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# FUTURE WORKPLACE

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## OVERVIEW

# Getting the best from workspaces

Business leaders must put a value on how workplaces foster morale and a shared vision, and provide the spaces needed to achieve their aims

## PETER CRUSH

Until recently, staff at ClearScore, the credit checking firm that has grown from zero to 105 employees in just over two years, were so tightly crammed, desks were only 80cm wide to save space.

“We were packed,” admits founder, Justin Basini, who in February finally moved everyone to a larger, 8,500sq-ft office in Vauxhall. Although not perfect at first – he says “now it’s messier, more higgledy-piggledy and generally noisier” – this chief executive says he wouldn’t have it any other way.

“As a mission-driven business, our office is our congregation. We couldn’t create the energy and passion without it. We’ll continue to grow, but we’ll always have a central workplace; it just works,” he says.

While it may not seem it, in many ways this is a remarkable vote of confidence for organised workplaces. With UK plc languishing almost bottom among G7 countries for productivity, offices have suffered their fair share of ire; everything from them breeding distraction, less uninterrupted time and more presenteeism.

At the same time, studies point to greater happiness and productivity anywhere but the corporate headquarters. According to a YouGov poll last year, 30 per cent of office workers say they’re more productive working remotely. As such, some have chanted the office as we know it is dead. So why is it that with Mr Basini and many other bosses, the workplace still commands such authority?

“The ‘workplace’ is still very relevant,” argues Olly Olsen, co-chief executive at The Office Group, owner of than 1.2 million sq ft of office space in London. “Its purpose though, is changing. Where cost and location were king, now bosses are asking whether workplaces fit their brand, whether they reflect the people who are going to be there and whether they work for the community. The workplace is reinventing itself as a place where people enjoy working.

“Google’s plans for its upcoming London HQ really showcase this. I can’t remember a time when a workplace was written about purely as an exciting place to be.”

The flipside, however, is that this expanded purpose does make it even harder for workplaces to prove a return on investment (ROI), just when many claim the workplace needs to be scrutinised more by the C-suite. If firms are to accept a productivity dip by having all their peo-



Google’s planned London headquarters near King’s Cross, designed by Heatherwick Studio and Bjarke Ingels Group

ple in one place, they need to know that their workplace really does create the tight culture and innovation, or attracts the best talent, that more than makes up for this.

“This is the conversation that still needs to happen,” says Dr Mark Batey, senior lecturer in organisational psychology at Alliance Manchester Business School. “Can organisations have a common purpose without a workplace? The answer is probably no, but my feeling is while the workplace still has a role, workplaces are trying to do too much. People don’t need to travel to a workplace just to do the procedural stuff, on their own.

“Workplaces should really be used for just one thing – collaboration and meetings. Employers setting aside 40 to 60 per cent of their workspace for ‘quiet’ areas aren’t using their space efficiently. This is the sort of conversation boardrooms need to start.”

It’s a view not all agree with. “The workplace isn’t dead, it’s critically important, and we believe workplaces should be designed to accommodate all types of work,” says Josh Kricheski, chief executive at media agency Mediacom. The agency actually launched flexible working for all last year, effectively rubber-stamping the fact that the

office doesn’t need to be employees’ first destination.

But while some might argue this means Mr Kricheski is hedging his bets, he says not: “What modern workplaces need to offer is a choice about whether staff want to be at the office or somewhere else. But when they are here we must ensure it’s a place they want to be.”

In May, the British Council for Offices produced its *Corporate Culture* report which reiterated the then-findings of the *Leesman Index* that 53 per cent of staff did not yet think the workplace they’re in makes them productive. Reasons include noise, lack of variety of workspaces, such as breakout rooms, quiet areas and communal zones. However, if these were addressed, it said workplaces could boost productivity by up to 3.5 per cent.

So can they? Well, what might change the conversation is new research that is beginning to question just how draining offices are and just how sustained the productivity of remote or homeworking is.

“Our research actually finds people are no more or less productive at home than in the workplace over time, because once homeworking is normalized, the novelty wears off,” argues Dr Esther Canonico, fellow at the London School of Economics’ Department of Management.

“We also find homeworking creates social exclusion and lack of promotion. Those who work at home or remotely aren’t given the opportunities office workers get, simply because they’re not there and are less visible.”

While employers do believe there is more to workplaces than just productivity, the good news is productivity is rising up the agenda. “Our research shows 75 per cent of businesses consider the productivity implications of their office,” says Joff Sharpe, head of operations at British Land. The same study found 69 per cent of businesses agreed improving the design of their office boosted productivity.

Planning how much overall space they’ll need though will become a growing ROI headache for employers who still want a destination workspace, but also want to promote flexible working.

And it’s still the case that other issues, such as having up-to-date technology, need tackling too. IDC recently found 34 per cent of staff were not satisfied with their at-work technology. If this does drive people away from traditional workplaces, they’ll be sure to miss the workplace culture and vibe. ●



**56.7%**

of employees in the UK and Ireland agree that their workplace enables them to work productively



**30%**

of office workers say they’re more productive working remotely



**69%**

of businesses agreed improving the design of their office boosted productivity

Leesman Index/YouGov/British Land

# Cutting-edge business centres set employers apart

Retaining and attracting the brightest people to your workforce is a priority for any employer, and the appeal of a workplace has become a crucial part of the equation

## HALKIN

**B**usinesses are increasingly realising that to attract and retain the brightest and best talent they need to provide environments which support and inspire their employees. They are also focused on enabling workplace collaboration, offering flexibility and increasing productivity, while containing costs.

Over the course of the last decade, more and more companies globally have moved away from the conventional office lease approach, and the capital expenditure it entails, in favour of more sophisticated fully serviced workspaces in desirable locations.

This has meant that flexible working has been on the rise with many new entrepreneurs, small companies and established businesses having access to reasonably priced office options.

"The idea of getting out and going to an office is very much ingrained in people," explains Mel Schembri, sales and operations director at Halkin. "People still want to come into work, even if they have the option of working from home or from anywhere. People want to connect on a human level.

"As an office provider we have to recognise that and enable it. At the heart of our business we are always asking 'How can we help your business to be as productive and efficient as possible?' The answer often lies with how happy staff are."

As businesses increasingly recognise the value of providing their employees with a workspace that fosters more of a work-life balance, the serviced office industry has responded with increased creativity.

"Whereas ten years ago there were really only a handful of major business centre providers in London with a narrow product range, the client is now spoilt for choice," Ms Schembri says. "There are now a lot



of independent and creative providers, and businesses can afford to be selective. This has led to a reinvention of the typical office space and reinvigorated the industry, which is a great thing."

Affordability and scalability remain vitally important to companies, but so too are comfort features, such as ergonomics, lighting, break-out spaces, cafés, shower facilities, bicycle racks, health and wellness programmes, and integration with apps and online services.

"Simply put, people want to be based in buildings that they feel really good about going to work in," Ms Schembri says. The point is not lost on employers in London, who may soon find themselves having to fight harder than ever to retain their very best people in post-Brexit Britain.

Ms Schembri explains that Halkin's clients increasingly look to them for a personalised and tailor-made solution. They need their office spaces to be flexible, bright, spacious and well designed, while being adaptable to their needs and well equipped with the latest technology.

Halkin itself currently has four such centres in London, including a luxu-



rious Georgian Mayfair town house and a vibrant, modern, Art Deco-style warehouse building in Southwark.

For Halkin, a key notion is that no two businesses are alike. Today, Halkin's aim is to put control back in the hands of the clients by providing a completely flexible solution using the latest technology and design, while retaining value for money.

So much has changed about the ways in which professionals communicate and provide services to one another, but it is clear there remains, and there will perhaps always be, strong value in face-to-face interactions and creative, communal workspaces.

For business centre providers such as Halkin, the focus is firmly on delivering design-led solutions that keep pace with the shifting demands of modern professional life and the needs of employers, for whom there is always a clear imperative to recruit and retain the very best people.

**To find out more about how smart workspace creators Halkin can help your business to thrive please visit their new website at [www.halkin.com](http://www.halkin.com)**



## HIERARCHY

# Leadership in an open-plan office

What impact does a more open-plan working environment have on authority and leadership, and how does a social-democratic model of community suit a capitalist set-up like a big corporate?

KAREN HIGGINBOTTOM

**O**ver the past 20 years, many big corporates have adopted some of the ideas of the startup scene including a more egalitarian workspace design and working styles where management is treated the same as employees. This is a departure from the hierarchical design lay-out of the past where senior leaders were sequestered in luxurious, closed offices.

The origins of the open-plan environment synonymous with startups have much earlier origins in the 1950s when the Germans pioneered the idea of a *Bürolandschaft* (office landscape) which was a movement in open-plan office spacing.

However, the roots of a social-democratic approach to a working environment also came from Scandinavia with strong staff representation and employees having a greater voice in the design of the workplace, says Philip Tidd, head of consulting for Europe at Gensler.

"Scandinavian countries were early pioneers of open-plan environments in the 90s, and the UK took that baton and led the way into new ways of working to make open-plan more mainstream," he says.

There is no doubt that many large corporates have adopted open-plan workspaces in a bid to improve team work and collaboration, says Jeremy Myerson, director of WORKTECH Academy. "The reality is that unless the open plan is well thought out with a high degree of segmentation of different tasks and a high degree of choice for the individual that is not the case. A simple, low-choice, open-plan environment with an ocean of desks is not good for communication or team-working."

The reason that many big corporates rushed to emulate the workspace design of startup firms was the attraction of co-working spaces, says Mr Myerson. "This was a new type of office organisation characterised by having a high degree of services and was much more like a club or restaurant where you would get subdued lighting, and it was curated with nice furniture. Big corporates want to encourage innovation and also want to interact with startups. Corporates are looking at incubator spaces as they need their people to innovate."

Many corporates are trying to ape what is happening in smaller, startup technology companies, according to Mr Tidd. "Certainly, there are aspects of trying to mimic some of the more open managerial and leadership styles, but the bigger push for that openness in design is driven by real-estate savings."

He cites Microsoft and GSK as examples of large corporates which have opened up their working environments and adopted a flatter hierarchy. "These two organisations have gone through that process of opening up their working environment for the last part of the decade. Their concept has evolved over time. They have gone through change in the last three to five years of adapting their own open-plan environment which has a rich variety of settings," says Mr Tidd.



The idea of rank and hierarchy is changing in networked organisations



Gensler

01

in the same dining room then it reduces that status of leadership in a flattened structure.

“It also stops people from aspiring to leadership roles as there is no elevated status for leaders or managers. If you’re rank and file in an open-plan office and you see the amount of stress that managers are under without the visible signs of the accoutrements of power, then why would you aspire to that?”

But a bias towards people in managerial positions still exists in an open-plan environment, says Mr Tidd. “There is still an invisible hierarchy where managers have the choice of where they work.”

One aspect of leadership that is enhanced by an open-plan working environment is visibility of the senior leaders, argues John Williams, digital strategy director for the Institute of Leadership and Management. “The key to that visibility is having the chief executive or CEO on the same floor as employees. Employees then feel that the CEO is more approachable, and they can share their thoughts and collaborate more effectively with leadership.”

What is essentially a social-democratic model of community design can work for a big corporate business, but it’s about having a subtle open-plan environment that reflects a wide variety of settings rather than a crude open-plan design, says Mr Tidd.

“Big corporates are recognising that opening up their environment to a more collaborative and modern environment is more attractive to the next generation of talent,” he says. “Most organisations that we work with are very concerned about their talent constraints. A young workforce wants to work in a welcoming and dynamic work environment.”

Many tooth-and-claw capitalist businesses struggle to shift to the more open, democratic and trusting culture that a social-democratic model of community demands, Mr Myerson concludes. “They are much happier with command and control, supervision and surveillance than empowering people, which takes time and effort, and requires new spaces, collaborative technologies and ways of behaving. But they will have to face the challenge sooner rather than later.” ●



02

01 Microsoft’s UK headquarters in London, designed by Gensler; the technology giant is a prime example of a large corporate that has opened up its working environment and adopted a flatter hierarchy

02 Traditional open-plan environments are good for collaboration, but can pose a challenge for management by removing the obvious demarcation lines that exist in a hierarchical organisation

community to networked organisations. What is frightening for companies is the speed of networked organisations requiring new design and new responses to human resources and technology. The idea of rank and hierarchy is changing in networked organisations. It’s much more about the blurring of lines in an organisation.”

An open-plan working environment reflects an egalitarian structure to an extent, says Mr Tidd. “It’s about encouraging people to come out of their cubicles and closed offices, and to get more collaborative and transparent,” he says. “It’s definitely had a positive impact on the perception of staff that management is more accountable and encourages a sense of opening up of an organisation.”

“But what has definitely happened in the UK, and our own research points to this, is that there are ‘haves and have nots’ in the UK working environment and it favours those in managerial positions.”

Indeed, Gensler’s 2016 UK Workplace Survey revealed that those predominantly in management or leadership positions with choice and autonomy of where to work are not only more productive, but innovative as well. However, those employees without choice and autonomy and those fixed at assigned workstation in “impoverished” open-plan workplaces appear to be suffering the most.

But what impact does the open-plan workspace have on the leadership and authority of management? Adopting an open-plan environment removes the obvious demarcation lines that exist in a hierarchical organisation, says Mark Swain, director of partnerships at Henley Business School.

“Respect for someone more senior is obvious when you’ve got a physical structure of space that demonstrates that,” he says. “I think that open-plan offices blur those rules of rank. If you’re going into a corporate that removes the physical structures of rank such as closed offices and makes the directors eat

“GSK did a lot of work on breaking down silos that traditionally had space allocated according to hierarchy. A decade ago, Microsoft used to advertise ‘come to us and get your own office’. They’ve gone on a significant journey of change to make their own space a lot more youthful and attractive to a younger demographic. There is a lot more variety of settings and more project-based teams as well as experimental space for building products.”

