ROBERT WALTERS WHITEPAPER

WORK SPACE DESIGN VARIABLES AND THEIR IMPACT ON PRODUCTIVITY, LOYALTY AND ENGAGEMENT

the**propertygroup**
Corporate Property Advisors and Negotiators ®

ROBERT WALTERS

FOREWORD

Organisations are increasingly aware of how employees are motivated by a combination of concerns. Flexible working policies, on-the-job personal development and greater interaction with senior decision makers; all undoubtedly wield a greater influence on jobseekers than they once did.

While the impact of office environment and design on employee satisfaction may be less apparent, consider the many ways in which it will affect your workforce. Can you encourage greater collaboration and effective sharing of ideas by re-arranging your work spaces? What are the most common symptoms of poor office design? And do professionals factor this in to their decision on a job offer?

This whitepaper is a guide for employers on how workspaces impact on employees and their productivity, loyalty and engagement with the business.

For the purposes of this whitepaper, workspace design variables refer to the functional and aspirational characteristics of the spaces in which they work.

Is it open plan, void of partitioning? Open plan with acoustically treated desk partitioning? Cellular only? Or a combination of these?

Open plan encourages collaboration, break out spaces facilitate meetings or focused work tasks, while meetings, training or project work are all fostered by use of meeting rooms.

Matching workspace design to the needs of your workforce provides an environment that realises optimum outcomes for all stakeholders.

Wayne Crowley
Managing Director
The Property Group

METHODOLOGY

This whitepaper is based on the research undertaken by Robert Walters in conjunction with The Property Group.

To conduct this research Robert Walters and The Property Group surveyed over 2500 public and private sector professionals across New Zealand.

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THE PARTNERSHIP

Robert Walters New Zealand began their partnership with The Property Group after a phone call from Gareth Kilsby, Chief Operating Officer at TPG who had previously worked with Robert Walters London.

TPG were in the process of providing property consultancy services in Christchurch after the 2010/11 earthquakes and were in desperate need of property consultants. Despite having never worked with Robert Walters New Zealand before TPG engaged the property team in Wellington.

Robert Walters has since recruited additional roles for TPG in Christchurch, Wellington and Auckland covering all levels of seniority.

Robert Walters places huge value on its client partnerships and understands the power of dual branding. This whitepaper is a further example of what can be achieved when two organisations work in partnership and Robert Walters is delighted to be able to partner with The Property Group and utilise our mutual networks to produce quality market intelligence for our clients.

