

Workplace Culture:

A New Honesty in the Workplace

SMITHGROUP JJR

Each year, SmithGroupJJR convenes a Workplace Advisory Board—a forum of corporate and institutional real estate executives, facility directors, workplace strategy leaders and human resource professionals from across several industry sectors—for a freewheeling discussion of trends, challenges and changes in the workplace. During a recent Roundtable, the dialog focused the relationship between organizational culture, human capital and the built environment. The session, titled “Workplace Culture: Is It All Hype?” included perspectives ranging from long-standing, large consulting firms to organizations going through mergers, to rapidly growing technology companies. The following synopsis summarizes the insights, experiences and themes that emerged during the Roundtable.

THERE'S A NEW HONESTY IN THE WORKPLACE.

Gone are the days when handfuls of executives make top-down decisions and design solutions in a vacuum for their organization. Today, there's a new honesty in the workplace. In our business of workspace design, how does culture inform the work environment? SmithGroupJJR asked representatives from various organizations to share their thoughts on the interrelationship between workplace culture and workspace. Overwhelmingly, the responses demonstrated that companies are discovering that greater transparency, communication and the willingness to rethink established norms are guiding the direction of workplace design.





cul·ture

1. the total of the inherited ideas, beliefs, values, and knowledge, which constitute the shared bases of social action.
2. the total range of activities and ideas of a group of people with shared traditions, which are transmitted and reinforced by members of the group.
3. the artistic and social pursuits, expression, and tastes valued by a society or class, as in manners, dress, behaviors, etc.

KEY TAKE-AWAYS

ORGANIZATIONS ARE RETHINKING THE ESSENTIAL ROLE OF THE WORKPLACE. They're open to new approaches, questioning popular trends and reexamining their own established metrics. The proverbial question of "why does anyone come to work?" is now a richer and more interesting discussion about energy and human interaction.

WORKPLACES WORK BEST WHEN THEY FOCUS ON PEOPLE, NOT REAL ESTATE. Workplaces must align with employees' work styles and the organization's culture. They must be comfortable, natural, sustainable, and strike a balance between efficiency and individuality.

WISE COMPANIES FOSTER A CAPACITY FOR CHANGE—AND KNOW HOW TO MANAGE IT.

There's a sense that everyone is "in it together" reflected in an organization with transparent leadership, an adaptable workforce culture and a clear vision of who they are in the marketplace.

THE MOST SUCCESSFUL DESIGNS ARE CREATIVE, YET RATIONAL.

Environments delight and inspire, but also are logical and self-explanatory. They make sense for the organizational culture, the industry and the region. This isn't lost on employees, either – they value the tangible evidence that the company behaves in both modes willingly and decisively on their behalf.



THE REAL FUNCTION OF THE WORKPLACE

Clearly, the role of the workplace is evolving—driven by economics, societal shifts and continual technological advances that allow for increased mobility. Companies today not only are looking closely at the how of workplace design, but the why: What is the role of the workplace? What is the organization getting out of its brick-and-mortar institutions? What do employees get out of them?

Several organizations are examining how their workers work. American Express' Blue Work program categorizes its workforce of more than 63,000 employees in 130 countries into four basic styles: those who hub (occupy a permanent desk), club (share seating), home (work from home) and roam (work on the road). Each employee's space allocation within the office is based on his or her work style, optimizing both real estate and flexibility.

The perceived advantages and disadvantages of these different styles illustrates how attitudes can change. When the idea of telecommuting was new, working at home was largely perceived as a benefit—but with the potential stigma that at-home workers weren't contributing as much as those on-site. This has changed rapidly in many industries as companies learn to adapt to their workforce's locations, technical capability and generational characteristics.



Add to this the types of consulting work that occur primarily at a client's place of business, and ironically, it becomes unusual or even a stigma to be seen at the office. Accenture reported that its workforce views home as the place where heads-down work occurs. The office is where people come only when they want live meetings or need their laptop repaired.