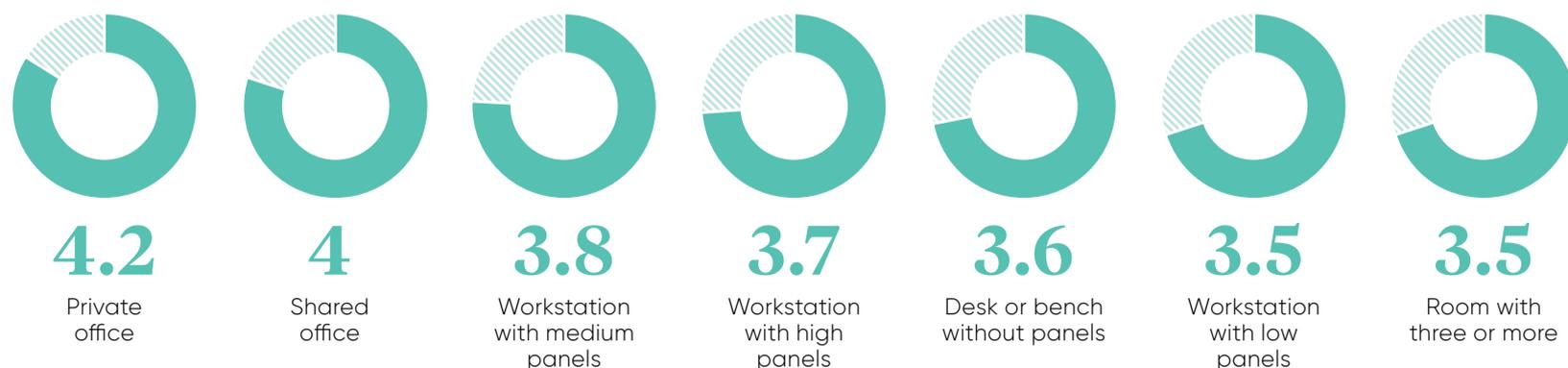
It’s only the large organisations with a high degree of segmentation which have moved from a hierarchical model to a community-based one, argues Mr Myerson. “These spaces have a high degree of segmentation and there is community of purpose,” he says.

Mr Myerson believes there are three distinct phases of organisational design: command and control hierarchy; the rise of the egalitarian work community; and the networked organisation that is both physical and digital.

“The last phase is causing ructions in leadership style as you’ve got networks of co-employees, employees and freelancers, and an increasingly fluid group of collaborators,” he says. “Most companies are in transition from hierarchical to

### HOW UK EMPLOYEES RATE THE EFFECTIVENESS OF DIFFERENT WORKPLACE SETTINGS

SCORES OUT OF FIVE



## RELOCATION

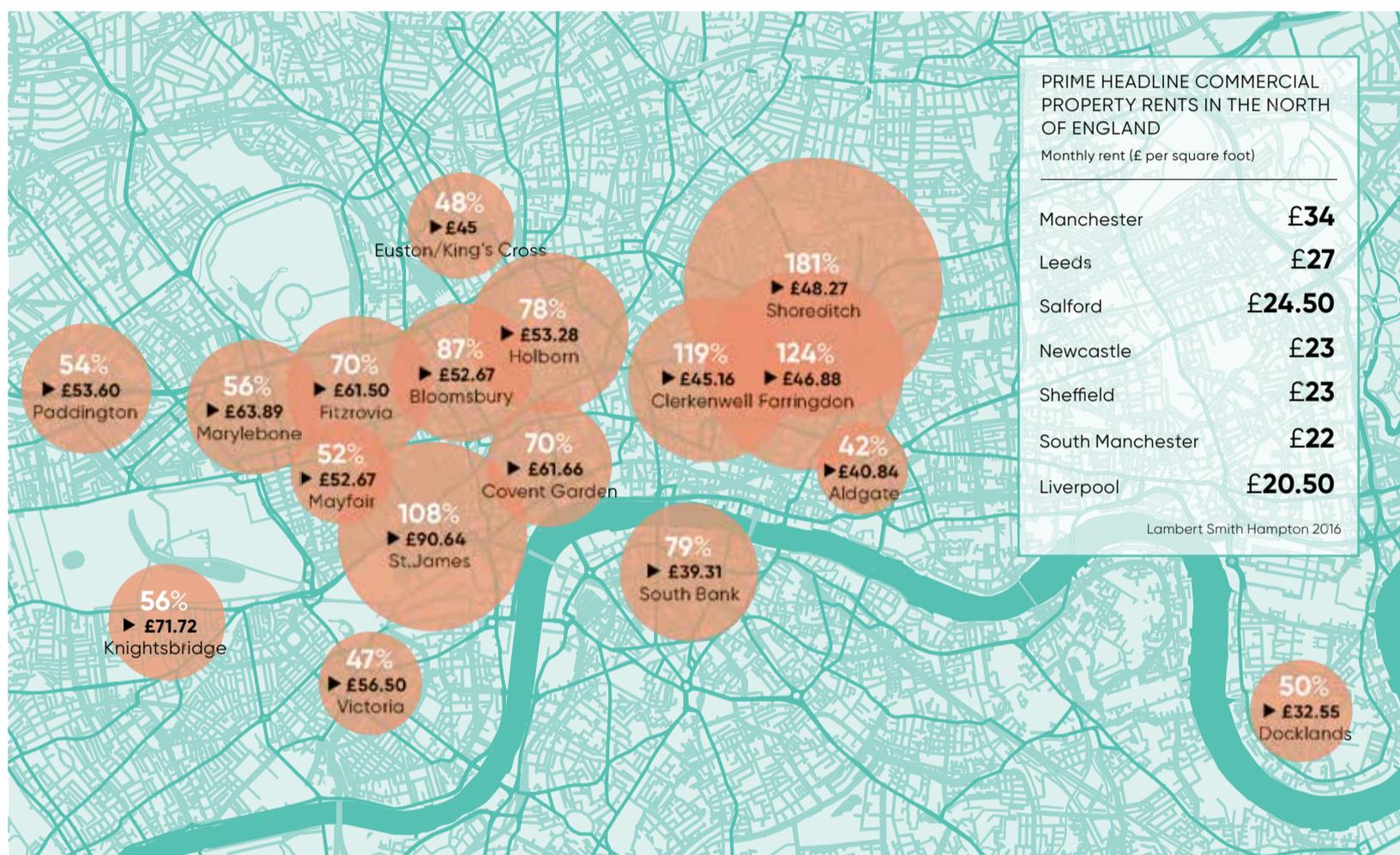
# Now London is competing with the North

Rising commercial and residential property prices in London and the South East mean more businesses are relocating and workers moving north, seeking a better quality of life

## RISING RENTS

AVERAGE COMMERCIAL PROPERTY MONTHLY RENTS IN CENTRAL LONDON BETWEEN 2010 AND 2015

● Growth ▶ Average monthly rent in 2015 (£ per square foot)



EY 2016

## SIMON BROOKE

Despite fears about the effects of the Brexit vote and the uncertain political situation, property prices across the UK have continued to rise. According to recent forecasts by the Centre for Economics and Business Research, the average house in the UK will be worth £220,000 this year, up £9,000 on 2016. It's not just residential property that has experienced such a remarkable increase.

According to EY, London commercial property rents rose by 70 per cent in five years from 2010 to 2015. St James's was the area that had the most expensive average commercial rent for 2015 at £91 per square foot, up from £43 in 2010, followed by Belgravia and Knightsbridge.

In addition to rents and prices, following the business rate revaluation in some parts of London, including the traditional business district of Aldgate and the newer, trendier enclaves such as Shoreditch, Vauxhall and Clerkenwell, the new rates

“The Northern Powerhouse might have been powered down, but companies based in London are looking at provincial cities for expansion

will be up to 63 per cent higher, according to office brokerage service PrimeFind.

Despite big expansion in the capital by the likes of Google, businesses are increasingly questioning whether they can operate commercially in such expensive areas. Already, according to a survey by commercial property agent Stirling Ackroyd, the number of registered technology companies in the EC1V postcode, known as Tech City, fell by 227 or 10 per cent over the six months to April last year.

Meanwhile, as residential property continues to rise, especially in London and the South East, company leaders are also looking at whether they can attract, retain and motivate talented staff who might be forced to live in small apartments or undertake long commutes.

The Northern Powerhouse might have been powered down, but companies based in London are looking at provincial cities for expansion. Figures from the Office for National Statistics (ONS) show that, for the first time, the number of 30 to 39 year olds moving to London from Liverpool, Leeds, Manchester and Birmingham in the year ending June 2015 about equalled those moving in the other direction. Quality of life is the prime driver the ONS found.

Earlier this year luxury fashion retailer Burberry announced plans to relocate 300 jobs from its London offices to West Yorkshire to reduce costs. The move to a new business services centre in Leeds is expected to save it £100 million. Leeds was recently placed 26th out of 100 cities around the world in the *Sustainable Cities* report published by leading infrastructure consultancy Arcadis, putting it above London.

“Cost of living and quality of life are major factors,” says Andrew Macland, head of UK at PGIM Real Estate, the financier for No 1 Spinningfields, which claims to be the highest specified and largest new office building in Manchester. “A high-end central Manchester flat costs less than £500 per square foot, against a Central London flat costing around £1,000 per square foot. The city of Manchester is a vibrant place to live and companies are recognising that.”

Chris Mulcahy, office agency director at JLL Manchester, says: “Manchester became the original ‘northshoring’ location when the Bank of New York, now BNY Mellon, moved into the city in 2005. Since then the BBC and [law firm] Freshfields, more recently, have continued this trend of inward investment into the city.”

“The city’s development pipeline has outpaced the other major hubs – one million square feet of space was delivered in the last two years. Having ready-made space, which is of the same quality as schemes in the capital, that firms can move

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CASE STUDY  
**SAN FRANCISCO**



For more than 30 years, San Francisco has been the centre of the technology industry of the United States and arguably of the world. But now the city that has gone from flower power to artificial intelligence has become a victim of its own success. Along with other economic powerhouse cities such as London, San Francisco has seen office and residential property prices rise so steeply that recruiting and retaining talent is increasingly difficult. The chief people officer of music video site Vevo

recently described how she would approach talented young people who would express an interest in working for the company. "Then," she says, "they run a cost-of-living calculator." Frequently, as a result, they would decide to look elsewhere for work. The company is now expanding into offices in nearby cities such as Portland, where talent of equal quality is to be found, but property prices are considerably lower. Whereas a studio apartment in San Francisco can cost around

\$2,500 a month, according to rental site Zumper, in Portland they're available for roughly half that price.

A documentary called *San Francisco 2.0* generated considerable interest two years ago as it told the story of young people being priced out of the city. Wade Foster, chief executive of Zapier, a startup that automates different web apps to work together, moved to San Francisco from Missouri five years ago.

He recently wrote in a company blog: "Some of us fall in love with the area and are financially able to make this home. But for the rest of us, it can be a real challenge to turn the Bay Area into a lifelong home rather than a short stop somewhere in our twenties and thirties. The housing crunch and high cost of living simply price out many families and, despite loving the area, the realities are many of us need to look elsewhere to create the life we want for our families." It's a sentiment that will be shared by many others.

into within short timeframes is key to Manchester's success in capitalising on northshoring."

*The Economist* magazine recently went so far as to suggest that while the Palace of Westminster is being refurbished, Manchester should become the nation's capital. In May, HSBC completed the first stage of its new headquarters for retail operations in Birmingham. The bank will move 1,000 staff there from London. Despite concerns about the relocation, more than 2,000 London staff have expressed an interest in transferring.

The East Midlands has been another hot spot for businesses moving from London, according to Tim Garratt, managing director at commercial property agent Innes England. He says: "Increasingly more businesses are looking outside London for affordable premises in the East Midlands. The affordability of premises in the area, developer land, the talent pool and cost of living are regularly cited by those who are interested in investing in the area."

However, property experts are keen to point out that even in capital cities there are good deals to be

had. Tony Smedley, head of continental European investment at Schroders, cites Kreuzberg in Berlin, for example.

"These locations are dynamic, interesting places to live and work, and have affordable and sustainable rents," he says. "We believe they will have greater growth potential in the future as they are more likely to attract the talent

that companies would like to employ. We regard these locations as being capable of generating strong growth."

As rents and property prices continue to outstrip wages in London and research shows that a growing number of young people look for better quality of life as well as financial rewards, this trend seems set to continue. ●



No 1 Spinningfields, said to be the highest specified and largest new office building in Manchester



The city of Manchester is a vibrant place to live and companies are recognising that

# 'If we understand the way teams work and the environment they wish to work in, we might unlock latent potential'

**JAMES SUTTON**  
Executive director  
British Institute of Facilities Management



Looking forward at what the future holds for the workplace is a common exercise. The opportunities and challenges presented through technology, the rise of co-working space and employees demanding more flexible working arrangements fill up conference

agendas, industry magazines and the odd national newspaper supplement.

While this is important and worthwhile, for most organisations this can seem unreachable or, dare I say, unimportant as they continue to see the workplace merely as an overhead – something to manage at the lowest cost possible.

The impact and link between workplace design and productivity has been talked about among professionals in the built environment for some time now, but how many organisations truly understand the impact the workplace has on their staff and their performance?

We only need to look at data within the *Leesman Index*, an independent benchmark of workplace effectiveness, to see how well workplaces are currently supporting employees. The results, which featured in the *Stoddart Review Workplace Advantage* report, published last December, shows that nearly one in two workers do not agree that their work environment enables them to work productively. Which challenges organisations to consider how much more productive their people could be if their workplace was enabling performance, not hindering it.

So what needs to change? Well, almost every professional tribe is clambering to make their voice heard in the boardroom, but this problem is not just about being at the table, it's about the board questioning their current understanding of the impact their workplace is having on business performance.

The subject needs to be on the board's agenda, that's the first step. Many organisations will be fully focused on securing the best possible talent as well as retaining what they already have, but if that isn't aligned to a coherent workplace strategy they risk not maximising that return; seems

like a bit of an own goal, with the largest financial cost to the business operating at half power.

And it is important to remember that the term "workplace" is more than just the physical office, it's about that

holistic working experience. For many, however, it seems the workplace is still seen as the desks, chairs, decor or at best the physical representation of the corporate identity.

But it's so much more than that and this again is linked to the professional tribes; only through facilities management, human resources and IT forming stronger alliances, and uniting to create a platform for supporting work, can we see the pieces of the puzzle coming together and enabling employees to excel.

Yet, the conclusions from the *Stoddart Review* and data within *Leesman Index*, speak for themselves, with nearly half of employees not delivering to their potential after they walk through the door as a result of their working environment. If we spend a little more time understanding the way our teams work and the environment they wish to work in, we might just unlock some of the latent potential hidden within the talent already on the payroll.

So it's critical that organisations have a clear view on what role their workplace plays in their overall strategy. What are they looking to achieve? What talent do they need to do that? What workplace experience are they trying to create and how do they connect the different parts of the business to deliver it?

If you understand how the workplace supports employees and the way they work, link it to the overarching corporate strategy and align this across multiple areas of the business you stand to unlock the latent potential within your workforce. And with these building blocks in place you have a solid platform that will allow your organisation to adapt as you go forward, whatever the future of the workplace might bring.

## WORKPLACE MONITORING

LEO KING

Businesses have long generated data with nearly every operation, but until recently employee behaviour was not automatically tracked.

