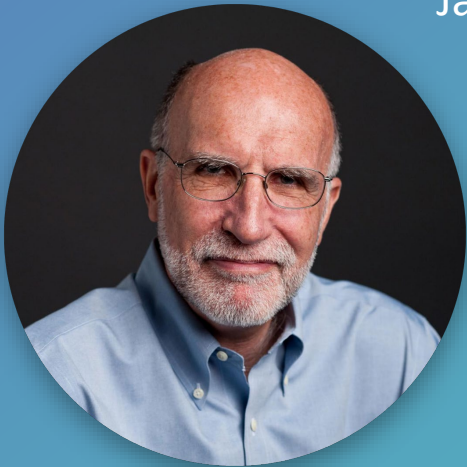fm:systems

The Hybrid Workplace of the Future

Reimagining the Office after the Pandemic
Presentation to the IFMA Charlotte Chapter
January 14, 2021

Michael Schley,
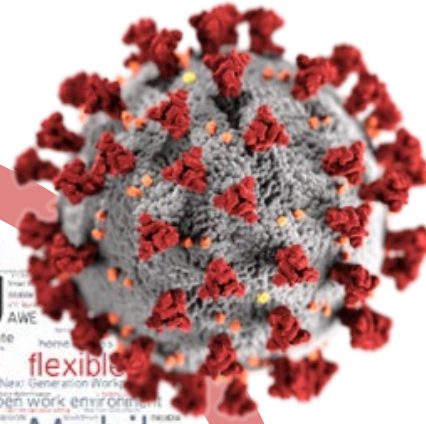IFMA Fellow &
Founder of FM:Systems
mschley@fmsystems.com