ABOUT THE PROPERTY GROUP

The Property Group Limited (TPG) is New Zealand's largest team of specialist corporate property consultants. TPG provides in-depth corporate property intelligence on everything from high-level strategy to rent reviews and negotiations. Whatever your property problem, TPG has the team to solve it.
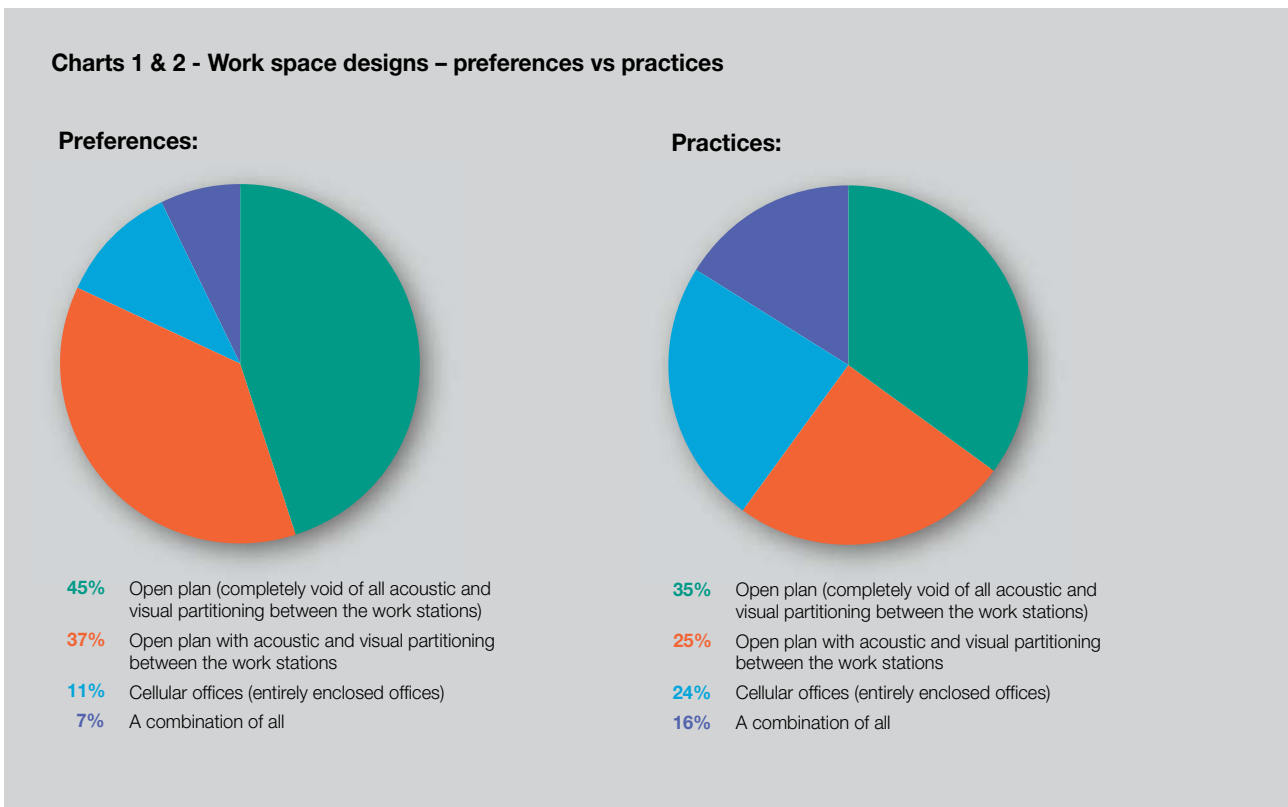Visit **www.propertygroup.co.nz** for more.

ABOUT ROBERT WALTERS

Robert Walters is one of the world's leading recruitment consultancies with a global presence spanning 24 countries. The New Zealand business recruits across the fields of accounting & finance, banking & financial services, engineering & technical, general management, human resources, information technology, legal, policy, procurement & supply chain, property & facilities management, sales, marketing & communications and secretarial & business support.

WORKSPACE DESIGN VARIABLES – PREFERENCES VS PRACTICES

Nearly half of all professionals (45%) prefer open plan offices with at least some form of partitioning, the survey shows.

Only one in ten (11%) would opt for fully enclosed cubicles, and even fewer (7%) want their office to be completely open plan. However, almost four in ten (37%) would combine these features across different parts of their working environment.

Charts 1 & 2 - Work space designs – preferences vs practices

Preferences:

45%	Open plan (completely void of all acoustic and visual partitioning between the work stations)
37%	Open plan with acoustic and visual partitioning between the work stations
11%	Cellular offices (entirely enclosed offices)
7%	A combination of all

Practices:

35%	Open plan (completely void of all acoustic and visual partitioning between the work stations)
25%	Open plan with acoustic and visual partitioning between the work stations
24%	Cellular offices (entirely enclosed offices)
16%	A combination of all

These results jar with common workspace designs. While a third (35%) of professionals work in partitioned open plan offices, 40% are employed in either open plan or cellular environments.

Despite these results, however, employers need to take into account the makeup of their workforce.

Generation Y professionals (20-34 year olds) are more than twice as likely to prefer completely open plan offices than Baby Boomers (51-69 years olds) or those from Generation X (35-50 years old), for instance.

Additionally, women are twice as likely to be dissatisfied with their existing workspace design than men, an important factor to bear in mind as organisations increasingly look to entice skilled female professionals back into the workforce after maternity leave or a career break.

Interestingly, professionals working at organisations with more than 200 employees are more likely to prefer partitioned open plan offices (56%) than those at organisations with 20-199 (43%) or up to 20 employees (25%).

Key learning #1 – Listen to your employees

Many of your professional employees enjoy years of office experience, bringing a firm understanding of workspace designs that deliver productive working environments.