The opportunity to improve productivity has changed practice. Using monitoring technology, companies are discovering which parts of the office work well, what times staff are active and where people congregate.

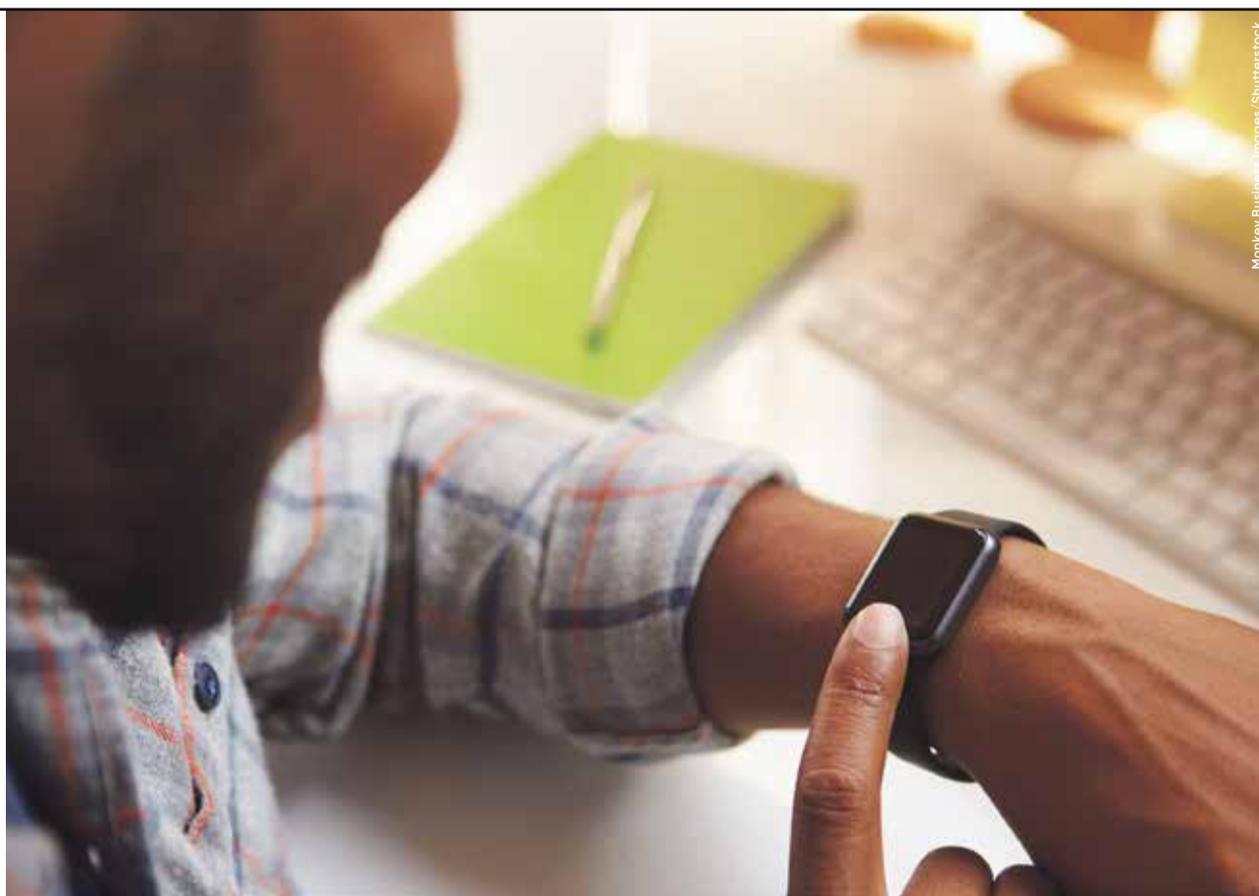
There are, of course, some substantial benefits. Workplaces may no longer have wasted space and better collaboration is possible, with data prompting the design of light, airy breakout environments. With the Health and Safety Executive noting that 45 per cent of sick days result from stress, there is also a huge potential for healthier workplaces.

Smart technology suppliers are battling to sell the latest room-monitoring cameras, heat identifiers and sensors linked to the internet of things. One company to do this is Enlightened, which attaches micro-sensors to PCs, lights and room fittings to detect motion. Meanwhile, furniture business Haworth claims sensors can inform room adjustments throughout the day to suit different teams.

Jamie Purser, category manager at Currys PC World Business, says: "Having full oversight of what's happening across the organisation is hugely important. With more information, businesses are better able to refine and amend working practices, ensuring staff have the right set-up to work as effectively as possible."

Office creators, such as Ohio-based BHDP Architecture, track device movement and use camera systems to play a part in design. But Brady Mick, design and change management strategist at the company, cautions strongly against applying technology alone, as it ignores "what is human about people at work", including people's experience, character, quality of interaction and time thinking.

"Monitors are most often used to measure use of a seat in a workplace," he notes. "As this measurement value is quantity and not quality, it does not discern human behaviour beyond the act of sitting."



Monkey Business Images/Shutterstock

## 'Big brother' has to get workers' consent

For workplace managers, there's a new kid on the block – live monitoring of employee behaviour – but while this is aiding better office design, privacy implications are extensive

For many businesses, this knowledge gap is prompting the adoption of wearable tracking. The proliferation of consumer fit bands and smartwatches offers new opportunities here, and research firm Tractica estimates that by 2020 more than 75 million wearables will be used at work.

Some companies are even adding competition to fitness tracking, according to Mr Purser, "with staff

encouraged to stay active and compete with other colleagues to complete the most steps".

As the devices become evermore intelligent, so does monitoring. "Future devices will help companies to monitor stress through heart rate, respiration and sleep," says Neil Shah, author of the *10 Step Stress Solution*. "We know that stress and lack of sleep can affect productivity greatly."

Mr Shah, whose organisation, Stress Management Society, has worked with companies such as British Airways and Shell, explains: "If we can go into a business and demonstrate stress is costing, say, £2.1 million per year through staff turnover, productivity loss, absenteeism and accidents, it's a no-brainer. We can show that investing £50,000 on wellbeing can take out 30 or 40 per cent of that



It is hard to imagine a manager who would not consider such monitoring to improve productivity

cost." Companies often make the investment in green spaces, sit-stand desks or meditation rooms.

Micro wearables firm Humanyze, a Massachusetts Institute of Technology spinoff, is using its wearable monitoring to show interaction quality. Humanyze people analytics teams equip staff badges with sensors that track interactions, location and posture, and measure tone and speed of conversation.

Ben Waber, chief executive, explains that instead of using "error-prone" surveys and interviews, companies can now "understand how employees actually communicate, collaborate and work". He adds that the data informs "everything from workplace design to team structure, to training programmes". Companies ranging from oil field giants to Deloitte and Bank of America have used the technology.

It is hard to imagine a manager who would not consider such monitoring to improve productivity. But the implications for employees are concerning as many feel digital monitoring means a lack of humanity from management; programmes must be led by staff.

"The most important thing to consider is involving employees in any process of instituting cameras and sensors," says Todd Thibodeaux, president and chief executive of US IT industry association CompTIA. "Before the devices can do any good, employees have to trust they are being used for the right reasons."

Representative employee teams should be involved from the outset, says Mr Thibodeaux, and the benefits, such as a better workplace, must be demonstrable. "There is a 'big brother' aspect to all forms of sensors and monitoring, and if employees feel they have not only a say but a vested interest, programmes will be a lot more successful," he says.

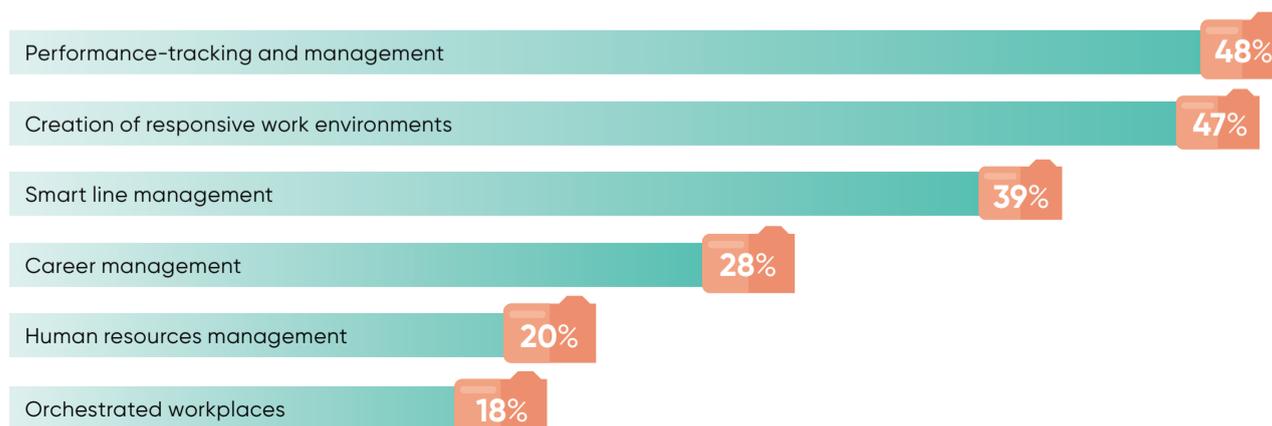
Trust has to be established from the top down. "It must be easy to see management being monitored themselves and for staff to choose participation," adds Mr Shah.

Finally, laws must be written to protect staff. Dr Waber says monitoring privacy needs to be part of regulation, "namely that all behavioural data collection should be opt in, [and that] only non-individual and anonymous data should be provided to an employer, not recording communication content".

There is enormous potential for monitoring to improve office design and the technology's adoption is as good as inevitable. But trust, choice, safeguarding and team involvement are essential if any such programme is to be beneficial. ●

### TRANSFORMING WORKPLACES WITH DATA

HOW UK COMPANIES FORESEE USING DATA FROM TECHNOLOGIES SUCH AS WEARABLES TO SHAPE WORKPLACES



## 75m

wearables will be used at work by 2020

# Office space productivity transformation

The ways in which people work are changing at pace. With more employees working flexibly or remotely, some office spaces are significantly underused, prompting a shift in the design of workplaces to improve productivity and empower collaboration



There has long been a desire to achieve the most from space in the workplace. This demand is ever-heightening, with office space typically occupied for less than five of every 24 hours throughout the year and remote working further reducing usage.

For employers, this presents both challenges and opportunities. The efficiency drive has led to more desk-sharing – it is now not uncommon to have 1.5 full-time equivalent employees at a workspace – but managers are also conscious that such an intense environment can damage productivity.

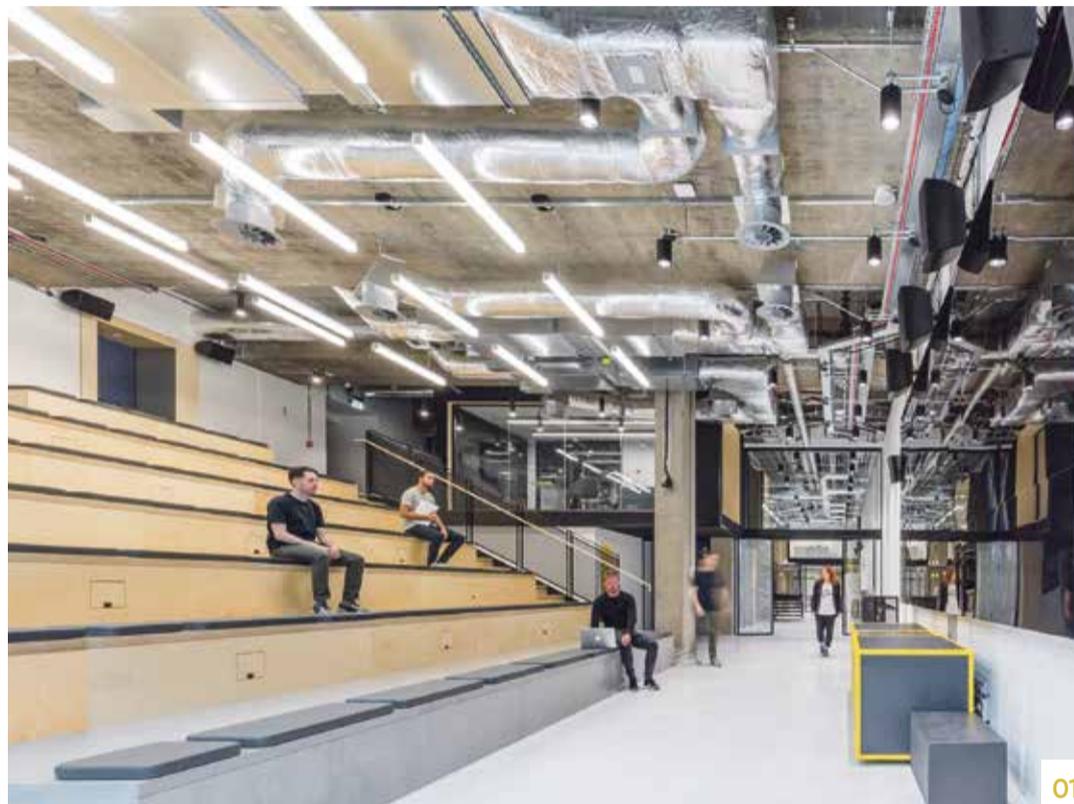
“Ultimately, rather than simply counting on efficiency alone, employers are looking for heightened productivity, but this can be difficult to measure and understand,” explains Simon Bird, director at architecture firm LOM.

“There are opportunities for businesses to create working environments that are healthier, welcoming, fun, collaborative and better suited to the diverse needs of people who often work better with flexibility and spontaneity.”

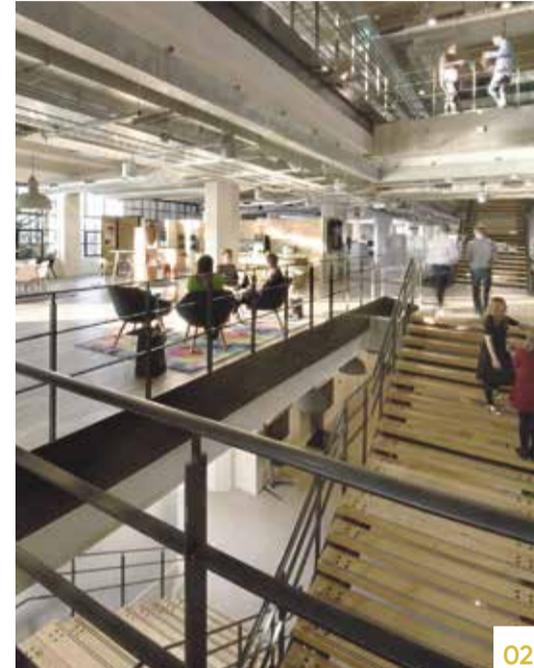
As a result, as well as assessing the cost per square foot of a property, how the value might be increased or maximised should also be assessed. Managers of office spaces increasingly have a more nuanced understanding of productivity, with the change being reflected in the quality and variety of design of new offices, and in the strategic thinking that lies beneath these choices.