fm:systems | Digital Workplace Solutions

Workplace Management

Employee Experience

Workplace Analytics

www.fmsystems.com

fm:systems

Agile Workspace

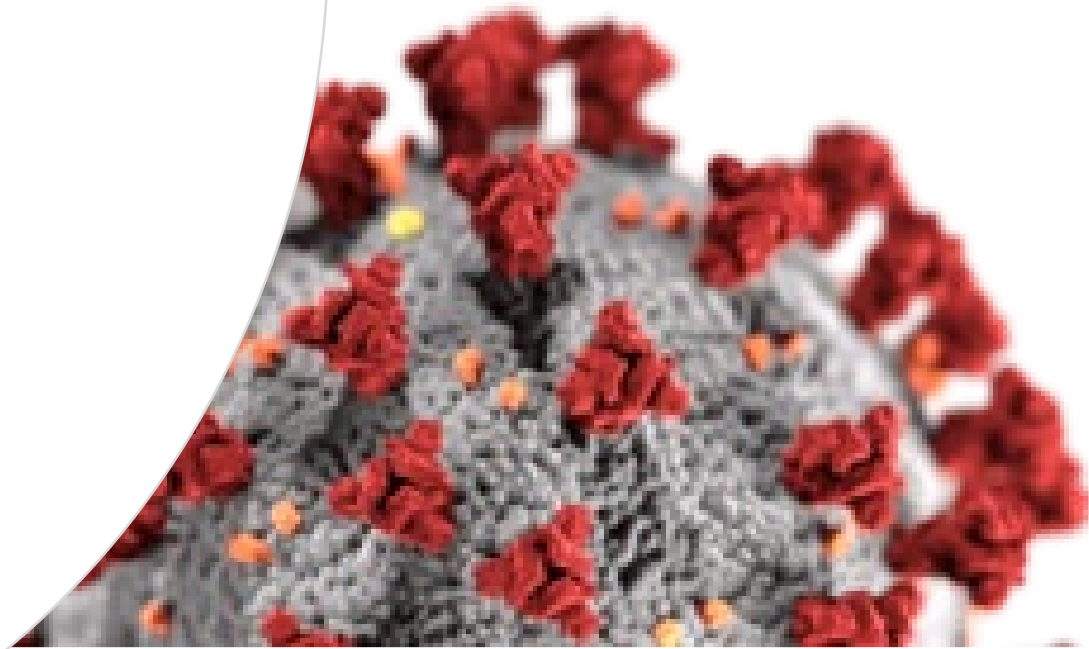*Interrupted*

The Workplace Revolution

COVID-19 and the Pandemic Workplace

Initial Lockdown

- Work from Home

- Meeting by Video Conference

Cautious Return to Work

- Social Distancing

- Face Masks

- Limited Face-to-face Meetings

- Continued Work from Home

- Continued Video Conferencing
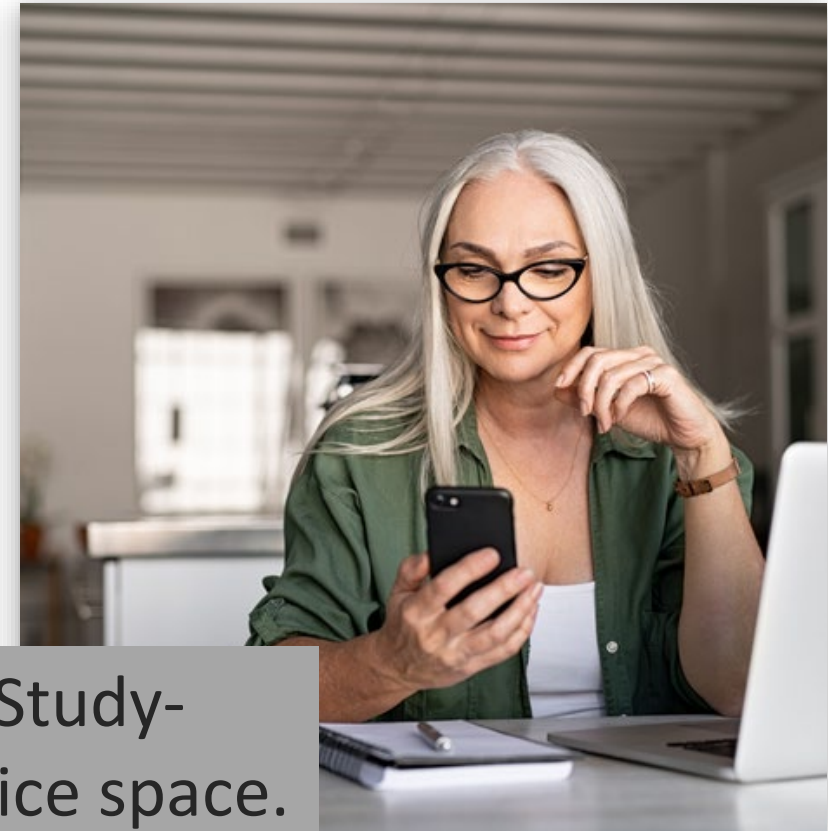
What about the post-pandemic workplace?

Return to "Normal"

The Hybrid Workplace

Stay Virtual

?

KPMG August 2020 CEO Outlook Study-
68% of CEO's plan to reduce their office space.

THE FUTURE OF EVERYTHING

JANUARY 14, 2021

THE FUTURE OF EVERYTHING | WORK

THE DEATH OF THE OFFICE DESK IS UPON US

It has been the centerpiece of corporate life for decades, but as companies reshape workplaces, many may find dedicated individual work areas no longer make sense.

CHIP CUTTER

many may find dedicated individual work areas no longer make sense.

The Hybrid Workplace
Rebalancing Space

Courtesy VMWare

[VM Ware] will renovate offices so that 50-70% of an office will be dedicated to shared spaces in what it calls its "collaboration centric design" – Wall Street Journal 1/14/2020

The Hybrid Workplace
New Models – Virtual First

Dropbox commits to going "virtual-first" by converting offices to meeting studios

Drew Houston, Dropbox CEO

Day-to-day work at a Dropbox office will no longer be possible for most staffers. Those who <u>insist on a desk outside of home </u>can use a company stipend for membership at a co-working space like WeWork. – Wall Street Journal 1/14/2020