Yet many of today's workers are longing for office time. One Roundtable participant said that some younger staff view a home-based office as a detriment, feeling unappreciated and out of touch. They agonize over the loss of visibility and the lack of access to leadership for mentoring and growth. They fear there may not be room for them at the table if they stay away too long.



While companies weigh how these varying perceptions affect the overall company culture, some organizations are looking at new workspace as a catalyst for cultural change. When Michigan-based Lake Trust Credit Union recently merged with another financial institution, it seized the opportunity to blend two established cultures desiring change into a new, forward-thinking and sustainable company. Part of its growth plan includes a new headquarters, currently under construction. Its space solution includes a 100-percent open office with ample communal gathering spaces, including a monumental central stairway to encourage lingering, casual encounters, and to support all-company presentations. The goal is to foster a sense of transparency and

belonging; its internal strategy is to create an "un-bank."

The power of human connection remains strong. While technology and other details of daily work life continue their inevitable evolution, people continue to rely on the physical workplace to tap into social structures, learn and feel engaged. It seems the most fundamental role of the workplace is to create energy among the workforce—building a sense of camaraderie that benefits both employees and the organization.



HONING IN ON THE HUMAN SCALE

Many organizations have adopted the open office, with the expectation that fewer closed doors, less hierarchy and more interaction would lead to greater collaboration and creativity. Has it worked? Yes...and no. Roundtable participants agree they've learned from both their successes and their mistakes. From the discussions, it became clear that the open office is not a one-size-fits-all panacea.

Organizations are learning that the best solutions lie not in their real estate, but in

their people. The workplace needs to reflect who they are, how they work, and how that fits with the company's vision.

Infusionsoft, one of the fastest-growing technology firms in Arizona, created a collaborative space around a cereal bar in its industrial-style headquarters. Why a cereal bar? It speaks to the company's workforce, which consists of a younger demographic in start-up mode, more comfortable with a loosely structured schedule. What's smart about the cereal bar idea is that it emerged

organically, from someone within the company who understands Infusionsoft's unique culture.

The Advisory Board Company (ABC), a research, technology and consulting firm to the healthcare and education sectors, is another good example. Its culture is defined by highly collaborative teams and thinktanks, each focused on developing particular products. When redesigning its Austin office, then, it was a natural design direction to create collaborative team spaces

as the core of the office, with support and amenity areas closely arranged nearby. Neighborhoods within the office provide clusters of phone booths, soft spaces and other resources, at a scale appropriate for each team to customize as they need.

Even within an organization, however, there are cultural nuances. While the neighborhood concept might be transferable to all the ABC offices around the U.S., spaces work best if they reflect local culture rather than a corporate stamp. Artwork and interiors will look different in San Francisco than Austin; low-slung furniture that works for the casual Austin office becomes awkward in more-formal Washington, DC.

Getting the regional context right becomes even trickier when going overseas, noted Accenture. What's the right thing to do in Jakarta or Mumbai? The good news is that the basic form of human interaction transcends cultural barriers; the key is to discover how to engage that collaboration. Again, the first step is to drill down and examine the workplace from the people level.

Of course, there are challenges in a shift to fewer "me" spaces and more "we" spaces.

Workers may lament the loss of quiet spaces where they can concentrate. Many workers feel disenfranchised in open spaces where heads-down focused work is more difficult to complete. Proponents of The Quiet Revolution speak to the need for individual space to think and reflect in a society increasingly focused on teamwork, collaboration and group-think. This debate has been widely publicized recently in articles across mainstream media.

Yet another layer to the open environment is individual control of the workspace. Often, in open, shared workstations, employees lose a sense of control and personalization over their environment. Some Roundtable participants asked the question: In our efforts to become more collaborative and efficient, are we sacrificing creativity and innovation? Do employees need a space they can customize? The question remains.

It seems clear that organizations cannot simply adopt a trend—the open office or anything else—and expect it to function flawlessly. A workplace needs to reflect and respond to the organization's people and its culture. It needs to start there, and then enlist the right design tools for the job.