Architects and interior design firms such as LOM are working in partnership with businesses to discuss how spaces might be best used in the short, medium and longer term. “People are beginning to think of their workplace as being not something that’s fixed, but something that needs to evolve,” says Mr Bird. “This is a very positive step.

“From our perspective, it’s an exciting moment. Space has traditionally been considered by businesses



01



02

01 Theatre presentation and event space with bleacher seating: RocketSpace

02 Feature stair connecting social hubs throughout the dunhumby building

03 Surf zone collaboration space with variety of workstations: RocketSpace

“By working with employees and monitoring outputs when changes are made, businesses can use great space to enable productivity and wellbeing within their workforce

purely as an expense, but they now see how it offers strategic and inherent value, and how this can be helpful and positive for employees.”

Technology is likely to play an important role in helping inform employers of how they use their offices and how this might be improved through design. But experimentation and direct feedback from first-hand users

are vitally important in helping to improve overall productivity. LOM focuses on clients’ business drivers and carefully analyses their workplaces to establish strategies as the basis for its design work.

Giving people choice is very important. Mr Bird notes: “Different people prefer different types of space to carry out tasks in a variety of ways and at different times. A key aim for employers is creating spaces that individuals genuinely like and that work for them. A happier workforce is a more productive workforce.”

These shifting approaches and the continuing decline in the average length of time that individual professionals spend at a desk, is leading to the creation of more varied and personalised spaces. These areas encourage more chance encounters between colleagues and between people who work for different companies, but may share the same co-working space.

RocketSpace, a San Francisco-based tech startup incubator, worked with LOM to develop its first campus outside the United States in Angel, north London. It is a co-working facility for multiple companies who share a large central space designed for collaboration, both organised and accidental, at a wide range of scales. Loyalty firm dunhumby has also worked with LOM to transform its space, with the inclusion of a central stairwell and open spaces to encourage more frequent and spontaneous engagement between staff.

Flexibility of space is inevitably a key part of the equation for a growing variety of businesses. Efficiency no longer has to look like it has been forced on a space. When companies understand the importance of quality space in helping productivity, they can make what would have seemed counter-intuitive decisions, but which are now outstanding choices as companies can improve staff output and efficiency through providing them with excellent, spacious workplaces.

Employers must carefully consider staff feedback throughout the design journey. Mr Bird says:

“The aim should not be to enforce change on a workforce without their consultation and their buy-in. By working with employees and monitoring outputs when changes are made, businesses can use great space to enable productivity and wellbeing within their workforce.”

In a time of great change for the office, even if work spaces shrink overall, places for people to meet and interact remain vital. Outstanding design and use of space provide game-changing productivity improvements, and allow businesses to excel against their competitors.

**To achieve great quality of space to maximise your office productivity please visit [www.lom-architecture.com](http://www.lom-architecture.com)**

## TRANSFORMING ROCKETSPACE FOR SUCCESSFUL NETWORKING

San Francisco-based tech startup incubator RocketSpace brought in LOM to create a new campus at Regents House in Angel, north London. The site opened in May.

An extensive fit-out and restoration project saw RocketSpace establish room for some 1,500 flexible working spaces at the site. The campus is the first outside the United States for the incubator and is intended to be an important step towards creating a worldwide network of co-working bases.

Suites at RocketSpace’s London campus are designed for anywhere between four and thirty people, with flexibility and scope for expansion by successful startups as essential features.

The development incorporates a central double-height basement space fashioned to function as a shared social area and networking hub, as well as an event space and teaching zone. Other features of the facility include media pods, a full-height south-facing glass façade and a former bank vault that has been converted into a “villain’s lair” themed games room.

Simon Marett, director at LOM, explains: “We have reinvented a redundant cash-holding centre bank vault and dated offices to create a state-of-the-art campus that will support RocketSpace’s members through each stage of their growth.”



03

# WHAT WORKERS WANT

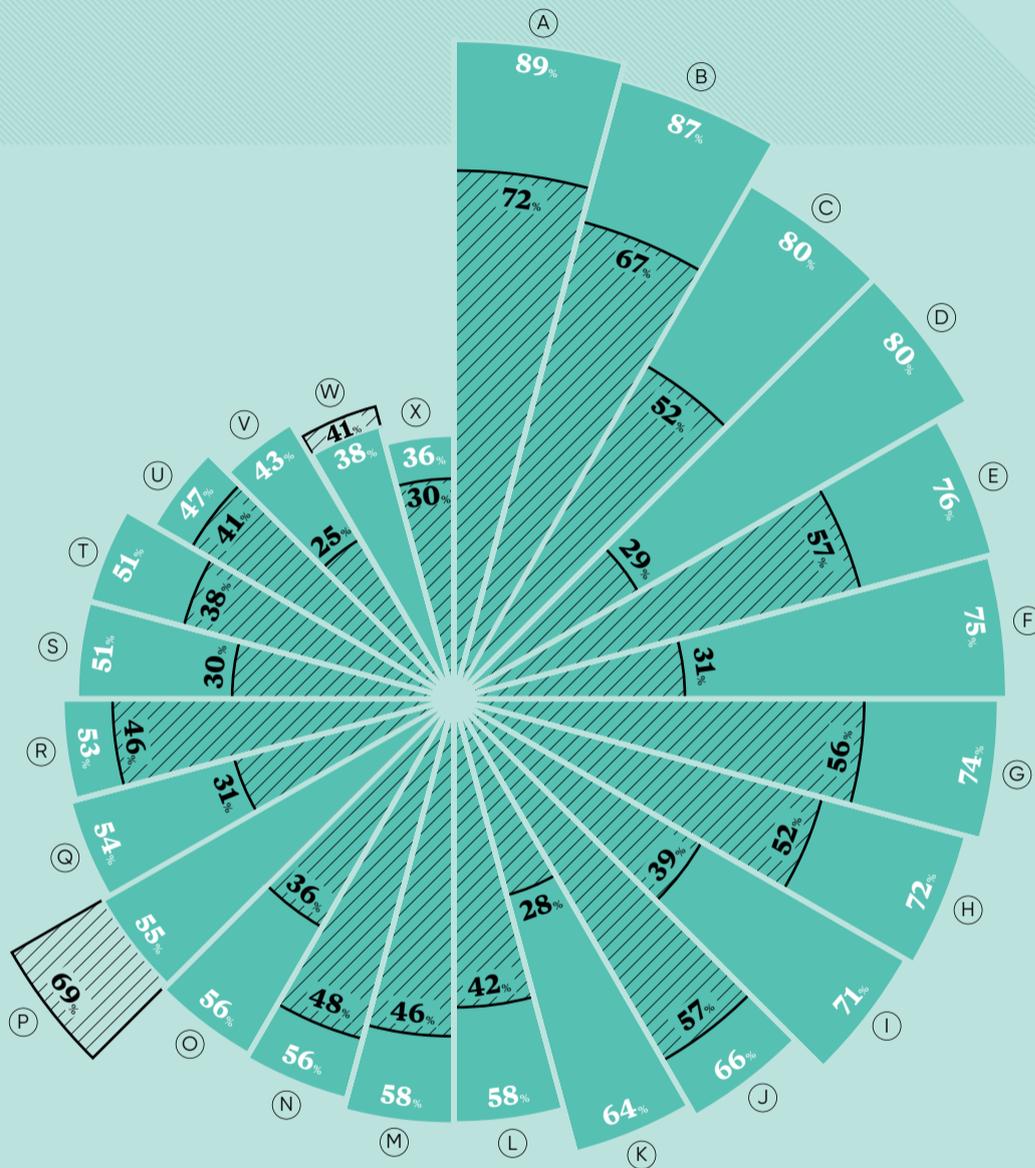
Ping-pong tables and break-out areas are all well and good, but workplace productivity can only improve by identifying what is important to employees in the work environment

## EFFECTIVE WORKPLACE

GAP BETWEEN IMPORTANCE AND SATISFACTION HIGHLIGHTS AREAS OF IMPROVEMENT FOR EMPLOYERS

### BY PHYSICAL FEATURES

- (A) Desk
- (B) Chair
- (C) Meeting rooms (small)
- (D) Temperature control
- (E) Natural light
- (F) Noise levels
- (G) Personal storage
- (H) Meeting rooms (large)
- (I) Air quality
- (J) Office lighting
- (K) Quiet rooms for working alone or in pairs
- (L) General decor
- (M) Desk/room booking systems
- (N) Ability to personalise workstations
- (O) Informal work areas/ break-out zones
- (P) Accessibility of colleagues
- (Q) Plants and greenery
- (R) Space between work settings
- (S) People walking past workstations
- (T) Dividers between desk/areas
- (U) Atriums and communal areas
- (V) Art and photography
- (W) Shared storage
- (X) Variety of different types of workspace



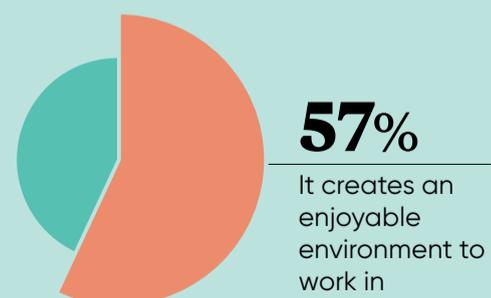
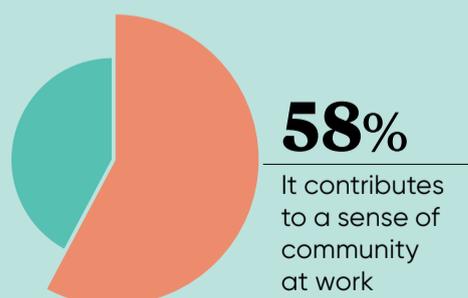
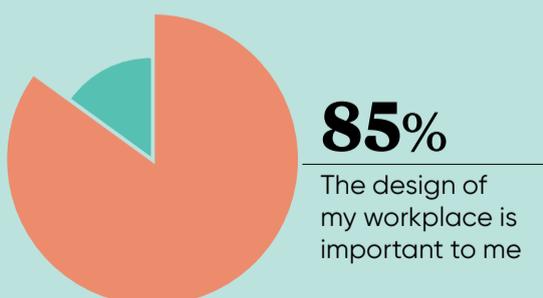
● Percentage of employees who classed the

### BY SERVICE FEATURES

- (A) Tea, coffee and refreshment facilities
- (B) General cleanliness
- (C) IT help desk
- (D) Toilets
- (E) Printing/copying/scanning equipment
- (F) Restaurant/canteen
- (G) Telephone equipment
- (H) Wi-fi network connectivity
- (I) General tidiness
- (J) Parking for cars/ motorbikes/bicycles
- (K) Computing equipment, fixed desktop
- (L) Remote access to work files or network
- (M) Security
- (N) Wired in-office network connectivity
- (O) Access such as lifts, stairways, ramps
- (P) Mail and postroom services
- (Q) Health and safety provisions
- (R) Leisure facilities onsite or nearby such as gym, fitness/wellness centre
- (S) Reception areas
- (T) Hospitality services such as reception/services, catering, meeting services
- (U) Audio-visual equipment
- (V) Internal signage
- (W) Shower facilities
- (X) Guest/visitor network access