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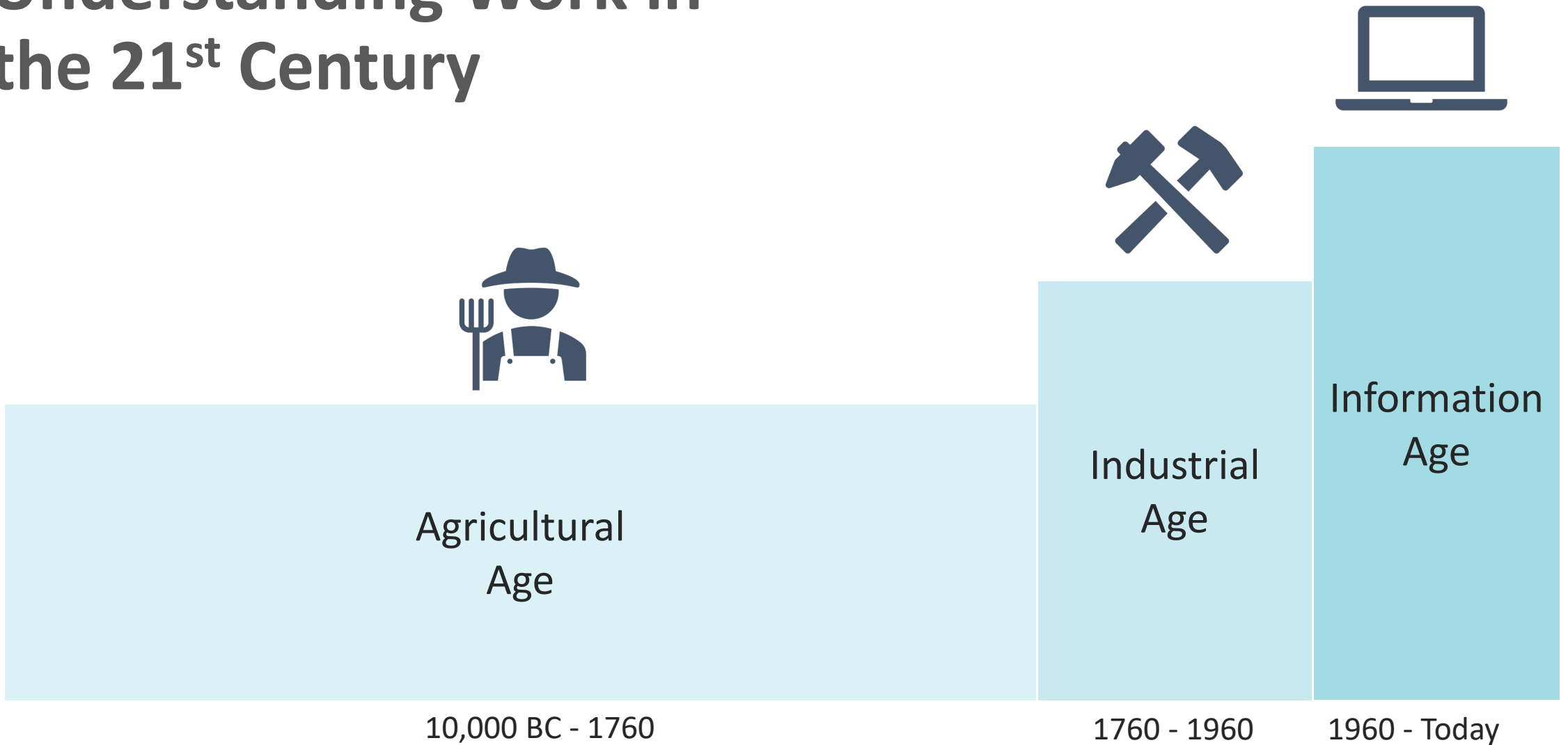
The Hybrid Workplace
WFA - Work from Anywhere

