” is over. It is more about the holistic workplace, positioning resources that can be tapped when needing cultural enrichment and using the office more as a hub, or connection, to the vast network that supports contemporary work.

Participants indicated that flexibility in the workplace is characterized by mobility—mobility both at the office and as associated with work completed outside of the office.

A variety of space options, or zones, is sought to ensure the qualities that provide a productive workplace. There is an anti-Dilbert revolution afoot as companies seek to captivate the shrinking pool of talented workers who look to the team and the environment to foster innovative work.

2. The individual desk is being utilized less. The resultant rising collaboration captures the voice of collective wisdom and is considered the core of innovation in today's companies. A variety of space options, or zones, is sought to ensure the qualities that provide a productive workplace. There is an anti-Dilbert revolution afoot as companies seek to captivate the shrinking pool of talented workers who look to the team and the environment to foster innovative work.

3. Organizations are embracing the idea of transparency in the workplace. In both a figurative and literal sense, transparency is cited from many dimensions—from corporate operations to daylight as a design criterion. For the latter, this includes not only the presence of daylight but also a view to the outside environment. “Transparency,” in this sense, was also cited as a magnet to for creating potential collaborative zones and alternative spaces to gather.

4. Utilization tracking is gaining ground as a facilities management tool. In the recent past, real estate strategies have achieved a more efficient use of space modeling, but in moving forward corporate real estate groups discussed the right-sizing of portfolios based on utilization tracking. Realizing that individual spaces are being used less, strategists are looking at utilization tracking tools to investigate how assets can be positioned to more effectively serve employees' needs over the life cycle of the business model.

Generation Y

The Study focused on reported workstyles and needs of the younger demographic, Gen Y, which include multitasking, working from non-traditional settings (i.e. cafes, lounge environments, project rooms, etc.) and using the latest technology. The Study revealed that a well-designed workplace appeals to this younger set of employees and increases their desire to come to the office. In general, Gen Y cited its preference for a warmer work environment with comfort elements associated with the home.

Gen Y participants:

- ▶ **Indicated that a good workplace would have a positive impact on their performance and overall quality of life.** Specific topics cited include access to natural light, open space without high panels, space between individual stations and, most importantly, a variety of settings that support the diversity of tasks required in today's market.
- ▶ **View office space not as a symbol of hierarchy but as a tool to get the job done.** Fairness was expressed as a preferred driver for the allocation of space, which, it was observed, should be appropriated by the type of work being accomplished rather than its level of importance. The re-occurring comment was: "It's about the work."
- ▶ **Expressed concern about "losing people skills" as a setback of working in a private office.** In addition, they are migratory: 45% workers expect to change jobs every 3 - 5 years.

Group Work

General Trends

The Study indicates an increased utilization of shared, smaller workspaces and additional collaborative zones.

- ▶ The data shows that 44% of the time, employees are away from their assigned desks.
- ▶ When away from their assigned desks, employees are in smaller meeting rooms in their respective departments.

The concept of group work had wide ranging support.

- ▶ 80% of surveyed corporations consciously expressed some degree of support for group work.

Group Work and Mobility

The Study explored whether groups are static or dynamic:

- ▶ **Group work is dynamic.** Only 14% of the groups surveyed said their teams worked in a fixed manner.
- ▶ **The great majority of work groups are short-lived.** 58% of respondents said their groups had a lifespan equal to less than a period defined in terms of months, while a quarter of the participants defined their work groups in terms of weeks.

Group Work and Space Utilization

Space utilization is evolving to open plan meeting areas. The Study tracked how space is currently allocated to support group work and what the projected figures are. According to collected data, open plan meeting area as a percentage of floor space is expected to double in 3 years. The primary tools cited for supporting group work were, in order of importance: food and beverage, power and wireless access.