## CURRENT WORKPLACE SATISFACTION

PERCENTAGE OF UK EMPLOYEES WHO AGREED WITH THE FOLLOWING

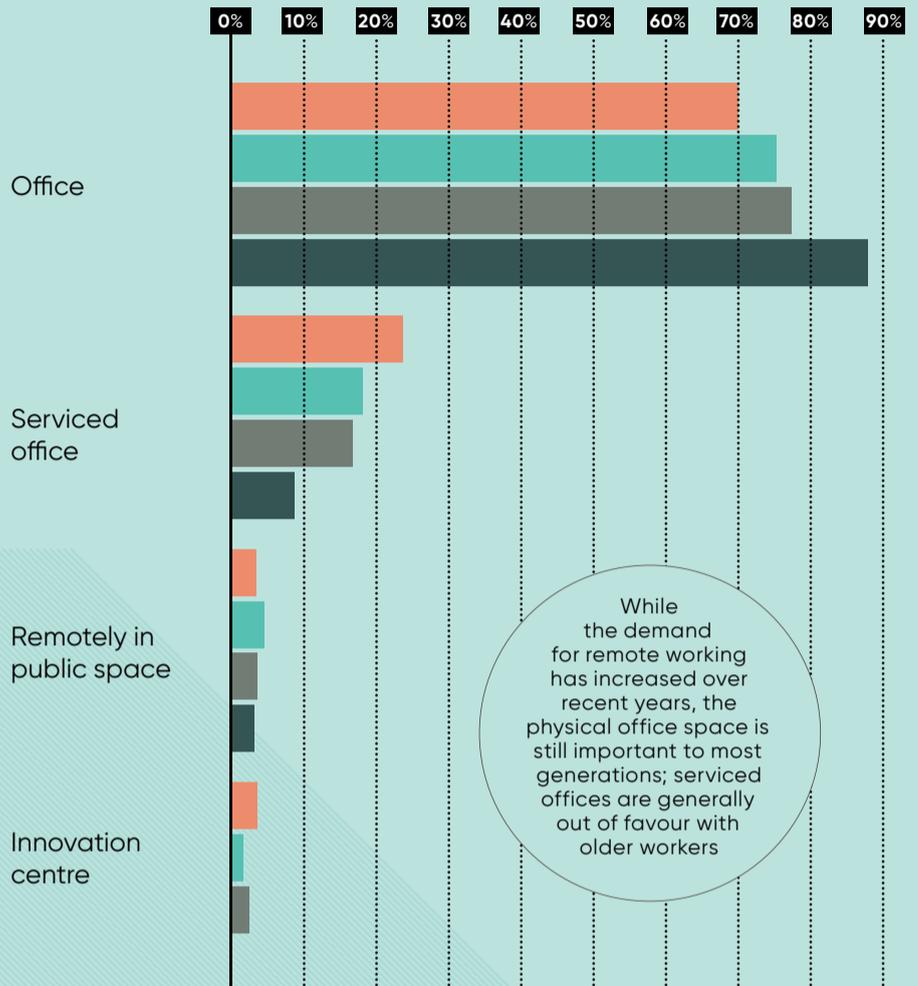


### PREFERRED OFFICE SPACES BY AGE

ONLINE SURVEY OF UK EMPLOYEES FROM A MIX OF OFFICE TYPES

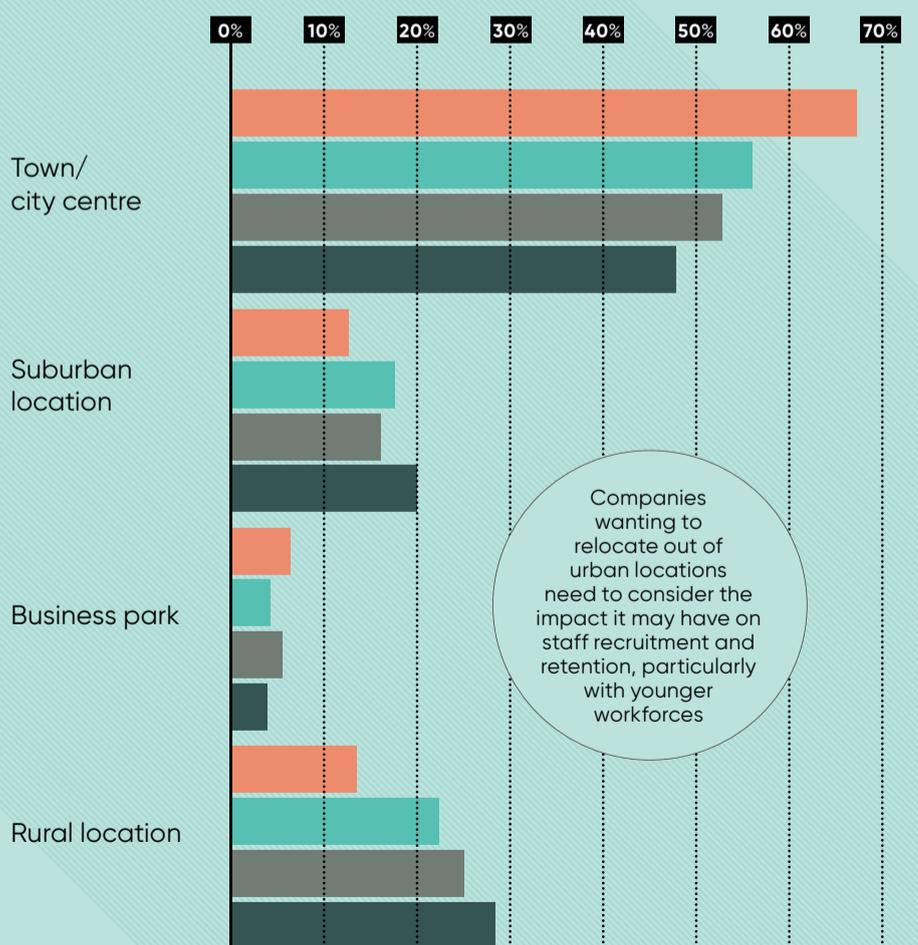
● 25-34 ● 35-44 ● 45-54 ● 55+

#### BY TYPE OF SPACE



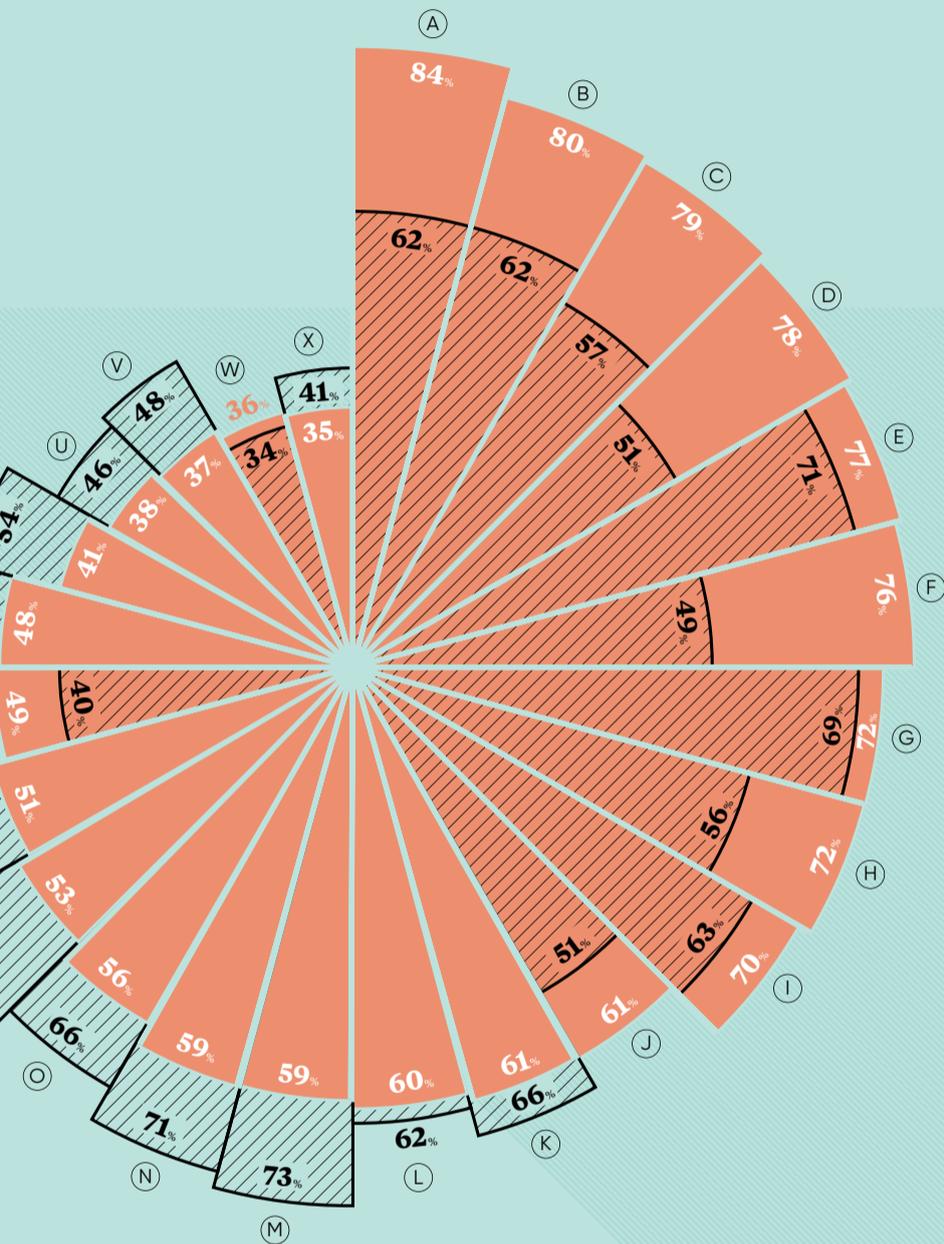
While the demand for remote working has increased over recent years, the physical office space is still important to most generations; serviced offices are generally out of favour with older workers

#### BY TYPE OF LOCATION



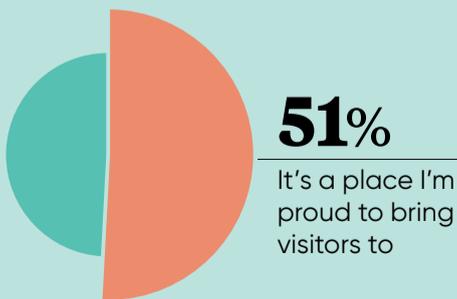
Companies wanting to relocate out of urban locations need to consider the impact it may have on staff recruitment and retention, particularly with younger workforces

feature as important ○ Percentage of employees satisfied with the feature



Leesman Index 2017

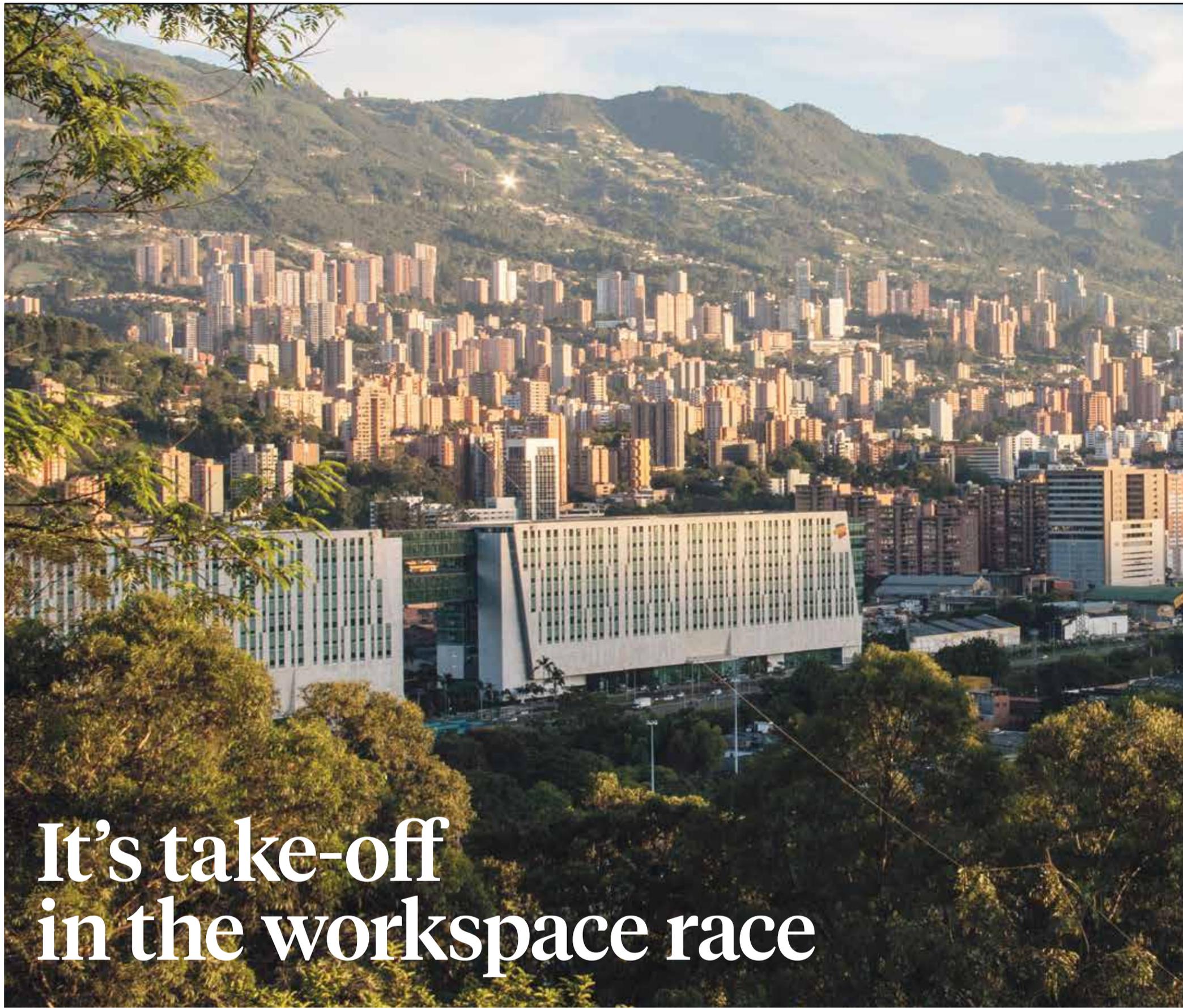
**57%**  
It enables me to work productively



Leesman Index 2017

YouGov/Savills/British Council for Offices 2016

## DEVELOPING WORLD



# It's take-off in the workspace race

Companies boasting holistic workspaces and employee experiences might be all the rage in rich, developed countries, but what about the rest of the world?

OLIVER GRIFFIN

**D**escending into Medellín, Colombia's second-largest city, from nearby Rionegro, home to the Medellín's international airport, visitors can spy the iconic Bancolombia building glinting in the middle of the city. The headquarters of the country's biggest bank, this monument to the new Colombia has a reputation for being a good place to work, filled with all the latest mod cons.

"If you go to Bancolombia, it's probably one of the most beautiful sites we have in the world," says Sylvia Metayer, chief executive of worldwide corporate services at food services and facilities management giant Sodexo. "Bancolombia is very committed to giving a thriving

workplace to its employees. It's certainly very similar to what you may have in a banking site in London or in China."

Colombia may still be a developing country by some standards, but that hasn't stopped businesses from striving to give their employees great places to work, something that goes for other companies in developing countries all over the globe. Ms Metayer says she has seen some "mind-blowing" campuses in China and insists that, actually, workplace quality is largely due to company culture.

"Where the workplace is doesn't necessarily drive a different type of environment," she says. "When you do see local drivers, especially when you're talking about the specifics of [employee] experience, you're seeing trends that have different applicability across the globe."

Bancolombia's headquarters in the centre of Medellín, Colombia

"What I see more than anything is a real consistency of outcome. The input is not the same, whether you're working in Medellín, Paris, Beijing or Johannesburg, but what [employees] want to get out of their workplace is pretty consistent."

According to a report released by Sodexo this year, companies are focusing on redefining workplaces to optimise their employee experiences. This includes using the workplace as a catalyst for overall wellness. Putting the employee experience first, the company says, is becoming an ever-bigger trend.

“ New-build offices in developing countries such as Mexico often outshine their counterparts in Silicon Valley

dubois.sonego/shutterstock.com



commit to and are guided by these values, and as such these values provide a baseline of operation throughout all our workplace environments.”

For Ms Parmelee and Deloitte, the core tenets of helping all employees reach their potential lies in commitment to each other and taking strength from cultural diversity. By having a unified and expected set of standards, Deloitte ensures that all employees have the chance to learn and develop their skills.

Ms Parmelee says: “We support our practitioners to develop the same portfolio of world-class skills and expertise no matter where they are located across the globe... We regularly monitor the talent practices in each of our member firms to help ensure that Deloitte people are receiving a consistent talent experience.”

However, Deloitte avoids white-washing the employee experience by encouraging member firms to adapt to the needs and wants of their local workforce. “We encourage each member firm to customise its offering to reflect the things most valued by employees in their local market and culture,” she says.

Of course, it’s not all good news. With swathes of the global garment industry’s workforce based in developing countries, factories in countries such as Cambodia or Bangladesh often leave much to be desired with regards to providing the type of workplace experience as described by Deloitte and Sodexo. While some big brands, such as Nike, flex their muscles to force factories to adopt better standards, not all are doing so.

“If you look at the global garment and footwear industry, and at the places where those products are often made, it’s an industry that is well documented as having some pretty poor working conditions,” says Dan Rees, director of Better Work, an initiative of the International Labour Organization.