Depending on the nature of your organisation, some variables may be more suitable than others. Engaging with the views of your employees and introducing straightforward design changes is a good method for generating loyalty to your organisation.

45%
of professionals prefer open plan offices with at least some form of partitioning

THE IMPACT OF WORKSPACE DESIGN ON PRODUCTIVITY AND CONCENTRATION

A number of professionals cited places to gather and collaborate (28%), private spaces for focused work (30%) and visual partitioning to prevent distractions (30%) as most important to their productivity, suggesting that varied office designs create a more satisfied workforce.

Among those dissatisfied or very dissatisfied with their workspace design, the most widespread concern was a lack of private space (43%) to allow them to concentrate.

The next most common concern – the need for more acoustic partitioning (29%) – suggests that dissatisfied employees are most unhappy with their office's inability to insulate them from distractions. Virtually all (97%) of this group say their existing workspace design drains their ability to focus, with nearly half (46%) describing it as 'impacting heavily' on their productivity.

The survey found that stress and low morale are the most likely outcomes of poor workspace design for Generation Y professionals, while individuals from Generation X and Baby Boomers typically say this results in problems concentrating.

Age also makes a difference to dissatisfaction with workspace design. A third (33%) of those from Generation Y want more spaces to collaborate with colleagues, compared to 26% of Generation X professionals and a fifth (21%) of Baby Boomers.

43%

of professionals are dissatisfied with their office space due to the lack of private space to allow them to concentrate

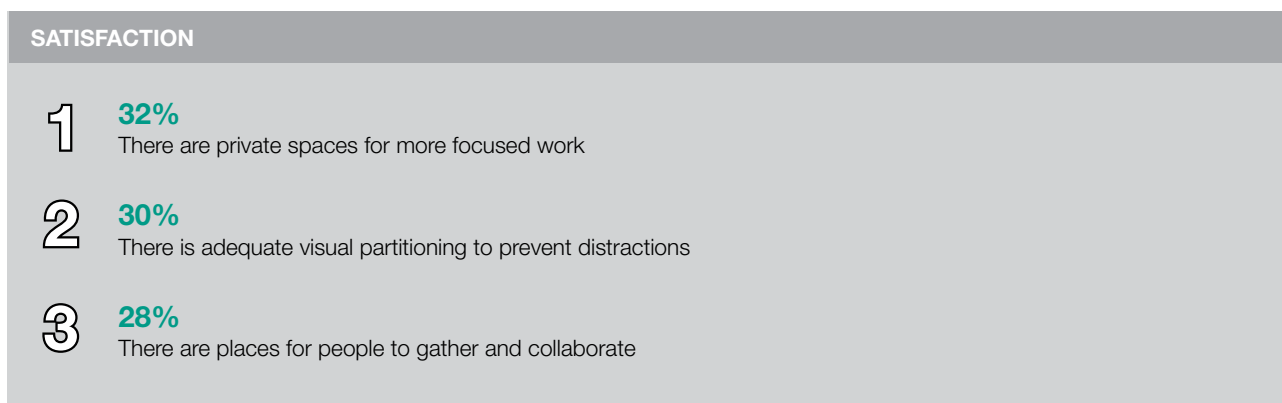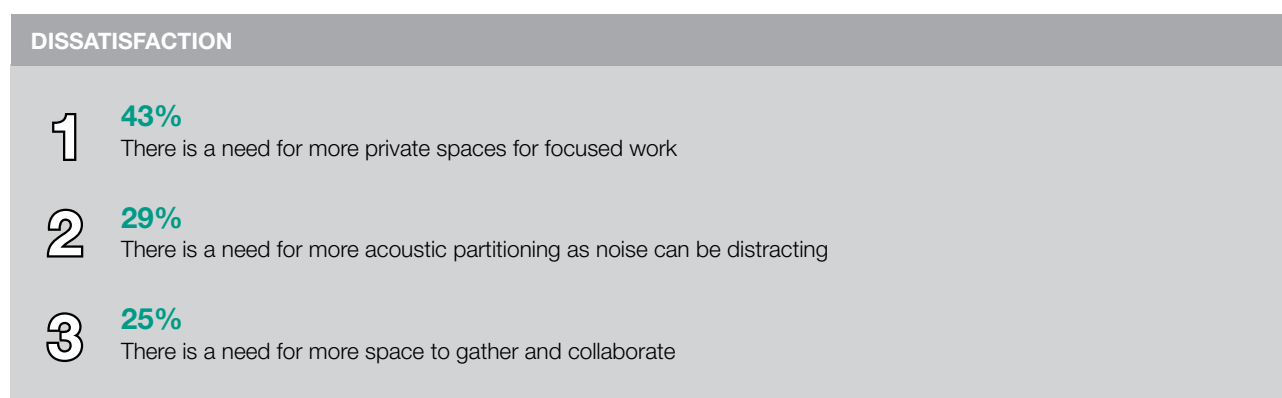**Chart 3 - Top three design variables that increase workplace satisfaction**