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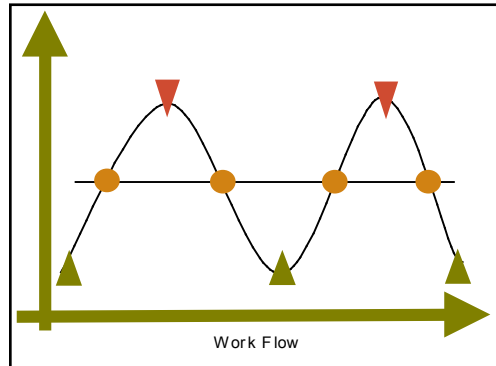
Respondents indicated that a group work location is dependent upon the following characteristics:

- ▶ 1. The formality of the group or culture of the organization.
- ▶ 2. The nature of the engagement: is it hi-tech or high touch?
- ▶ 3. The duration of the meeting.

A key driver for selecting the appropriate environment for group work is voice escalation and the obvious demands it places on physical space. In particular, the use of speakerphones in meetings requires a need for isolated privacy. During the course of a normal project cycle, the location for medium intensity-collaboration can be determined by the group, where there is some flexibility. Low intensity collaboration can occur at the dedicated work setting or in the open environment, whereas high intensity meetings require more privacy.

The Collaboration Intensity Index

As part of the Study, Knoll facilitated a workshop with software engineers who work in older, high-paneled workstations. The participants explored their perception of collaboration and indicated that specific drivers determine the nature of a collaborative activity and the needs apparent from those drivers. The result: Collaboration Intensity Index.



High Intensity Collaboration ▽: Defined as critical in nature; voice escalates; group-based (>3); longer time potential; an interruption to work.

Medium Intensity Collaboration ○: Consistent schedule or group; non-critical in nature; calmer (low voice); group-based; a component of work.

Low Intensity Collaboration ▲: Mentoring; sharing; non-critical; shorter time duration; smaller group (2-3); located at a desk and/or adjacent area; a subtle interruption to work.

Work Flow

Work Process

The Study added to an understanding of work processes:

Modes of work are changing. As a component of the work process and the changing nature of work, Knoll looked at “presence” and its role in the work process:

- ▶ 28% of surveyed respondents indicated they work virtually
- ▶ 26% telecommute
- ▶ 17% work in unassigned places

Acoustical and visual privacy continue to be principle concerns in the modern workplace. A top cited concern for the modern workplace is privacy, both acoustical and visual. Different approaches were cited as to how this is achieved. Respondents said that their choices for workplace privacy include going to a separate room (and closing a door) 23% of the time. Other alternatives include going to a public space, putting on ear phones or using a café. Privacy is more and more found in public space. And with privacy, more priority is given to the group, resulting in designated group privacy areas.

Face-to-face communication remains an important component of work. There are many ways for individuals to connect today, including voicemail, e-mail, instant messaging, texting, land line telephone and wireless phone, yet the preferred means of interaction cited, even with the wide demographic variety surveyed, is face-to-face. Not surprisingly, the one means of communication singled out by Gen Y as being passé: the land line.

Pilers, Filers and Technology Filers are evenly distributed throughout the workplace. The study sought to understand how work is being accomplished. A simple investigation into whether today’s workers pile, file or file digitally reveals a fairly even division:

- ▶ Pilers: 31%
- ▶ Filers: 37%
- ▶ Technology Filers: 32%

Desk Space and Personal Storage

The Study probed respondents' preferences for desk space and storage:

Respondents require a place for storage. There are still anchors to the physical environment, including the ability to accept packages and postal mail. New methods are emerging to facilitate the storage of physical items and their communal use. For example, the opening and scanning of all incoming mail is deployed by some organizations to offset the physical demand of paperwork.