The Hybrid Workplace of the Future

E-book available for download from
www.fmsystems.com under *Resources*

Understanding Work in the 21st Century

Information
Age

Industrial
Age

Agricultural
Age

10,000 BC - 1760

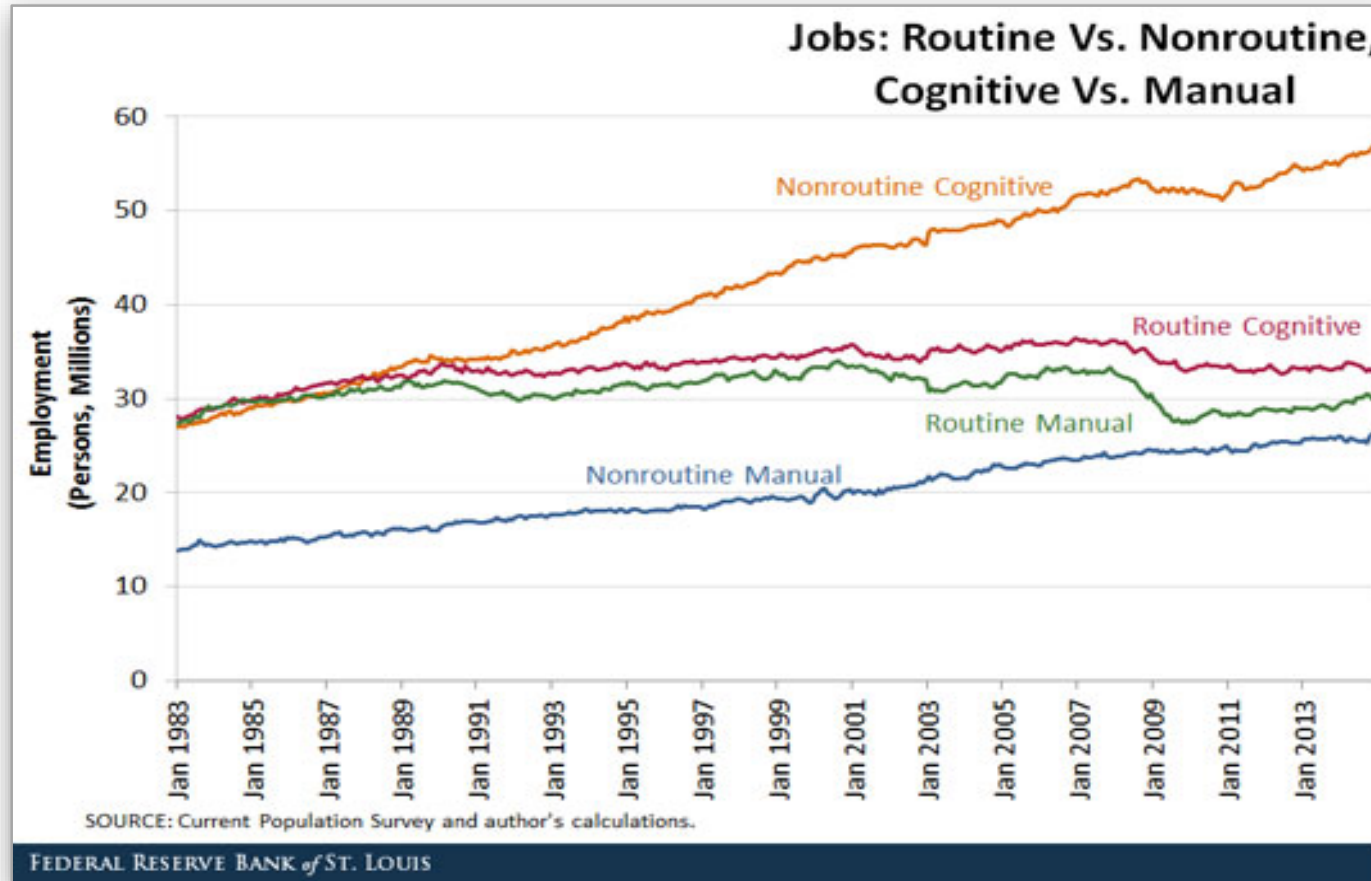1760 - 1960

1960 - Today

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Trend 1- Work Can be Done Anywhere

- **33%-40%** of all jobs in US can be done remotely.

- **3.4%** of jobs in the US were done completely remotely before COVID.

- For employees who could work remotely before COVID, **39%** worked partly remotely in 2012, **43%** in 2016.