SATISFACTION

1   **32%**
There are private spaces for more focused work

2   **30%**
There is adequate visual partitioning to prevent distractions

3   **28%**
There are places for people to gather and collaborate

Chart 4 - Top three design variables that contribute to workplace dissatisfaction

DISSATISFACTION

1   **43%**
There is a need for more private spaces for focused work

2   **29%**
There is a need for more acoustic partitioning as noise can be distracting

3   **25%**
There is a need for more space to gather and collaborate

Key learning #2 – Varied workspaces boost productivity and focus

Employee dissatisfaction is guaranteed to create complicated HR headaches, if a consensus can't be reached on a single design for your workspace, consider a range of cubicles, breakout areas and other variables that provide employees with options for achieving their objectives. In today's innovative environment, many professionals appreciate the ability to both complete their work and exchange ideas with colleagues.

In fact, the survey indicates that a varied workspace – with designated areas for engagement, collaboration and focus – may boost employee satisfaction.

43%

of those dissatisfied with their workspace design attributed this to lack of private spaces

WHICH WORKSPACE VALUE-ADDS DO EMPLOYEES MOST VALUE?

Among the highest priorities is feeling safe and secure in the workplace (cited as a top three concern by 49% of professionals), sitting alongside creature comforts such as air conditioning (64%) and modern kitchen facilities (53%).

Women are more likely (57%) than men (44%) to expect a safe and secure environment to work in, so this is an area that some employers may want to review as part of their diversity strategy.

Over half of all professionals deem kitchen space as one of their top three workplace 'must haves', while 47% say dedicated space for breaks and social interaction is a priority.

Given the growth in popularity of running or cycling to work, along with increased expectations of socialising with clients or colleagues, it is unsurprising that more than four in ten professionals appreciate working for an employer that allows them space and storage for personal effects.

Conversely, despite opinions on employee wellbeing, outdoor space is ranked as very far down the list of priorities, with only 18% citing it as one of their top three concerns.

TOP THREE PRIORITIES

1. Air conditioning

**2.** Kitchen facilities

3. Dedicated spaces for breaks and social interaction with colleagues

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Key learning #3 – Understand the workspace variables that matter most to your employees

Most workspace designs are not set in stone, yet some employers have failed to keep up with changing priorities. While safety and security remain a number one concern, variables such as air conditioning, modern kitchen areas and breakout spaces are also important to maintaining employee satisfaction.