Mr Rees explains that, since factory disasters in Dhaka and Savar, both in Bangladesh, resulting in the combined deaths of more than 1,200 people, garment producers and factories have started to wake up to the dangers present in industrial workplaces. “[The accidents] led to a much sharper focus on building safety and building control, which previously most companies didn’t think they had to get into,” says Mr Rees.

Globally, workplace quality remains very much a mixed bag, but large companies at least are keen to address disparities between working environments in developed and developing countries. While Ms Metayer can vouch that new-build offices in developing countries such as Mexico often outshine their counterparts in Silicon Valley, it’s clear that not all companies are thinking along the same lines. That said she also explains challenges arise more via workplace environment than business geography.

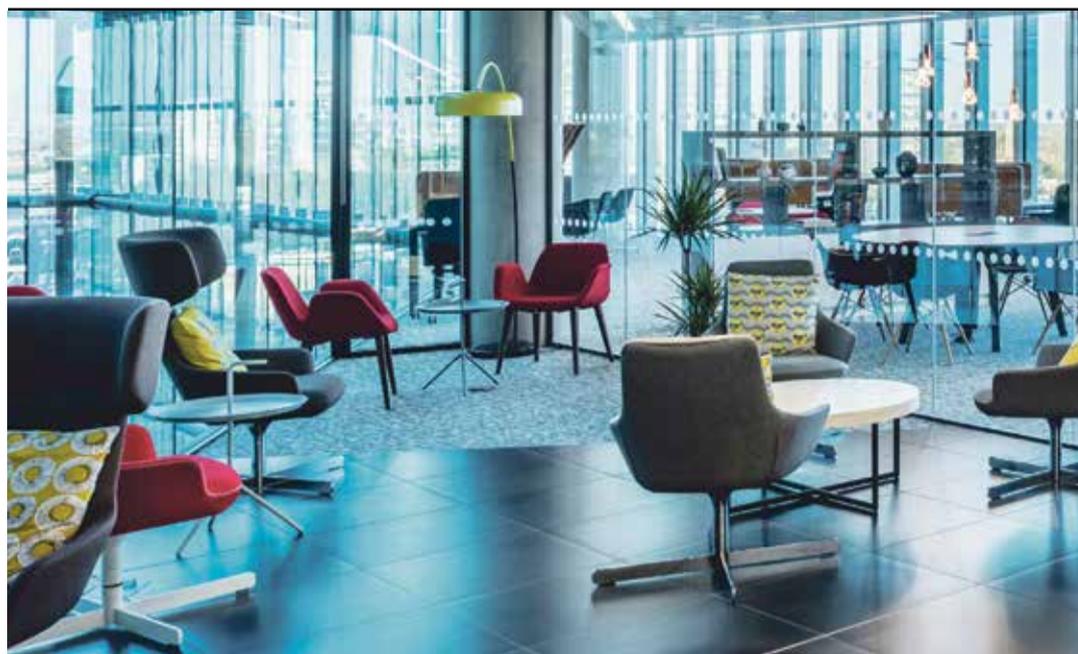
“I think the challenges come not so much by geographical location; they come from the different environments in which the employees work,” she concludes. “The environment in which the work is done is more of a differentiator than the country in which you find yourself.” ●

Globally, including in developing countries, 79 per cent of executives rate so-called design thinking – a school of thought focused on optimising and simplifying the employee experience – as an important factor of building a workplace.

Of course, unifying workplace ideals is no small feat, especially when world-spanning companies have headquarters located far away from offices, call centres or factories in other parts of the planet. For big-four accountancy firm Deloitte, which comprises of a global network of different member firms, a strict code of conduct is followed to ensure that Deloitte employees have the same opportunities the world over.

“Everything we do is guided by our shared values,” explains Michele Parmelee, Deloitte’s global managing principal for talent. “All our member firms

COMMERCIAL FEATURE



# Get flexible to find and retain top talent

Within less than a generation, the entire concept of the workplace has fundamentally changed, says **Richard Morris**, UK chief executive at Regus



The idea that work needs to take place in a fixed location is literally an anathema to many professionals now. The great catalyst, of course, has been technology. Our always-on, connected world enables staff to work from anywhere and the appetite to do so is considerable.

The demand not to be tied to a fixed desk, in a fixed geography is now uppermost in the wants of many potential employees. Our own research finds that when presented with two similar roles, a staggering 91 per cent of job seekers would pick the company that allows flexible working over the one that doesn’t.

It is important not to confuse flexible working with working from home. With house prices continuing to rise faster than earnings, many staff will not physically have, or be inclined

to designate, any spare space they have for work purposes. Nor are they likely to have the level of reliable technology they need to do their jobs properly.

“The UK boasts a network of stunning sites enabling workers to find a working destination nearer to home

Rather, professionals are looking to workspaces that are specifically geared towards productivity and efficiency. The UK boasts a network of stunning sites enabling workers to find a working destination nearer to home, to avoid the draining commute, and to plug in and begin working at a time and location that suits them.

Such an approach will undoubtedly require a change of mindset for many employers. They will be challenged to measure on results rather than presenteeism, and to formulate new reporting and meeting structures. But their efforts will be appreciated in the form of rising engagement from staff who feel their needs are listened to. Our research finds more than a third (35 per cent) of professionals believe that the provision of flexible working will improve retention.

The personnel benefits are broader still for businesses that think flexibly. Good companies rely on great people and the competition for

employee talent is fiercer than ever. Those businesses operating from a fixed location must limit their recruitment search to a commutable catchment or expect the applicant to relocate. By operating flexibly, the potential recruitment pool extends throughout the UK, even internationally if required, with the employee able to work remotely and connect digitally.

What’s already apparent is that workplace flexibility is becoming a common feature of modern work. Rather than being seen as a novelty or a perk, a flexible approach is viewed as a basic requirement by the latest generation of job seekers. Of course, businesses need to know that such an approach delivers bottom-line results too. Working flexibly is proven to increase employee engagement and productivity, and it’s a way of working that can help secure the best people.

In fact, we are quickly getting to the point where it is not simply the provision of flexible employment terms that sets businesses apart. As professionals get used to this approach, the type and quality of workspaces chosen will take on increasing significance.

For now, businesses thinking flexibly are giving themselves the best possible chance of retaining and attracting top talent, and of providing the environment for these individuals to produce their best work. However results are measured, they should speak for themselves.



**91%** of job seekers would pick the company that allows flexible working over the one that doesn’t



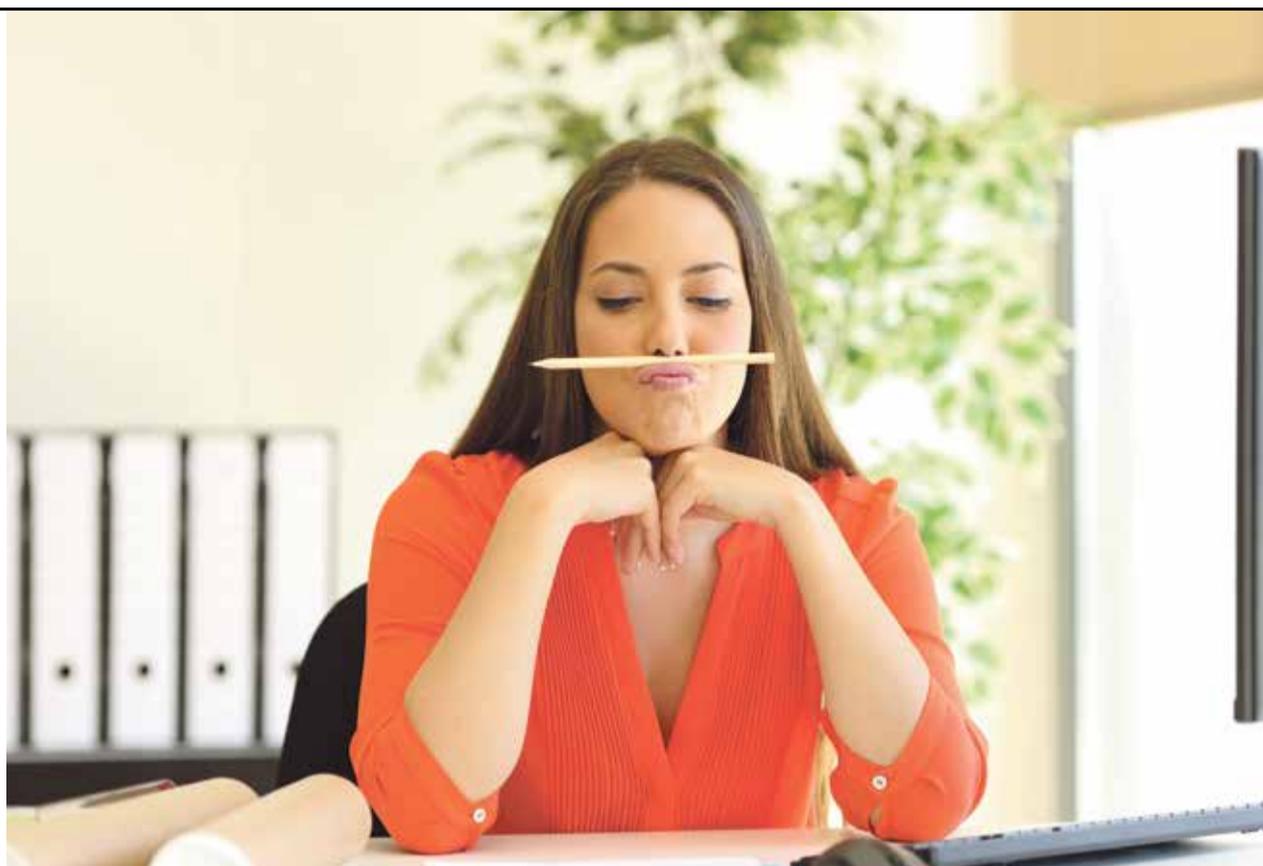
**35%** of professionals believe that the provision of flexible working will improve retention

For more information please visit [www.regus.co.uk](http://www.regus.co.uk)

# Productivity doesn't have to be doomed

The complexities of modern workplaces are dragging down productivity, but it doesn't mean switched-on firms can't do anything about it, says **Andrew Try**, entrepreneur and managing director of ComXo

**COMXO**  
21st Century Switchboard



If you stop and think about it, it's a strange point in time we seem to have reached. Right now corporate life is supposed to be exciting, it's supposed to be fast paced, ever-changing and even dynamic. And yet, you only need to look at some of the statistics around productivity to realise that the reality is the very opposite.

Whether it's official stats that rank the UK one from last in the G7 for productivity (UK output is 19 per cent worse than the G7 average, with only Japan ranked lower), to data showing the amount of working time lost through interruptions, checking our mobile devices and other office distractions, the real picture of the UK's workplaces is one of disruption, disengagement and stifling archaic

processes. In fact, it's not too much of a stretch to suggest modern workplaces are actually causing a form of productivity paralysis.

It's a situation that has the best brains struggling to answer. In his new book, *Time, Talent, Energy*, Eric Garton, a partner at Bain & Company, talks about falling productivity in terms of organisational drag. Even the very best firms suffer from it, never managing to have less than a 10 per cent drag.

But, while he describes drag as something which may be inevitable, caused by organisational processes and procedures – something all organisations have to contend with to some extent – he also argues that the very worst examples don't have to be inevitable, after all companies

such as Google and Apple are 40 per cent more productive than lower-quartile performing companies.

## REDUCE FRICTION

At ComXo, we share a similar analogy about productivity. We talk about helping clients reduce the friction that stops companies from performing at their best; for it is friction, typically from using outdated processes, that we believe is the root cause of organisational drag.

Friction is the 200-plus e-mails that the average executive receives each day, so a full day a week is spent – some would say wasted – simply reading and replying to these communications. Friction is the interruptions that people consistently struggle with at work, be it from mundane administrative tasks to unwanted sales calls.

Such friction takes place whether staff are in an office or whether they're working remotely, struggling with technology or access to information, which is perhaps why agile working is yet to take off as predicted.

Friction also occurs because people still work in silos, using handed-down processes that are never questioned. Time is wasted trying to work around these processes, rather than improving them.

We often discover friction at our clients' workplaces where broken switchboard processes, such as wrongly directed calls or false information, are causing unnecessary distraction for staff. This can have as great an impact as e-mail overload.

## TECH IS NOT ENOUGH

Up until now employers and employees alike have been going down a road where we've hoped technology would be the solution. We've tried to get an app for everything, hoping it will solve our productivity issues, but we use them a few times then simply revert to our old ways. Technology alone hasn't entirely worked and so we need a different approach.

We've reached a point where we should have the ability to work so much better, but ironically now we

need to regain our control of technology, so that it works for us and not the other way around.

## REVIEW PROCESSES

So what's the answer? Lots of organisations will focus on their productivity problem through training or hiring specialist staff, or implementing new technologies. Admirable as this is, these gains aren't always obvious or sustainable without the right processes in place.

At a recent IT conference in the City of London, a panel speaker remarked: "Productivity is very much about people, process and technology, and how to get the three to work together as best as possible." This is a philosophy we can only agree with.

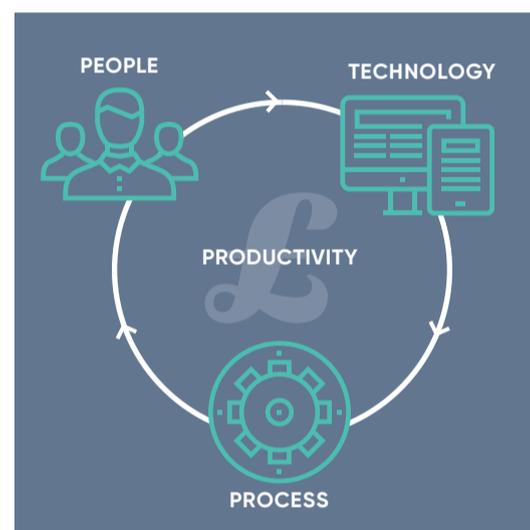
From our own experience, this approach works well when applied to the corporate switchboard function. We map organisations' processes, including how they handle external and internal call flows, and deliver in-sourced or outsourced solutions to make them more efficient, whether it's first fielding calls to workers or taking admin instructions on behalf of staff so their time is freed up to focus on important tasks.

It's not uncommon for our clients to report 30 per cent productivity improvements. Few improvement programmes could offer such striking results. We achieve this by stripping out the worn and the cumbersome, and putting in new cogs that turn the wheels of business more smoothly.