Trends in Working
Trend 2- Work Is Less Routine

Trend 3- Understanding Work in Groups

Evidence for a Collective Intelligence Factor in the Performance of Human Groups

Anita Williams Woolley,[1]* Christopher F. Chabris,[2,3] Alex Pentland,[3,4] Nada Hashmi,[3,5] Thomas W. Malone[3,5]
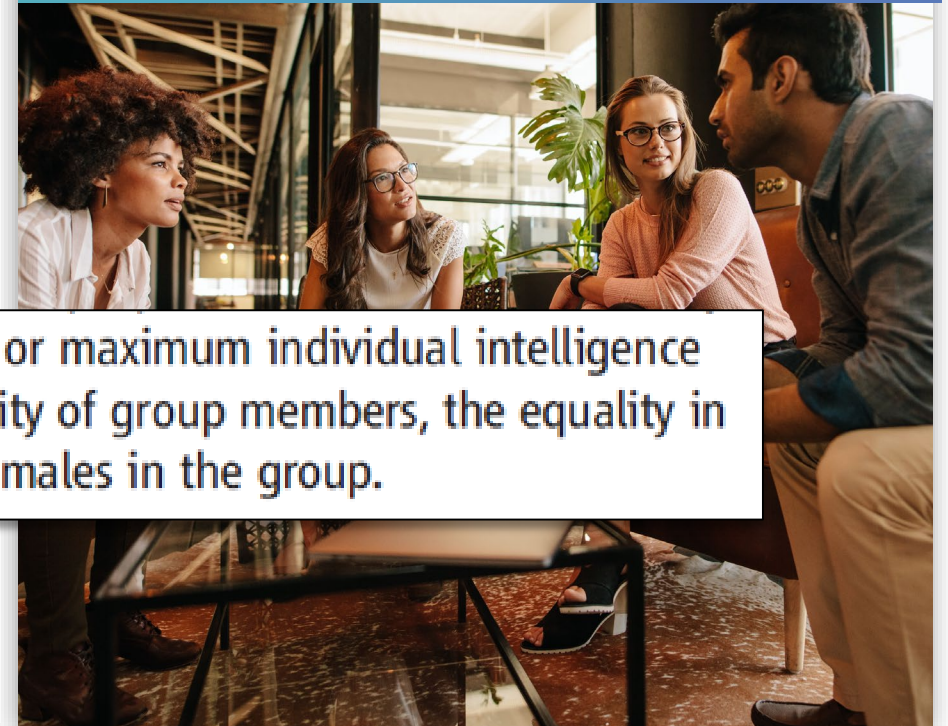
of tasks. This "c factor" is not strongly correlated with the average or maximum individual intelligence of group members but is correlated with the average social sensitivity of group members, the equality in distribution of conversational turn-taking, and the proportion of females in the group.

Collective Intelligence

Courtesy Science Magazine, October 2010

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Trends in Working
Trend 3- Understanding Work in Groups

The New Science of Building Great Teams
by Alex "Sandy" Pentland
Harvard Business Review

Professor Alex "Sandy" Pentland, MIT

Poorly Performing Team

High-Performing Team

Aspects of Communication:

- Energy- Number of interactions among team members
- Engagement – Distribution of energy among team members
- Exploration – Interactions outside the team

"The best predictors of productivity were a team's energy and engagement outside formal meetings."

Call Center Average Handling Time improved by 20% by changing coffee break schedule.

Trends in Working
Trend 3- Understanding Work in Groups

Sociometric Badges Measure:
- Face-to-face communication
- Conversation time
- Physical proximity to others
- Body motion

The impact of the 'open' workspace on human collaboration

Ethan S. Bernstein[1] and Stephen Turban[2]

[1]Harvard Business School, Boston, MA, USA
[2]Harvard University, Cambridge MA, USA

ESB, 0000-0001-9819-0639

Organizations' pursuit of increased workplace collaboration has led managers to transform traditional office spaces into 'open', transparency-enhancing architectures with fewer walls, doors and other spatial boundaries, yet there is scant direct empirical research on how human interaction patterns change as a result of these architectural changes. In two intervention-based field studies of corporate headquarters transitioning to more open office spaces, we empirically examined—using digital data from advanced wearable devices and from electronic communication servers—the effect of open office

The Study

2 tests, Fortune 500 companies, 52 and 100 voluntary participants moved from traditional workspace to assigned open workspace.
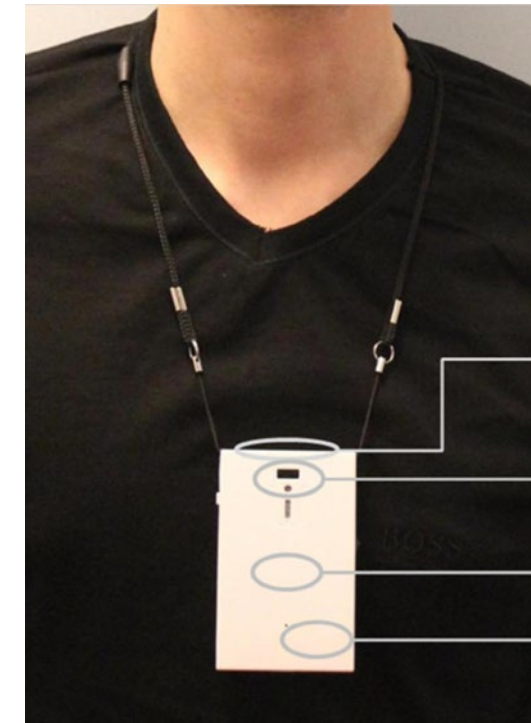
Communication patterns analyzed before the move and 3 months after.