A happier workforce is more likely to be positive about your organisation to their colleagues and friends, bolstering your organisation's image and employer brand.
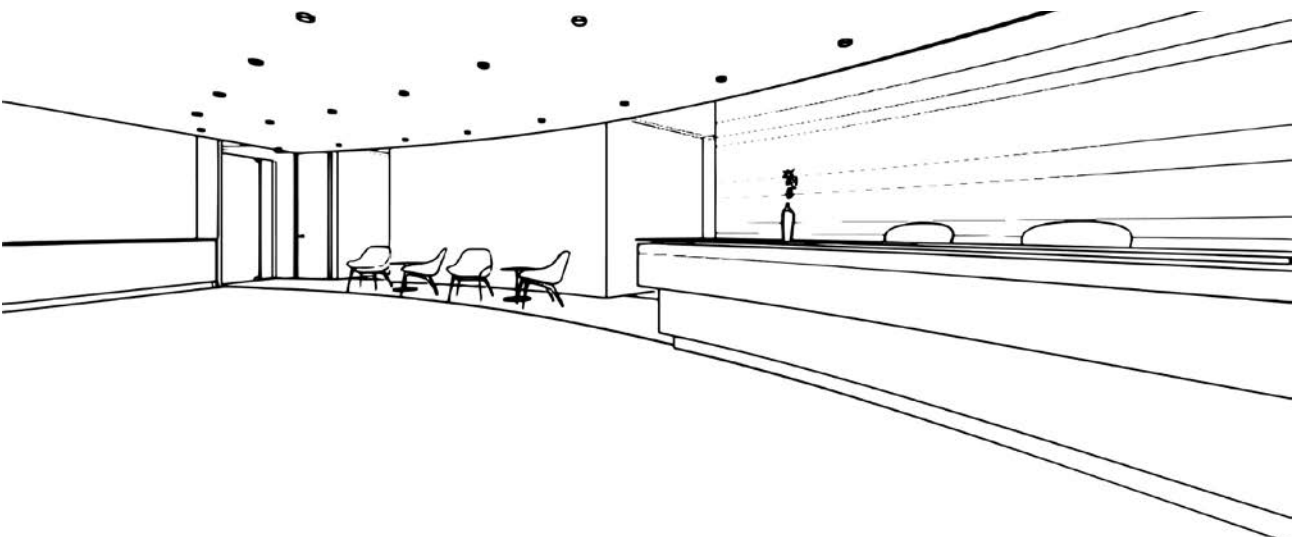
47%

of professionals say space for breaks and social interaction is a high priority in their workplace

WORKSPACE DESIGN AS AN ATTRACTION AND RETENTION STRATEGY

One of the most interesting outcomes of the survey is that good workspace design plays a strong role in attracting and retaining professional staff.

More than seven in ten (74%) say that investing in or upgrading office facilities to better meet their needs plays a considerable part in their decision to stay in their job.

In the modern office environment, collaboration and the ability to share ideas with colleagues from different parts of the business are seen as crucial to personal development - nearly nine in ten value this as a hugely important element of their workspace design.

Chart 5 - As a working professional, how does workspace design affect you?

94% say a job interview should incorporate a tour to promote the benefits of good workspace design

89% say areas for social interaction and engagement at work are highly valued

75% say workspace design influences their feeling of value as an employee

74% say investing in or upgrading office facilities would influence their decision to stay in a job

Overall, across all professions and organisation sizes, 75% of professionals say that visible investment in workspace design makes a difference to their feeling of value as an employee.

Interestingly the survey showed that the more experienced members of the workforce, Baby Boomers (81%) and Generation X professionals (77%) believe good workspace design makes them feel more valued compared to Generation Y professionals (64%).

Furthermore, while other factors may seem more influential, 46% of professionals considering a move say that good work space design has a strong impact on whether to accept a job offer.