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The nature of storage is changing. Knoll surveyed whether respondents thought storage functions should be provided by the building or the furniture. 91% of respondents felt storage should be handled by the furniture and that some type of wardrobe storage should be immediately nearby. This is reinforced by the lack of any preference for closets. What people are storing is changing: there is a higher demand for secure laptop and mobile tool storage, also referred to commonly as the 3B's: *briefcases*, *backpacks* and *rolling bags*. Furthermore, gadget support and device storage that is not shape or interface-dependent is lacking and cited as a key preference for Gen Y participants. At least one-third of all respondents view open shelves as a very important organization tool.

Adequate desk space and flat-panel displays are necessary for Gen Y respondents. Flat-panel displays in pairs are growing in popularity. With e-mail on one and active work on the other, this setup helps to facilitate an individual's work more efficiently. Alternatively, the use of a laptop with an adjacent flat-panel display is a similar, and growing, trend. Regardless of the configuration, multiple displays are linked to productivity, and their use is growing.

Power and Technology

The Study suggests that:

Power and technology concerns fall into two categories of importance—capacity and access. Within that realm there are mid- and long-term scenarios. In the mid term, with an increased power demand, concerns equate to more and better-spaced outlets. For the long term, there is a desire to power higher wattage over Ethernet, thus potentially eliminating the number of conventional power outlets. A preference for increased outlets is expressed to support planning in the next three years. In addition, power should be scalable and oriented for transformer access.

The convergence of data, telephony and video into a single data port is occurring. Voice over Internet Protocol (VoIP) eliminates a phone line. 63% of large enterprise companies surveyed deploy some type of VoIP. Wireless networks in addition to VoIP and soft phone flexibility through laptops supports mobility within the work environment. Surveyed participants project a 20% wireless deployment growth over the next three years.

Implications for the Workplace

A primary concern among facilities and corporate real estate groups today is real estate utilization. What parts of work facilities are actually being occupied, and when? The collection of this data via utilization tracking will give corporate decision makers a greater ability to right-size their portfolios. The efficiency has been achieved, the stations are smaller and the density increased, but the question remains: How much space can be deployed for amenities once we actually know what is occupied on any given day?

1. Group Space Variety, Ad Hoc Team Space, Think Space, Strategy Space and Visualization Space all speak to the nature of the collaboration occurring. What companies are dealing with on a daily basis is the breaking up and constant reconfiguration of entire groups coupled with the need for meeting rooms in places that did not formally exist last week.

- ▶ Enclosed meeting rooms will be growing in number yet decreasing in capacity.
- ▶ Larger, formal meeting rooms are shrinking in size and capacity, from being able to accommodate over 16 people to approximately 7 - 15. The number is projected to be cut in half.
- ▶ Interestingly, café and pantry square footage allocation is predicted to reduce over the next three years. The conclusion provided by the companies queried is that the original function was stretched beyond its means. What occupants seek is a place to collect a beverage or nourishment and then to adjourn to an adjacent area appropriate for continuing the conversation.

2. Users seek personalized space. Participants argued that if they are to be located in an open plan, then the ability to personalize their allocated space is of utmost importance. To accomplish this, users do seek that sense of a customized, tailored space.

3. A variety of privacy modes are being cited. Acoustical and visual privacy are still expressed as key concerns in the workplace, yet the means by which employees achieve a level of privacy vary. Most claim to go to a conference and/or meeting room. The second most popular response was the modification of a personal enclosure, which included closing a door. Alternatively, nearly two-thirds of participants responded that they simply put on headphones or leave the building.

As the workplace becomes more of a public space, workers are finding new means to achieve privacy outside of their personal workstations. The cell phone has empowered this activity, allowing a freedom of mobility that is inherent with the device.

4. Flexibility serves all users. Flexibility extends work life on the back end and allows for balance in the early years.

In the end, an innovative approach to the workplace may just be about providing better, more humane space. Perhaps it has more to do with physics, laws of motion and relativity: bodies in motion tend to stay in motion unless a force is exerted upon them. Bodies at rest tend to stay at rest unless a force is exerted to overcome inertia. The same may hold true for camps of workers today as they come together in a modern workplace. ■