Traditional Workspace

Open Workspace

Sociometric Badge

microphone

infrared

accelerometer

bluetooth

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The Study

2 tests, Fortune 500 companies, 52 and 100 voluntary participants moved from traditional workspace to assigned open workspace. Communication patterns analyzed before the move and 3 months after.

The Findings

Participants who moved to open workspace spent 72% less time in face-to-face communication and 75% more in messaging. **Productivity declined.**

Not Known

Subject company's industry, what the before and after space looked like, any other factors that might have affected outcome. If unassigned seating would have changed the outcome.

"Open, "transparent" offices may be overstimulating and thus decrease organizational efficiency." – Ethan Bernstein

3 Trends in Working

1

Work can be done from anywhere.

2

Work is less routine

3

New understanding of work in groups

Do we still need the office?

Why?

Reasons We Still Need the Office

1. Robust Collaboration

Meetings with high levels of interaction

- Brainstorming

- Creative Collaboration

- Strategizing

- Difficult Topics

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Reasons We Still Need the Office
1. Robust Collaboration

- Innovation that Comes from Random Encounters

Reasons We Still Need the Office

2. Learning & Mentoring

- Real-world knowledge that can't be learned from a book, class or video

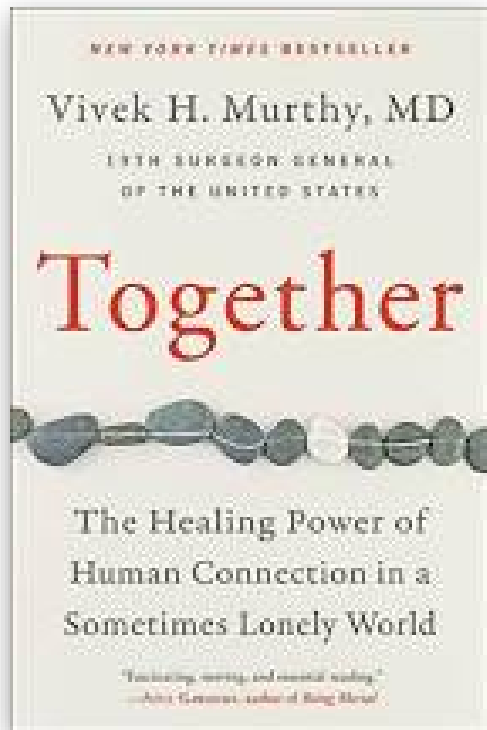# Reasons We Still Need the Office
3. Company Culture

"The future of work is giving people a workplace that is tied to their sense of identity" – Uday Dandavate

Reasons We Still Need the Office
4. Human Connection

"*Given that most of us today spend more of our waking hours on the job than at home, and many of us interact more with our colleagues than with our non-work friends, **we need meaningful connection at work to sustain us.**"*

Vivek H. Murthy, MD
19TH SURGEON GENERAL OF THE UNITED STATES

NEW YORK TIMES BESTSELLER

Together

The Healing Power of Human Connection in a Sometimes Lonely World

The Hybrid Workplace
Combining the Best of Office and Remote Work

The Hybrid Workplace – Key Aspects

1. Working from Home on a Flexible, Part-time Basis

Benefits:

+ Time Savings from Less Commuting

+ Better for Tasks Needing Focus

+ Work/Life Flexibility

+ Increased Productivity

Issues:

- **Difficulty of scheduling live meetings**

- **New HR Policies Needed**

The Hybrid Workplace – Key Aspects
2. Shared Desking

- Real Estate Cost Effectiveness
- A Solution to Low Utilization
- Avoids Offices Feeling Like Ghost Towns

Utilization – The percentage of desks, workstations and offices in use at a given time.