In addition to this, more than nine in ten (94%) agree that a prospective employer should incorporate a company tour into the interview process to emphasise the benefits of good workspace design.
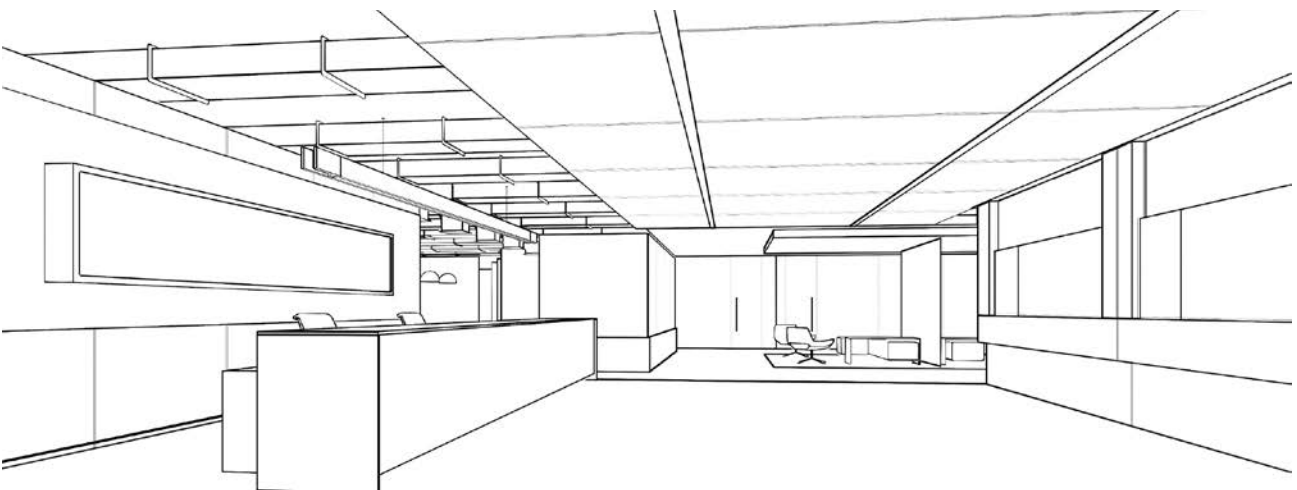
Key learning #4: Workspace design offers a competitive edge to your HR strategy

There are many different factors that motivate employees, including pay, working conditions and the opportunity for learning and progression. Yet many organisations overlook the role of good workspace design, both to ensuring employee satisfaction and as a tool to securing new professional staff.

Relatively straightforward changes – such as upgrading kitchen areas or closing off floorspace to create inviting new areas for staff to work together – can make a huge difference. Taking a renewed approach to your workspace design and promoting the positive changes you've made to facilitate a more productive and satisfied workforce could impact hugely on your attraction and retention strategy.

PRACTICAL GUIDELINES AND BEST PRACTICE FOR GOOD WORKSPACE DESIGN

Understand what you want to achieve

At the outset of a workspace design project, it is essential to understand both the key objectives of the decision makers and project constraints and opportunities.

Management must commit to the project both financially and philosophically, while leading from the top. This will ensure the implementation stage is actually realised.

Plan and communicate change

Change can create uncertainty and fear. Effective internal communication is vital to countering this. Allowing employees to adjust to and embrace change, thus appreciating a positive journey for all.

A top priority should therefore be to develop a clear project methodology that establishes timelines and pathways. Clarify required inputs from project champions and employees, and identify the tools and strategies that will allow you to develop a well considered functional and aspirational design brief.

Listen to your employees

Interviews, workshops and surveys are all useful channels for understanding organisational culture and which workspace designs will best allow your employees to meet their objectives. Perceptions must be tested and all employees given a say.

Measure the information gathered against key objectives, budgets and industry best practice. This will help you create a detailed, fit-for-purpose design.

Explore ways of removing obstacles to flexible working

Our research shows that both employees and hiring managers fear the negative consequences of flexible working arrangements. Creating a workplace culture where these arrangements can be discussed, measured and adjusted openly will help alleviate these fears and allow you to reap the rewards that flexible working can deliver.

Allow for change

Many employees are continually learning and developing on the job, and deserve a workspace design that helps them realise this. The workspace should be a place where people want to be.

Successful workplace design should fit employee needs while being flexible and adaptable enough to adjust to organisational growth, operational change or new technologies, yet this should not be at the expense of aesthetics or organisational culture.

CONTACT US

To discuss this whitepaper or your recruitment needs in more detail, please contact your Robert Walters recruitment consultant.

ROBERT WALTERS

Auckland
James Dalrymple
Director
T +64 (0) 9 374 7300
E james.dalrymple@robertwalters.co.nz
Level 9
22 Fanshawe Street
Auckland
New Zealand

Wellington
Shay Peters
Director
T +64 (0) 4 471 9700
E shay.peters@robertwalters.co.nz
Level 8
Featherston House
119 - 123 Featherston Street
Wellington
New Zealand

THE PROPERTY GROUP

Auckland
Level 15
34 Shortland Street
PO Box 104
Auckland 1140
T +64 9 309 8526

Wellington
Level 10
86 – 96 Victoria Street
PO Box 2874
Wellington 6140
T +64 4 470 6105

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