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Can less office space make companies more productive?

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Businesses are facing difficult choices to remain competitive, not the least of which include real estate decisions, for both the company and the individual employee. Today, companies are "rightsizing" in a very different manner. The intent is no longer to trim the employee headcount, but rather, to reassess and realign the proportion of space allocated to staff. This exercise often results in a personal space reduction for the employee. It may not trigger employees to update their resumes, but as businesses reinterpret their space allocation culture, a different impact is coming into focus. Two clear drivers underlie these issues, requiring a facility manager's thoughtful attention: culture and technology.

Culture Counts: Corporations are experiencing the impact of a truly multi-generational workforce. It's not uncommon to witness millennials working alongside baby boomers in today's work environments. Age diversity and work-style have been the focus of much study, with great attention paid to flexibility, collaboration, and reliance on technology. Businesses are now realizing that private offices may not be optimal for stimulating a knowledge-sharing environment. Numerous sources, including the Bureau of Labor Statistics and Neilson Newswire, are predicting a labor shortage of five million workers in 2020 when the Baby Boomers retire. Businesses are preparing for that now. Past mandates may have been focused on keeping a company's leadership rewarded. Today, the mission has shifted. Recruiting a new class of talent is very important for companies who are laser-focused on maintaining a competitive edge once the baby boomers retire. Office design plays a critical role in that mission. The workplace must attract new talent, and also, foster substantial knowledge transfer for this new generation. Companies today face critical challenges: How do they adequately prepare the next generation to lead?

Technology Works Anywhere: Never before in the history of business has technology enabled so many different and efficient ways of working. Thanks to smarter mobile equipment, workers are now able to be productive - wherever they are - at a previously unheard of rate. Millennials entering the workforce have been weaned on these technologies and are very proficient with them. Senior staff is accustomed to working 9-5, but the younger generation sees no issue with being available to work at any time needed, wherever they are, as long as they have advanced technology. Some companies struggle to find a balance between preserving traditional corporate values with the opportunities technology presents.

These two major business drivers point to real estate savings. Businesses are reacting to the demand to update their environmental cultures in a way that best leverages this technology. If the result of that update is significant savings in how much space is required, it is clearly a win-win. Companies are evaluating a variety of rightsizing options in their properties. They are making choices that serve to attract a new generation of workers, better align with emerging technologies, and create a potential real estate savings.

Everyone wins. Or do they?

As is the case in every major office design shift, the results of social engineering cannot always be predicted. The pre-cubicle generation who worked in an open sea of desks had a different work experience than those who spanned their careers in 65" workstations. Each generation adapted to its environment and managed to work efficiently. Office environments are not cookie cutter. Some businesses need more open, collaborative space while others, because of the nature of their work, cannot. Leaders must understand how their business is conducted prior to adopting a new spatial strategy. In the rush to respond to a generational culture shift and technology, don't forget the nature of your business and how work is accomplished.

Trending today is the re-evaluation of private offices. Many businesses are questioning whether offices are just status symbols of a slowly dying work culture. This triggers the question of who needs to sit in an office and why. Facility managers understand that management offices provide privacy essential to conducting business, but they also realize that if managers are better connected to their staff, a higher degree of collaboration is achieved.

There are pros and cons to the reduction/elimination of offices. The advantages include greater team-building, increased communication/ collaboration, and heightened managerial awareness of staff performance. The most important benefit is access. Employees with proximity to their managers leverage that closeness for professional direction, conflict resolution and guidance. The disadvantages, however, are notable. Either through their education or tenure managers have achieved the status associated with an office with a door. Stripping them of that prize is an emotional blow to their egos. Additionally, some managers sitting in a workstation, regardless of size, feel their authority is compromised. Real or perceived, this notion can have a devastating impact on a manager's ability to lead effectively. On a productivity level, many managers feel they cannot be as agile in managing affairs requiring confidentiality and lose the spontaneity to immediately address sensitive issues. Planning for privacy, in their perspective, is not efficient.

The reassessment of offices is not the only major change that businesses are exploring however. There is a concerted effort to investigate smaller, leaner and more technology-responsive workstations. Some firms have even begun to explore the elimination of the "cubes" and are piloting open, highly collaborative benching solutions.

Regardless which direction a company chooses, it is important to offset any real or perceived loss in personal space with increased amenities such as more collaboration space, or break areas with games like foosball or billiards.

Rethinking the open plan is widespread in business today. As the panels disappear or drop in height, space becomes more connected. The benefits of this approach are similar to the reduction in private offices: with more visual connection, there is a greater sense of "team". This leads to a higher degree of knowledge sharing as staff are more inclined to assist one another with tasks when they see the need. Transparency in the work environment can be effective in creating spontaneous partnerships. A documented upside is also the "better manners" phenomenon: employees adjust the volume of their voice and behavior when they are on full display. The downside of an open space plan is environmental: workers report greater visual and audio distractions and note difficulty in concentrating with so much ambient activity surrounding them.

So how does a company facilitate change in a manner that is most optimal for them?

Here are the golden rules:

1. Before embarking on any environmental office change, study the way the company currently

conducts business.
2. Secure one hundred percent backing and support from senior management.
3. Proactively engage and educate the company.
4. Address the job functions of employees and consider the ergonomic needs of the space change accordingly.
5. As change is planned, explore and mitigate the potential pitfalls.
6. Proactively address the perception of loss and plan to include perks to offset it.

Work is cultural. It is not simply about offices and workstations. A business today that wants to be successful tomorrow understands and appreciates that its true bottom line investment is its staff. If environmental change is to be considered by any company, it must be responsive to the culture of the firm and the staff who supports it.

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