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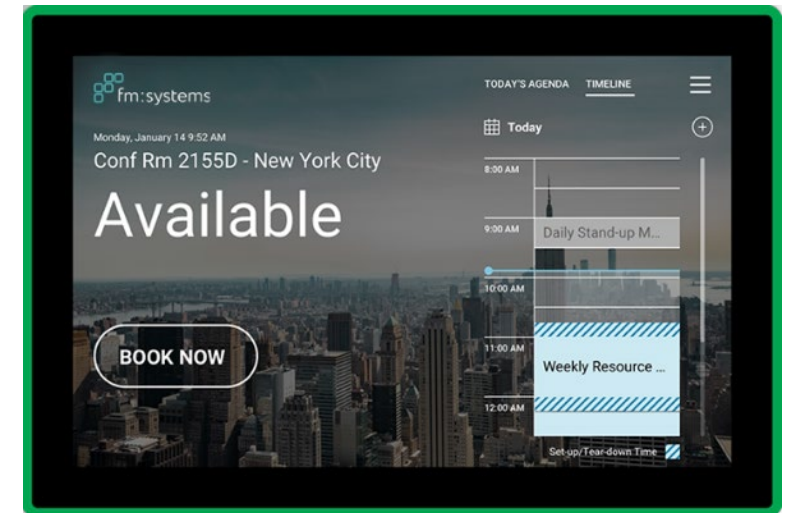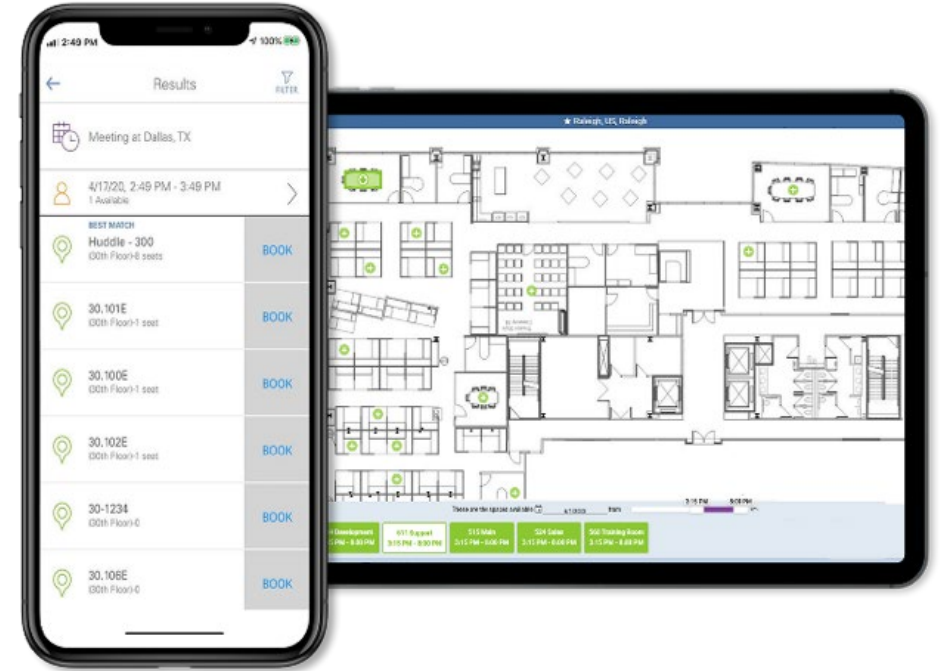## 3. Using Technology to Manage the Dynamic Workplace

- Sensors, algorithms and data analytics to understand utilization
  - Badging Systems
  - Wi-Fi Access Points
  - Motion Sensors
  - Environmental Sensors
  - Stereoscopic Cameras
  - Smart Lighting

The Hybrid Workplace – Key Aspects

3. Using Technology to Manage the Dynamic Workplace

- The Digital Workplace
  - Room Booking Systems
  - Hoteling Reservations
  - Meeting Room Information Screens
  - Wayfinding Systems
  - Visitor Check-in Systems

Open-Plan Desking vs. Workstations

- Popular design trend for creating a "high-energy" space

But,

- On hold due to COVID

- High-energy environment makes it hard to concentrate

Guidelines for Implementing the Hybrid Workplace

Hoteling

- On-demand Space
- Reservation system is valuable

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Focus Rooms / "Phone Booths"

Courtesy of M Moser Associates

Courtesy of Spacestor

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Neighborhoods

+ Easier to find your co-workers

+ Easier to analyze

- If departmental in-office days are designated, departments will need to alternate days for real estate efficiency.