THE CAPACITY FOR CHANGE

A change in the workplace marks a shift in the company culture. Even in companies with a broad capacity for change, it's wise to actively manage the transformation of the workplace. Open lines of communication, transparent leadership and a workforce that feels like they're part of the discussion will go a long way toward building acceptance of changes to the workplace environment.

Regardless of the pace or scope of change, leaders must continue to lead

by example. Solutions only work when there is a culture of permission. Nancy Hickey, Chief Administrative Officer from Steelcase, Inc., explained how when they shifted their work environment, it was very important for leadership to be seen using the space to create buy-in with employees. Employees want to understand, witness and feel closer to the sources of leadership within a company. Regardless of the level of hierarchy, or one's place in it, employees

desire leadership visibility and opportunities to reach out. Sometimes, that's a challenge. One HR manager at the Roundtable confessed to purposefully booking meetings in common spaces as a way to coax top management out of their corner offices.

Effective Change Management continues to be a theme at our Roundtables. Keep employees informed of the "whys" behind a workplace change, and they're more likely to accept it. Communicate the "hows", as well—

how utilize the space efficiently, which parts are adaptable, and the processes developed to make things better. Make them part of the conversation from the beginning, so changes make sense and feel more like a natural progression. People are more willing to adapt to a new type of workspace if they understand the reasoning and economic realities behind the change.

These kinds of conversations can have a deeper impact, too. It becomes harder and harder for companies to keep sight of their corporate culture when they're rapidly growing. Building a trusted two-way communication network keeps employees in the loop and ensures managers are, too. After all, however the new generation of workers is making its mark— bonding on the office basketball court, meeting at a cereal bar or embracing the hacker mentality of Facebook—they're creating momentum and carrying the firm's culture forward.





BALANCING CREATIVITY WITH LOGIC

Inspirational spaces still matter, especially if a company seeks to develop a unique feeling of energy and esprit. Most Roundtable participants feel a workplace environment that delights its workers and visitors is a critical organizational asset. The office's amenity features demonstrate that an organization thinks and cares about its employees, which can be a key factor in employee recruitment and retention. The

Advisory Board Company believes its casual, collaborative Austin-offices is a major factor in that location's extremely high acceptance rate for job offers, which tops 90 percent. The workplace has become a true recruiting tool.

Yet workplace design needs to make sense as well as delight. A well-designed workplace is a window into a company's culture. Just as the open office doesn't work for everybody, what is unifying for one organization can

seem wildly inappropriate for another. The games room that is at home in a youthful high-tech firm may well feel like a tired cliché in a law office. Wise companies recognize where to draw the line. An organization's environment should effortlessly reflect its culture, its industry and its region.

This can be expressed in subtle ways; in fact, it can become a subliminal form of branding.

While many company interiors today feature natural textures and colors, slight differences can change the overall impact. A firm wishing to portray innovation might opt for a raw, unfinished look; an accounting or legal firm wishing to underscore its precision and attention to detail might be wise to choose a more honed, refined style. Creating the workplace design that sends the appropriate visual message requires a collaborative effort among real estate, human resources and management.

IN SUMMARY

This new office design endeavor that we're all engaged in is a complex one, and it will continue to evolve as technology, demographics and work changes in the future. But as the Workplace Advisory Board demonstrates, we can learn from one another and hone in on the key lessons to get it right. All the more reason to open the lines of communication, generate energy, and reap the benefits of the new honesty in the workplace.

PARTICIPANTS

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ABOUT THE SMITHGROUPJJR WORKPLACE ADVISORY BOARD ROUNDTABLE

Based in 10 cities worldwide, SmithGroupJJR is a leader in workplace facility design and development. As part of its ongoing research, the Workplace practice regularly convenes an advisory board of leaders representing a diverse set of corporate and institutional real estate executives, facility directors and workplace strategists. The Roundtable provides a forum and think-tank for sharing insights into emerging trends, issues, challenges and opportunities related to creating and maintaining today's sophisticated workplace environments. For more information about SmithGroupJJR, visit www.smithgroupjir.com.