## TIME FOR CHANGE

It may sound simple, but we re-engineer and simplify business processes to empower employees to be more productive by focusing on their core tasks.

The truth of the matter is that most employees do want to perform to their best ability in the workplace. They do want to do a good job and they do want to feel they're achieving. To help more staff achieve this, future workplaces will need to take the issue of productivity much more seriously. They must dismantle



“Productivity is very much about people, process and technology, and how to get the three to work together as best as possible

their own inefficient processes and accept the old ways of working were just that – old.

## FUTURE IS BRIGHT

The best part of all this is that productivity can be rescued. By making processes much less complicated, the benefits of increased productivity won't just be a greater, more rewarding output, it will also be seen in people's wellbeing too, in their physical and mental health, and their ability to have more thinking time, which leads to brighter and more exciting ideas.

Let's all agree, poor productivity doesn't have to be the best we can hope for. We should all be striving for much more than that.

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## LIFE-CYCLE PLANNING

# Planning for the unknown in technology

A multitude of industries are struggling to keep pace with the march of technology – and construction is no exception

## OLIVER PICKUP

Designers and architects crafting the workplaces of tomorrow are finding it increasingly tricky to plan for unknown and potentially disruptive tech advances. So how do you future-proof a modern office, especially if the build spans a number of years by which time some of the technology may be outdated?

“This is a critical question,” says Ken Shuttleworth, founder of London-headquartered Make Architects and, from July 11, president of the British Council for Offices. “Buildings on the drawing board now will have employees working in them that aren’t even born yet, so developers need to think smarter. In 2017 the infrastructure of a building is more important than the structure itself. We need to provide the means to easily upgrade and adapt the building to make it flexible for the future.”

So-called agile building demands “collaboration and engagement with all consultants from the outset to ensure that the flexibility is built into the fabric”, according to Mr Shuttleworth. He continues: “Much like sustainable techniques

that improve the environmental performance of a building, for optimal effectiveness the integration of technology can’t be bolted on at a later date. The project team must work with the tenant from the earliest opportunity to understand what their needs are, so as to design solutions into the building.”

British Institute of Interior Design president Susie Rumbold says the use of building information modelling (BIM) and also both augmented and virtual reality is becoming popular to lessen the impact of technological leaps. “BIM creates an accurate model of all building processes in one location, allowing the way the systems will interact to be predicted,” she says. “We now design for the whole life cycle of each building, from construction through operation, and to eventual demolition and disposal.”

Every project should have a “digital masterplan”, says Volker Buscher, global digital services leader at Arup, and include key decision points on how digital design is executed on a specific build. “These should correspond to a digital agenda, which defines the aims of the property owner across their entire portfolio,” he says. “Both the digital masterplan and agenda need to feed into an opportunity matrix. This outlines specific benefits, statements and outcomes, and informs a systems design guide that makes clear to all individual design teams their part in delivering the digital aspirations of the portfolio owner.”

Connectivity is essential in the modern workplace and that needs to be a central factor. James Friedenthal, head of corporate development at Workspace, which owns 68 London properties totaling 3.5 million square feet, notes “circuit sizes have grown from 0.1 gigabits per second in 2006 to 10gbps in 2017”. As such, for Mr Buscher, “developers need to think of buildings like massive online stores or ‘Amazons’.”



Joel Rogers/Getty Images

01



PENSON

02



Make Architects

03

“Instead of choosing fixed and inflexible systems inside, which don’t speak to each other, they need to move towards having a single open-source technology platform into which all the services plug,” he adds. “This will enable the building to speak to its operators and tenants, and new technologies or applications to be plugged

in, making the building incredibly responsive to the changing demands of occupants.

“Having all information from all services accessible through one source will enable developers or building operators to analyse data from across portfolios in real time or build applications that enable tenants to interact with the services directly.”

Simon Rooks, general manager of integrated solutions at Tyco, a world leader in smart building technology, advises designers to install smart technology that can be easily upgraded and integrated with future iterations, as required. “For example, smart security cameras should be capable of integration with fire detection or access control systems,” he says. “Not only will this open functionality

“For optimal effectiveness the integration of technology can’t be bolted on at a later date

01 Architects and designers are finding it increasingly difficult to plan for unknown, disruptive technology

02 Lee Penson, whose firm PENSON designed the interiors of South Korea’s Lotte World Tower (pictured), says technology in the modern workplace needs to be stripped back to free up space and movement

03 Ken Shuttleworth, founder of Make Architects and president of the British Council for Offices, says buildings need to be easily upgradable and flexible for the future

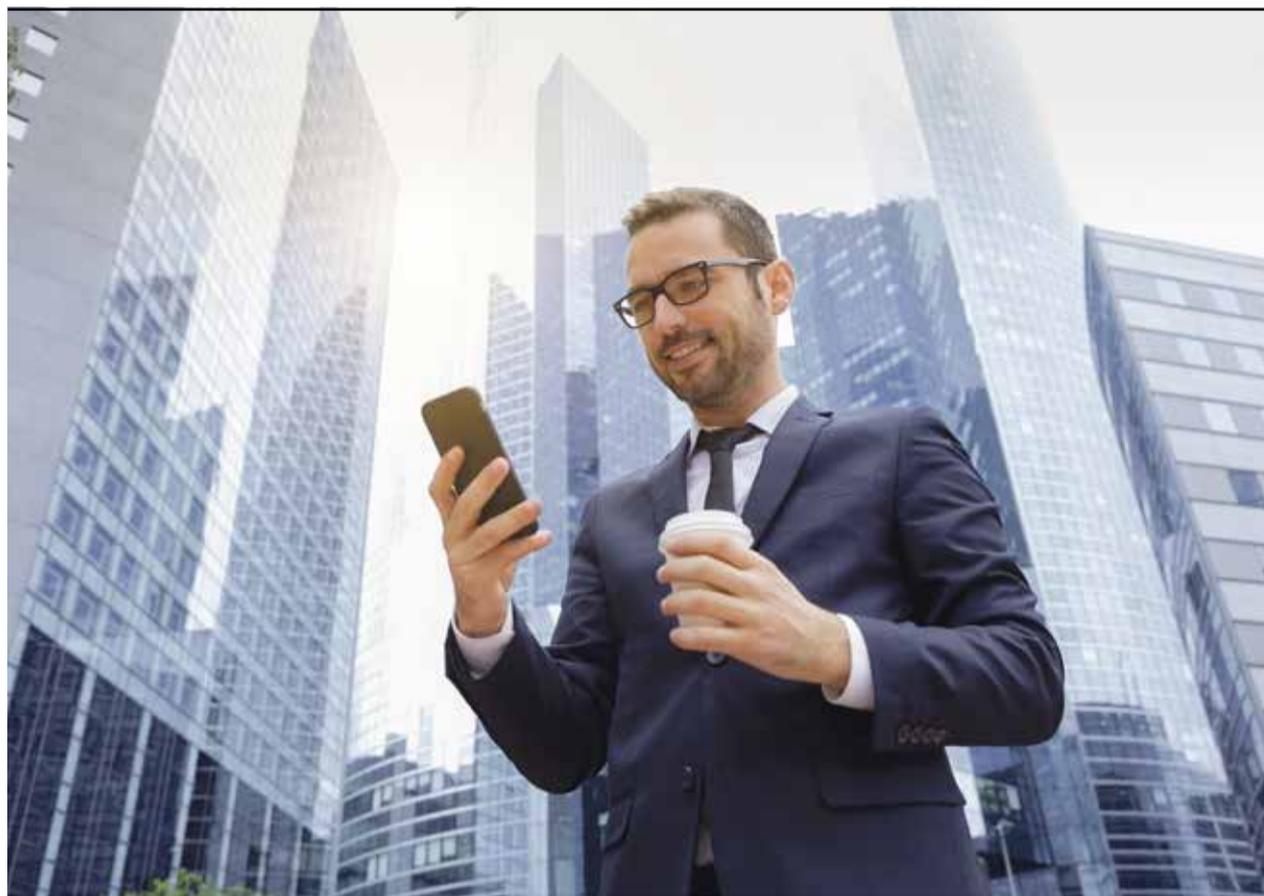
and enable management teams to obtain a better overview of the technology in their office, but it will also make it easier to add or remove systems.

“It’s also key to use technology providers that can integrate with other non-proprietary systems. You shouldn’t need to get locked into buying from company A when change comes along; look for the company B that can integrate its systems seamlessly with new technology when you need it.”

Lee Penson, chief executive of Penson, the architectural firm behind visionary workplaces for rapper Jay-Z, YouTube, Samsung and Google, says that because “technology can make you fly” it is imperative to commit to it. “It will unlock potential and give you freedom,” he says. “Being tied to your desk is so ten years ago; the modern workplace is a no-clutter zone. So the information technology in the office now needs to be stripped back to free up space and movement.

“Humans will always operate in the same ways and live by the same values, by and large, even as new tech comes and goes,” Mr Penson concludes. “If you create a space that is all about humans and life in general, then you’ve already future-proofed your workplace, no matter how long the build takes.”

## COMMERCIAL FEATURE



# Managing customer demand in the connected world

Customer contact has changed radically since the early call centres emerged, but the pioneer of this original technology is still leading the industry



Technology is without doubt having an ever-increasing influence on the way businesses operate and is likely to continue to do so. This comes as the world of work has changed, and as consumer demand has become instantaneous, with customers growing to expect the same one-click, always-on service from providers as they have become used to receiving from challenger brands such as Amazon.

Self-service has become the new normal and consumers increasingly want to transact with companies by any channel, and there is increasing necessity for near or real-time responses to their queries and demands.

"Traditional channels of communicating with customers are giving way to multiple, omnichannel interactions beyond the constraints of 'nine to five'," says Elizabeth Gooch, chief executive and founder of eg solutions, a leading enterprise workforce optimisation software company specialising in the back office.

"The old ways of working, using command-and-control tactics, have given way to the new way, which is centred

more on engaging and empowering the workforce, encouraging collaboration to deliver excellent results. More and more, businesses are looking to develop and enhance their use of technology to meet the digital needs of customers and their workforce."

Consequently, digital transformation holds a prominent place in the minds of leaders across a wide range of enterprises, with most companies already having a digital strategy of some description in place to meet the demands of the always-on consumer. They recognise the numerous benefits this can offer in improving customer service, streamlining and blending processes and, importantly, reducing administrative cost.

"This not only affects front-line staff. Work undertaken, in what has historically been termed the 'back office', is breaking out of its traditional bricks-and-mortar residence to become part of blended operations," says Ms Gooch. "This comprises the call centre, branch, field or remote resources playing a major role in responding to and improving the end-to-end customer-interaction experience; a shift away from the

typical manufacturing model towards an intelligence-based model."

The always-on customer requires services that are always available. To this end the functions that the back office, or "office", performs now need to be accessible throughout the customer interaction and the value chain.

This means that, without exception, enterprise technology must be deployable as a cloud-based solution. It must provide not only historical reporting, but also have predictive analytics embedded within solutions. It needs to merge business and personal technology to improve performance and exploit the digital literacy of both the millennial workforce and consumer. In addition, enabling the efficient allocation of the mobile workforce and consequently the evaluation of their performance is vital.

“eg operational intelligence® is tried, tested and proven to improve customer service, operational efficiency and compliance while reducing costs



"As the number of mobile workers is expanding, employers are under an ever-increasing amount of pressure to adapt how they schedule workers' shifts to address their demands for the flexibility they want to accommodate today's lifestyles and personal needs," says Ms Gooch. "For example, as bank branches close and mobile technology becomes more robust and sophisticated, many workers are now home or field-based, reliant upon and preferring to work with their mobile devices."

This new flexible approach to working brings with it a further shift in how managers maximise the value of their most important asset: their people. Monitoring and evidencing human input potential and productivity is more important than ever. This demands the ability to control, optimise and improve back-office processing in real time, irrespective of location, to enhance customer service and free more capacity from existing resources to value-add activity. Due to this, there has been a shift in how organisations evaluate performance, preferring to have visibility of employees' contribution rather than simply their attendance.

To gain most benefit, successful organisations need to forecast the skills and capabilities required to allocate work to their increasingly mobile workforce efficiently, wherever they are located in the world, evidence compliance and evaluate the performance of their teams in real time. They need predictive analytics, alerts and notifications all embedded within solutions that let them know where both latency and surplus exist before things go wrong.

In April 2015, Vanson Bourne conducted a detailed research project on behalf of eg solutions to determine the impact of digitalisation on businesses, both in the UK and United States. Some 90 per cent of respondents to this research identified a driving need for a back-office workforce optimisation tool within their organisation, which complements disciplines in their front office and optimises their entire workforce, including those in the field.

The eg operational intelligence® software suite is the world's most comprehensive workforce optimisation software suite for back-office operations. Cloud-based and modular by design, the eg operational intelligence software suite is backed by more than



**81%**  
of respondents said improving customer service is the key objective driving digital strategy



**40%**  
of customer transactions are digital and this is expected to increase to more than 50 per cent in the next three years

*Digital Transformation, eg solutions*

25 years of industry experience and is used by many leading companies in multiple sectors, including financial services, business process outsourcing, utilities and government.

eg operational intelligence is tried, tested and proven to improve customer service, operational efficiency and compliance while reducing costs by creating additional capacity from existing resources by prioritisation and line-balancing techniques.

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Ms Gooch concludes: "By transferring industry best practice, eg enable team and departmental managers to embed operational changes into their organisation to reduce cost, improve customer service and evidence compliance, managing customer demand in the connected world."

For more information please visit [www.egoptimize.com](http://www.egoptimize.com)

# Avoiding generational generalisations

Office spaces are increasingly being designed to suit purpose rather than pander to gimmicky fads to attract younger staff

PETER CRUSH

Remember a few years back, when if your office didn't have a helter-skelter in it (like PEER 1 Hosting's) or a crazy golf course (LinkedIn's) or even a Pullman train carriage for meetings (as in big data company Splunk's London office), you could kiss goodbye to attracting the millennial generation? These were the cool cats for whom fusty old offices were an inheritance they didn't want.