- Reduces inter-departmental random encounters

Collaboration Space

- Space for impromptu unstructured meetings to foster innovation

- Encourage acoustical separation

- Encourage good AV support for laptop screen sharing

- Support for remote participants

Creative Design

- Natural Materials like wood and stone

- Color

- Daylight

- Exposed structure

- Plants and green walls

- Fun spaces

- Talented Interior Designers

Cloud-based Information Solutions

- Documents

- Telephone

- Video Conferences

Co-Working

- On-hold during the pandemic
- Should recover post pandemic
- Real estate flexibility

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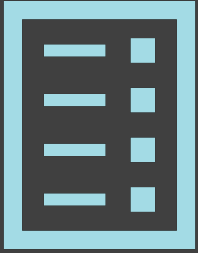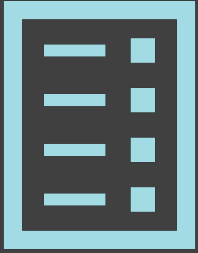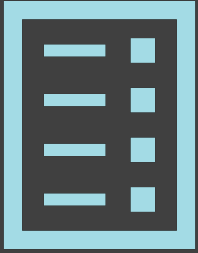
Metrics – Defining our Terms

- **Seat** - A desk, workstation or office intended for use as a workspace, either assigned or shared.

- **Capacity** – The number of seats, both assigned and shared in a location. It is useful to determine counts by type of space and to track meeting space capacity separately from workspace capacity.

- **Headcount** – The number of people using workstations in a location including both people with assigned workstations and remote employees who occasionally use shared workstations on a non-assigned basis.

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Metrics – Defining our Terms

- **Utilization** – The percentage of desks, workstations and offices in use at a given time.

- **Average Utilization** – The average utilization over all time periods in a chosen time range.

- **Absolute Peak Utilization** – The maximum utilization over all time periods in a chosen time range.

- **Design Peak Utilization** – Assuming a study period of at least a month, it may not be necessary to design for absolute peak utilization. We suggest instead using a practical "design peak utilization". One approach is to determine the peak utilization that occurs within a percent of days, typically using a number around 98% or 99%.   In other words, the number of workstations will be sufficient for 99 out of 100 days and full or overbooked 1 out of 100 days.

Metrics – Defining our Terms

- **Mobility Ratio** – The ratio between an organization or department's headcount and the number of seats needed. This number would typically be 1.0 for traditional workspace and greater than 1.0 for agile workspace. The terms "Staff to Seating Ratio" and "Sharing Ratio" are equivalent terms that can also be used. The mobility ratio is useful for planning the number of seats that are needed by for an organization and various departments. For example, a field sales group of 100 people with a mobility ratio of 2.0 would need 50 seats to accommodate their needs.

The Hybrid Workplace
Change Management

- Communicate
- Address privacy concerns
- Engage a consultant
- Workstation prototype
- Solicit employee ideas
- Offer tradeoffs
- New policies, workplace etiquette
- Communicate

Springtime Action Plan

1. **Develop a Return-to-Work Plan**
   - Providing a safe workspace
   - Social distancing
   - Safe Space Playbook – available at www.fmsystems.com under Resources

2. **Collect Data**
   - Square feet by building
   - Workstations by building
   - Occupant count
   - Meeting Rooms
   - Leases including expiration dates
   - Begin Tracking Utilization

3. **Develop Post-Pandemic Scenarios**
   - Utilization data or assumptions
   - Consider shared desking
   - Build in flexibility
     - Consider co-working spaces
   - Consider:
     - Satellite office hubs
     - More collaborative, less personal space
   - Implement utilization monitoring
   - Implement digital office technology
   - Partner with HR and IT on policies
   - If you are going Virtual First, consider:
     - Other ways to maintain company culture
     - Other ways to promote innovation

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How do you want to reimagine your workplace?

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Questions?

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Thank you

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