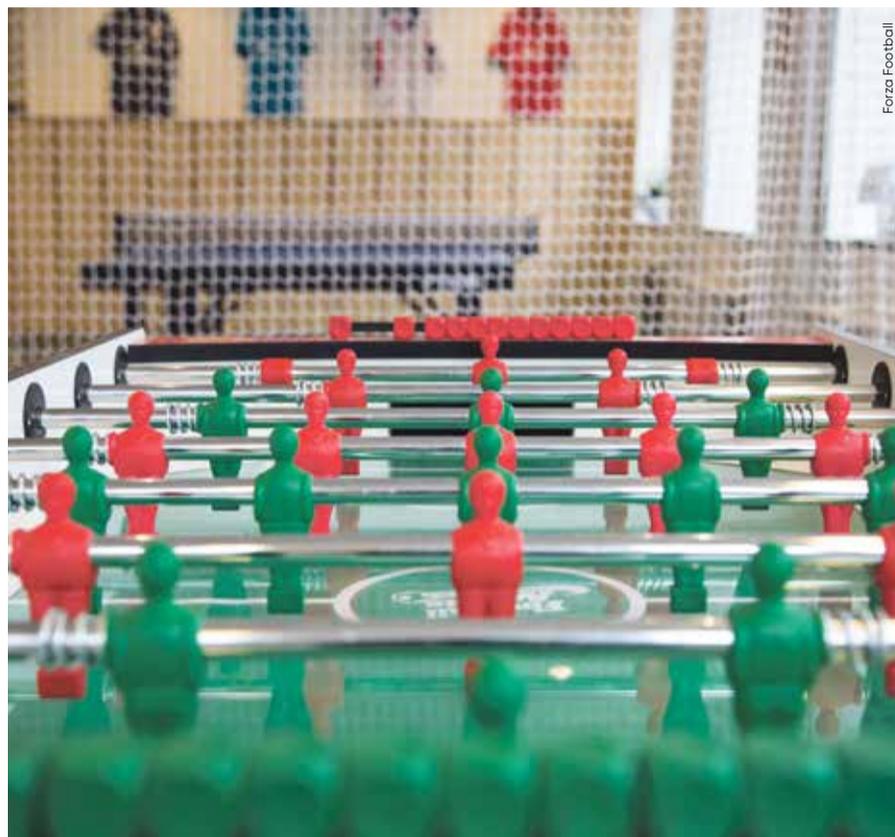
Well, maybe it's time to think again. Millennials might well comprise a third of workers by 2020, but there has recently been an unmistakable shift of opinion that suggests this pandering to a specific generation has had its day.

"A cool office is not the best office," argues Patrik Arnesson, chief executive and co-founder of Gothenburg-based Forza Football, who despite repeatedly being hailed as having one of the world's best offices wants to put the record straight. "Sure, we have a shuffle-board, a games room and ball pit, but we don't succumb to generational generalisations.

"What isn't talked about are our quiet rooms where no one is permitted to talk or the fact everyone has a fixed rather than roaming space from which they work. Staff range from 20 to 45, but hark from nine nationalities. We arrange ourselves to get work done. It's as simple as that."

Mr Arnesson's view chimes with the increasingly accepted view offices are really just homes to people and that trying to organise them along generational stereotypes is foolish. After all, the over-50s will comprise a third of workers by 2020 too, and there will only be seven million Gen Z workers for the 14.5 million new roles predicted to be created by 2022, according to the Office for National Statistics.

"This is why workplaces will work much better if more were designed around job function, regardless of the age of people doing it," says Nupur Mallick, human resources director at Tata Consultancy Services, which has four generations working side by side. "The work people do determines their needs, whether it's having a quiet area to concentrate in or open spaces to collaborate," she says. "What we have done though is ensure staff don't have to hunt these



Forza Football

Forza Football's Gothenburg office houses a games room, shuffle-board table and ball pit, but also includes quiet rooms where no one is allowed to talk



Forza Football

different zones down. We've specifically designed our office so these environments are on every floor.

With surveys suggesting intergenerational office angst abounds – Ricoh Europe finds 52 per cent of workers say their employer is failing to meet the needs of different generations in the workplace – it can still be tempt-

ing to default to the wacky and hope things fall into place. But experts urge a more considered approach. Kim Karina, design director at property services firm, Styles&Wood Group says: "Ensuring offices work for millennials and the older generations is difficult, but what we're seeing is the rise of the so-called Rubik's Cube office. This is where partitions and fixtures can move at the push of a wall to create extra desk space or a collaborative hub quickly to suit the task at hand."

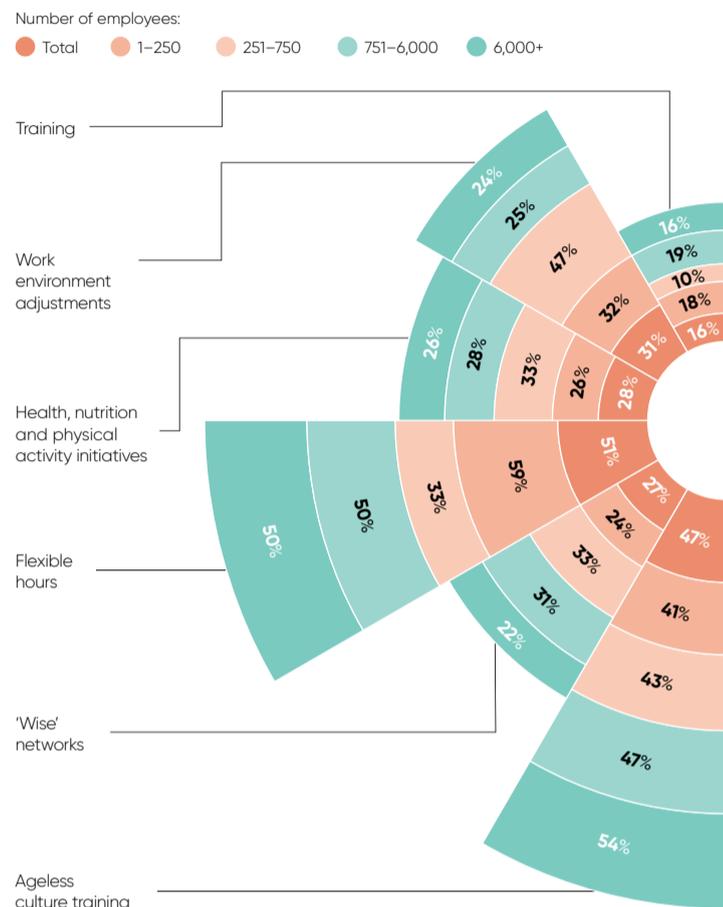
Some offices are certainly being remodelled, as employers are aware that the demographics of their workforce are changing. Mothercare recently redesigned its 90,000-sq-ft Watford headquarters because it was 30 years out of date. "It was a rabbit warren, but the business knew it needed to inspire younger workers as its predominantly older employees retired," says Cyril

Parsons, managing director at Office Principles, which led the £6-million refurbishment. "We created more shared space and agile working. Each floor has a central hub, from which people can move into lounge-like areas, break-out space and café hubs. "Companies are looking at how poor workplaces can lose staff to competitors. We feel we've created a space that allows friendships to form."

At Twickenham-based legal software firm LEAP, in south-west London, a quarter of staff are aged 18 to 25, a quarter are 35 to 44 and 10 per

## FEATURES OF AN AGELESS WORKPLACE

STEPS UK COMPANIES ARE TAKING TO CREATE A WORK ENVIRONMENT THAT ACCOMMODATES OLDER EMPLOYEES



Workplace 2020, Google/Raconteur 2016

cent are 45 to 64, but the company has followed an age-appropriate, adaptable office concept. "We've designed with a nod to millennial tastes," says talent manager Susanne Poole. "We have the coffee shop vibe, ping-pong and sofas with USB ports, but we've kept a corporate feel too – the boardroom and meeting rooms."

Maybe it's this halfway house that will keep all generations happy. "Younger generations aren't going to go away," says Ms Poole. "The best firms embrace the best of all working environments." ●

rooms, free fruit and views to the beach are just nice things, rather than the be all and end all."

All 35 members of staff are actually encouraged to arrange and do their own housesits each year, from where they work, so Ms Martin says sharing common experiences also unites the team. "There's always someone who's just returned from a sit and they always bring back loads of new ideas," she says. "We actively have all our generations mix, so Angela, our 71 year old, sits alongside our youngest employee. We find both learn a tremendous amount from each other."

## CASE STUDY TRUSTEDHOUSESTITERS



TrustedHousesitters

At TrustedHousesitters, the e-business that enables pet owners to connect with fellow animal lovers and invite them stay in their homes (and look after their pets)

while they're on holiday, the age range of staff at its Brighton HQ is between 21 and 71.

But that doesn't mean staff can't get along with each other. "Don't get me wrong, we still have thinks like a ping-pong table, but what we've tried to create with our workplace is focus on creating passion, because that's not age-related," says co-founder Rachel Martin.

"That said things that help bring our group together include installing stand-up desks, which all the team love, because it gives people mobility, and bringing in office pets. For us, break-out

rooms, free fruit and views to the beach are just nice things, rather than the be all and end all."

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## SOCIAL VALUES



01

# Brands get political for good causes

Multinational businesses are flexing their corporate muscles to meet consumer demand for an ethical stance on global issues

LAURA OLIVER

Fighting discriminatory laws, backing the legalisation of same-sex marriage and providing shelter to refugees are all issues where we need political leadership. But increasingly its multinational companies championing these causes.

For example, Salesforce threatened to pull investment in US states considering anti-LGBT (lesbian, gay, bisexual and transgender) legislation, support for same-sex marriage in Australia from Qantas's chief executive has improved the brand's reputation and Airbnb has pledged to accommodate displaced people.

Businesses have used corporate social responsibility (CSR) schemes to "do good" for decades, but are now going further, voicing support for social causes often in direct opposition to governments.

"CSR and sustainability were viewed almost as an offsetting pro-

gramme for 'dirty old business'," says Richard Spencer, head of sustainability at the Institute of Chartered Accountants in England and Wales. "We're now seeing a willingness among businesses to put the problems in the middle and change how they operate."

For years big business has tried to influence governments for its own ends, so it's good to see brands applying pressure on behalf of other communities, says Dr Felicity Hardley, senior lecturer in marketing and business strategy at Westminster Business School.

There are still business benefits to this too, not least building deeper emotional connections with consumers and creating more loyal customers. For Unilever, which has ambitious goals for reducing its environmental footprint and increasing positive impact on society, this has resulted in its sustainable living brands, such as Dove and Hellmann's, growing twice as fast as others in its portfolio.

Commitment to social causes is a

response to both a rise in populism and a perception of business as part of the environmental or inequality problem, says Eduardo Tugendhat, director of thought leadership at Paladium, which advises business on making a positive impact. "Taking a leadership role and becoming part of the solution helps businesses to renew their licence to operate with the public and the society," he adds.

Committing to a good cause just for marketing purposes is dangerous. In April, Pepsi pulled its ad featuring Kendall Jenner after criticism that it trivialised social justice protests. As Joe Wade, founder of creative agency Don't Panic, explains, a brand must have a right to talk about a cause or risk backlash from consumers.

"A brand needs to build up authority in that area. It has to start with how you do business and align with your commercial objectives, otherwise it's inauthentic," says Mr Wade.

Alienating customers through a sincere commitment to a cause is also a risk. In the United States, brands have opposed President Donald Trump's executive order temporarily banning refugees. In the immediate aftermath, Starbucks pledged to hire 10,000 refugees and Airbnb vowed to accommodate 100,000 displaced people, with both firms making five-year commitments.

"Traditionally in America, companies have been very apolitical in order not to shrink their potential customer base by offending one side or the other. They must think it's a gamble worth taking," says Mr Wade.

"If it's important to your core customers, it's how you want to be positioned in the marketplace or fits in with your long-term strategy, then it's probably a risk worth taking," agrees Dr Hardley.

Ipsos research, published in June, suggests businesses may have no choice but to take a political stand.

**01** Salesforce has threatened to pull investment in US states considering anti-LGBT legislation

**02** Starbucks boss Howard Schultz announced plans in January to hire 10,000 displaced people worldwide after President Trump's executive order temporarily banning refugees

The research found that 25 per cent of Americans have stopped using products or services from a company because of its political leanings or because of protests or boycotts.

Younger employees are increasingly motivated to work for brands that commit themselves to social and political causes. These recruits will be our future business leaders and founders, bringing with them their commitment to tackling global problems, says Mr Spencer. Existing businesses must adapt their approach to take on these causes and attract the best talent if they are to survive.

Corporations can bring a beneficially global and long-term perspective and apply this to the world's biggest problems with the benefit of being able to focus on one issue at a time, while governments must tackle a myriad of social and global problems concurrently.

Hundreds of US-based businesses, including Mars, adidas and eBay, have signed the We Are Still In statement, committing to the Paris agreement on climate change despite the US government's withdrawal from the accord in June.

"All of these groups have internalised the risk and tremendous cost of doing nothing about climate change. They understand they must manage for such things otherwise they won't be successful," explains Lance Pierce, president of CDP North America, which works with many of the brands involved on managing their environmental impact.

This could lead to unprecedented negotiations on a global issue between other nation states in the agreement and unelected leaders of corporations, circumnavigating the US democratic system. Yet these businesses will be held accountable for their actions by



Deviating from commitment to a cause or behaving badly could irreconcilably damage both profitability and reputation

shareholders, their bottom line and ultimately consumers. Deviating from commitment to a cause or behaving badly could irreconcilably damage both profitability and reputation.

To solve the world's greatest crises requires the participation of all communities, not least businesses but, of course, there is still a role for politicians and governments.

"Politicians can be enablers; they can help with policies and encourage this kind of business behaviour. In many ways they can be the heroes if it works," says Mr Tugendhat, adding that corporations and governments must collaborate to build new models for tackling global problems.

Mr Pierce describes the move by US businesses, cities and states opposing President Trump's withdrawal from the Paris agreement as unprecedented. The collective demand that emerged in just days suggests this new incarnation of brands committing to political issues could be the most powerful yet. With social issues so large they transcend party politics and sitting administrations, it may now be politicians who have to change fundamentally how they do business. ●



JASON REDMOND/AFP/Getty Images

02

# The End?

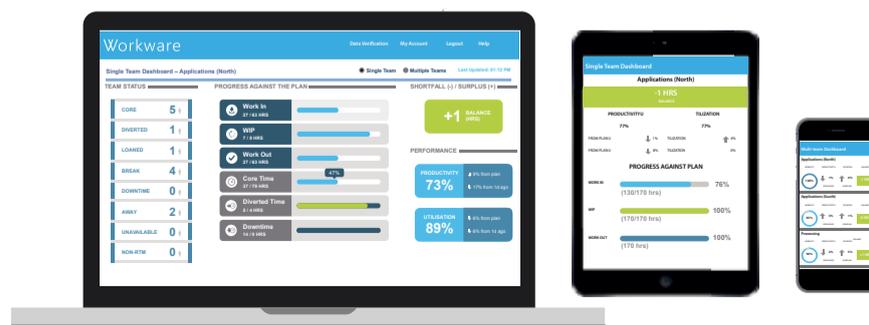
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